

Czech Trade Focus

News from the Czech Commercial Offices in the United States / September 2004

Czech Trade with the U.S. Czech Cabinet Economic Indicators Marketing Events
Outsourcing from CR U.S. Firms in the CR Czech Steel Exporters Positive Effects of Euro

INCREASE IN CZECH EXPORTS TO THE U.S.

Czech exports to the U.S. grew in 2004 (January to June) to \$837.4 million. Up \$172.6 million compared to the same period of 2003. The total volume of imports from the CR to the U.S. is likely to reach a record over \$1.5 - 1.6 billion this year. The structure of exports has been changing dramatically in favor of more sophisticated engineering products, electric machines and electronics including data processing and office machines.

Top 10 export groups (millions \$) in 2004:

1. machinery & mechanical appliances, incl. office machines, digital data processing units (56.3 mil.), pumps for internal combustion engines (45.7 mil.), pneumatic, hydraulic tools (20 mil.), turbojet engines (13 mil.)	221.2
2. electrical machinery, apparatuses & parts thereof, incl. electric capacitors (30 mil.)	138.0
3. steel, articles of iron and steel	77.71
4. rubber products, tires, plastic products and plastics	44.7
5. optical apparatuses, medical devices	40.9
6. structural aircraft parts, parts of helicopters	36.6
7. glass, glassware, glass beads	36.0
8. organic & inorganic chemicals	34.6
9. agricultural tractors, parts of motorcycles	24.0
10. furniture & lighting fixtures (chandeliers)	19.2

Further exports are textiles, musical instruments, toys, games, sports gear, sporting arms & rifles, ammunition, confectionery, beer and mineral water, dyes, explosives and other chemical products, dairy produce (cheese and butter), wood and wooden articles, paper and paper products, pharmaceuticals, parts of vehicles for public transit and other products.

NEW GOVERNMENT

Czech Parliament gave a vote of confidence to the reshuffled center left government of PM Stanislav Gross on August 24. Among its priorities is to develop human resources, build the Republic's strong position in the EU, maintain social peace and lower the public debt. The new government comprises the same three coalition parties as the previous one, the Social Democrats, Christian Democrats and Freedom Union.

THE CABINET MEMBERS ARE:

Prime Minister	Stanislav Gross (Social Democrats, CSSD)
Deputy Prime Minister and Minister of Labor and Social Affairs	Zdenek Skromach (CSSD)
Deputy Prime Minister and Minister of Transport	Milan Simonovsky (Christian Democrats, KDU-CSL)
Deputy Prime Minister and Justice Minister	Pavel Nemeec (Freedom Union, (US-DEU)
Deputy Prime Minister for the Economy	Martin Jahn (non-party member for CSSD)
Minister of Foreign Affairs	Cyril Svoboda (KDU-CSL)

Minister of Interior	Frantisek Bublan (non-party member for CSSD)
Minister of Finance	Bohuslav Sobotka (CSSD)
Minister of Defense	Karel Kuehnl (US-DEU)
Minister of Industry and Trade	Milan Urban (CSSD)
Minister of Education	Petra Buzkova (CSSD)
Minister of Agriculture	Jaroslav Palas (CSSD)
Minister of Culture	Pavel Dostal (CSSD)
Minister of Health	Milada Emmerova (CSSD)
Minister of Environment	Libor Ambrozek (KDU-CSL)
Minister of Local Development	Jiri Paroubek (CSSD)
Minister of IT	Vladimir Mlynar (US-DEU)
Minister without Portfolio responsible for legislative matters	Jaroslav Bures (non-party member for CSSD)

ECONOMIC INDICATORS

□ **Czech GDP** grew by 3.1% in the first quarter of 2004, exceeding the GDP 2003 growth of 2.9%.

□ **Consumer price growth** exceeded 3% for the first time in two years in July. The central bank raised interest rates for the first time in three years this June.

□ **Czech currency**, the Czech crown (CZK), was trading in the range of 25.12 – 26.52 CZK per 1\$ during July and August 2004, reaching its strongest position in the middle of July. By the end of August the crown traded above 26 CZK per 1\$.

□ Deficit of **trade balance** (\$2.315 mil.) is further backed by surplus in **balance in services** \$373.4 mil. and the continuing inflow of FDI. The **balance of payments**

registered a surplus of \$5.465 mil. The predicted volume of FDI to the CR in 2004 is \$ 4.040 mil.

□ **Monthly average nominal wage** in private sector is CZK 16,954 (about \$659); civil servants earn CZK 15,950 (about \$620).

□ The situation on the **labor market** is improving, with the unemployment rate remaining steady at 9.9%, although most analysts forecast a moderate increase to 10 percent.

□ The country's **industrial output** in August was 7.6% higher than a year ago, growing from 4.1% in July.

□ **Construction output** grew by 8.3% year-on-year in August from only 0.4% in July.

□ **Retail sales** grew by 2.8% y/y in August, comparing to –1.5% in July.

□ According to the Industry and Trade Ministry, **the proportion of profit-making firms** in Czech industry rose from 62.6% in 2002 to 66% last year. By contrast, the number of loss-making businesses dipped 10% y/y to 81%.

□ **Czech state budget gap widened to Kc49.7bn in June**, up from May's Kc45.4bn, while in January-June last year the gap amounted to Kc53.4bn. In the first six months the deficit reached 43% of the gap approved for this year, that is, Kc115bn.

CZECH OFFICIAL PARTICIPATIONS AT U.S. TRADE SHOWS

Czech Aerospace Industry at Oshkosh EAA Air Venture 2004

Czech aerospace industry was present at the EAA Air Venture in Oshkosh, WI, July 27th to August 2nd. Prominent Light Sport Aircraft producers featured light and ultra-light planes. The main reason for Czech attendance at the EAA AirVenture 2004 was the fact that US Federal Aviation Administration had approved new rules for maintaining and operating Light Sport Aircrafts recently.

CZECH COMPANIES REPRESENTED:

AVIA PROPELLER, s.r.o.

Beranovych 666
199 00 Praha 9
Representative: Mr. Brunclik

CSW - CZECH STEEL WOOL, s.r.o.

Zavod Dukla
357 09 Habartov
Representative: Mr. Stariat

CZECH AIRCRAFT WORKS, s.r.o.

Lucni 1824
686 02 Stare Mesto
Representative: Ms. Durdakova

EVEKTOR – AEROTECHNIK, a.s.

Letecka 1384
686 04 Kunovice
Representative: Mr. Mach

Fantasy Air, s.r.o.

Kollarova 511
397 01 Pisek
Representative: Mr. Jestrab

Galaxy High Technology, s.r.o.

Tr. 1. maje 66/24a
460 01 Liberec 3
Representative: Mr. Babovka

HIGH PERFORMANCE AIR INT, s.r.o.

Lobecek 732
278 01 Kralupy n. Vlt.
Representative: Mr. Varadi

INTERPLANE, s.r.o.

Letiste Zbraslavice

285 21 Zbraslavice
Representative: Mr. Hurt

TL – ULTRALIGHT, s.r.o.

Dobrovskeho 734
500 02 Hradec Kralove
Representative: Mr. Tlusty

URBAN – AIR, s.r.o.

Dolni Libchavy 257
561 16 Libchavy
Representative: Mr. Stepanek

WALTER, a.s.

Jinonicka 329
158 00 Praha 5
Representative: Mr. Ptcnik

Czech Aircraft Industry at the NBAA in Las Vegas

National Business Aviation Association will host the NBAA Annual Meeting & Convention in Las Vegas, October 12th – 14th. Czech civil aviation will be represented at this event by Walter a.s., manufacturer of aircraft and industrial turbine engines, and IBIS Aerospace Ltd., manufacturing a single engine turboprop Ae-270 Ibis.

Walter, a.s.

Jinonicka 329
150 07 Praha 5
Tel.: (+420) 251.042.510
Fax: (+420) 257.216.983
E-mail: marketing@walter.cz
www.walter.cz

IBIS Aerospace, Ltd.

250 70 Odolena Voda
Tel.: (+420) 286.0311.111
Fax: (+420) 283.970.064

Czech Machine Tools at the IMTS 2004 Chicago

Leading Czech companies will be exhibiting at the 2004 IMTS in Chicago, September 8th-15th, at the official Czech expo with thirteen companies in the Metal Cutting hall – booth A 8775 of the McCormick Center.

13 leading Czech companies exhibiting at this year's show are offering:

- Production of universal cylindrical grinding machines and centre less grinders
- Machine tools production
- Band and circular saw production
- Horizontal boring and milling machines – retrofitting, modernising, reconstructing-selling production
- Forming machine production
- Production of universal conventional and CNC center lathes, horizontal three-axis turning centers, toothing machines, CNC and conventional hobbling and shaping machines, overhauling and modernization of machine tools, cooperative manufacture of sections and assembly parts, manufacture of spare parts, servicing and consulting

CZECH COMPANIES EXHIBITING AT IMTS 2004

Name of company	Web site	Production
CETOS	www.cetos.cz	Production of universal cylindrical grinding machines and centerless grinds
CKD Blansko Strojirny	www.ckdblansko.cz	Machine tool producer
HELTOS		Machine tool producer, forming machines producer
INTOS	www.intos.cz	Machine tool producer
KOVOSVIT MAS	www.kovosvit.cz	Machine tool producer
PEGAS-GONDA	www.pegas-gonda.cz	Band and circular saw producer
RETOS VARNSDORF	www.retos.cz	Horizontal boring and milling machines – retrofitting, modernising, reconstructing-selling

SKODA HOLDING	www.skoda.cz	Machine tool producer
SMERAL BRNO	www.smeral.cz	Forming machine producer
STROJTOS LIPNIK	www.strojtos.cz	Machine tool producer
TOS CELAKOVICE		Universal conventional and CNC center lathes, horizontal three-axis turning centers, toothing machines, CNC and conventional hobbing and shaping machines, overhauling and modernization of machine tools, cooperative manufacture of sections and assembly parts
TOS VARNSDORF	www.tosvarnsdorf.com	Horizontal boring and milling machines and machining centers
WEILER HOLOUBKOV	www.weilercz.com	Machine tool producer

OUTSOURCING FROM THE CR IS NO THREAT TO U.S. JOBS

While the U.S. political debate about outsourcing and offshoring goes on, U.S. companies keep on outsourcing and offshoring, including from the Czech Republic. "The unrelenting pressure on U.S. companies to continue to cut labor costs guarantees that more work will be done in America by fewer people. In addition, from China to the Czech Republic, there is virtually an unlimited supply of industrious and educated labor working at a fraction of U.S. wages. And these workers skills will be enhanced by the expansion abroad of the research companies such as IBM and Intel employing local talent." writes Jeffrey E. Garten in his article *"Offshoring: You Ain't Seen Nothin' Yet"* in the Business Week. Yes, the Czech Republic is indeed on the radar screens of U.S. economic researchers and globally thinking companies.

Outsourcing can be viewed from many perspectives. From the perspective of the lesser developed world, outsourcing has been the best form of foreign or U.S. aid to the developing countries or countries in economic transition, such as the post-communist countries of Central Europe, which proudly joined the EU this year. The tradeoff of outsourcing and offshoring is creation of more jobs and thus wealthier consumers abroad. Wealthier consumers mean more demand for higher end products of U.S. global companies from Coca-Cola to NIKE shoes and Intel powered HP computers and computing gear.

Traditionally the CR has been a sweetheart to German firms outsourcing products and services abroad, and after some time it became an attraction for outsourcing and offshoring activities of global Japanese, British and U.S. firms. Outsourcing of manufacturing parts, knowledge and services from the Czech Republic constitutes no threat to the U.S. job market for several reasons. In terms of population (10.4 mil.), the Czech Republic cannot be compared in any way to China or India. Therefore, the volume of goods and services outsourced from the CR is very little in comparison to the magnitude of U.S. outsourcing and offshoring to China or India. Further, the R&D or maintenance centers of U.S. firms located in the CR serve mostly local or European activities of global U.S. firms, and only at a limited scale add value to U.S. based operations.

U.S. corporations need some foothold for their European operations, in a single market bigger than the U.S. market, and simply have to place their facilities in some European spot. While Europe (the EU) is nowadays big enough, they have many options. In addition, outsourcing is not the correct word for business activities within the EU market, including subsidiaries of U.S. companies in Europe. As U.S. firms do not outsource from California to Wisconsin, they do not outsource from Central Europe to Spain, as they operate in one single European market.

The Czech Republic has been an attractive place not only for government investment incentives, but for its industrial and cultural tradition and skilled educated labor in the first place. ExxonMobil, DHL, IBM, Ingersoll Rand, Honeywell and others, have picked the CR for their major European presence for many good reasons.

Among other criteria, the CR maintains an extensive educational system of high schools and universities. Fifty-five universities cater for 250,000 students, of which 50,000 study economy and finance and 20,000 IT. Czechs have the highest secondary level school completion rate in Europe. Demand for university education has fostered new private colleges and language schools. Seventy percent of the population is able to communicate in at least one foreign language, with English and German being the most represented ones. Active knowledge of Central European languages and Russian is a key factor to success in country competition for European service centers of multinationals. The CR still keeps its low-cost advantage for shared centers in comparison to Western European states or North African or Middle East countries. Operational costs in other Czech cities than Prague are comparable to those in Asia. The country excels in telecommunication infrastructure with multiple providers of voice, data and Internet services of the latest standard of world's class technology.

As a result of the EU accession, FDI is getting stronger. In the first half of 2004, the total value of new investment projects handled by CzechInvest alone is close to 1 billion Euros. Compared to the first six months a year earlier, the number of projects doubled. The projects indicate creation of at least 8.500 new jobs, of which university or high school graduates will fill in 60%. This represents a radical shift from classical manufacturing to industries with a need of highly qualified labor. It is no wonder that more and more high-tech operations are directed to a country in the very center of Europe with educated, skilled labor.

It seems that thanks to the well educated and mostly multilingual population, the Czech Republic will be successful in attracting more and more sophisticated industries and building a new knowledge-based economy with major modern industries as microelectronics, biotech, wireless communication. This would be impossible without global economy and more outsourcing or offshoring by global companies.

*Jiri Kulis, Economic Counselor
Czech Embassy, Washington*

MAJOR U.S. MANUFACTURING COMPANIES IN THE CZECH REPUBLIC

Accenture	Electronics, solutions
Ademco International	Electronics
Air Products and Chemicals, Inc.	Chemical industry(technical gases)
Allied Signal	Aerospace
Aluminium Co.	Automotive industry (aluminium truck wheels)
American Standard	Sanitary ceramics
AMF Reece Inc.	Textile industry
Arrow International	Health care equipment
ASCI Holdings Czech, Inc.	Automotive equipment
Asia Pacific Eastern Europe (AEE)	Chemicals
Austin Czech Holdings Company	Chemical industry (explosives)
AVX	Electronic components
AXL	Hydraulic power steering
Bancroft Czech Republic, L.P.	Earth moving equipment
Baxter Corp.	Biotechnology
Black & Decker	Electric tools
Cabot Corporation	Chemicals
CDT (Cable Design Technology)	Electronic cables
Collins & Aikman	Automotive components
Continental AG	Automotive industry (tires)
Delphi Automotive Systems, Inc.	Automotive cables
Delphi Packard Electric	Automotive industry (seat belts)
DuPont Chemical & Energy Operations, Inc.	Petrochemical industry
Dura Automotive Systems	Automotive body parts
Dura Line Corp.	Plastics
Eileen Mandarino	Aircraft technology
Falcon Products, Inc.	Furniture
Federal Mogul Corporation	Automotive brake systems and components
Ford/Visteon	Automotive components
Galston Investments Ltd	Automotive rubber and plastic products
Glebus Polymers International L.L.C.	Automotive rubber products
Hayes Lemmerz International	Automotive components
Honeywell Corporation	Aerospace, electronics, automation
Chard Industries Inc.	Machinery and equipment
Charles Investment Partners	Wooden floors
IBM World Trade Corporation	Electronics (IT expert centrum)
Illinois Tool Works Inc.	Plastic and stamped metal parts
Ingersoll Rand	Automotive equipment, airconditioning
IOC - Agip, DuPont-Conoco, Royal Dutch Shell	Chemical industry, rafineries
IRCR Manufacturing	Automotive Industry, Air Compressor Manufacturing
ITW International Holding	Automotive components
Johnson Controls Inc.	Automotive interior
JPM Company	Electronics
Kimberly-Clark Corp.	Pharmaceuticals & Healthcare
Kraft Food International	Food & beverages
Lear Corporation	Automotive interior
Lennox International	Electronics, air conditioning systems
Lexmark International Inc.	Electronics, intrachip wiring for PC
LORD	Chemicals
Lucas Automotive	Automotive Industry (car brake systems)
M. Ward Manufacturing	Electronics
MeadWestvaco Corporation	Food Packaging
Methode Electronics Inc.	Electronics
Northern Technologies International Corp.	Plastics
Novus Holding Corporation	Aircraft engines
ON Semiconductor	Semiconductors
Otis Elevator Company	Elevators
OWENS-ILLINOIS	Glassware
Parker Hannifin Corporation	Automotive, plastics, airconditioning systems
PCC	Engineering, aviation components
Philip Morris	Tobacco industry
Procter & Gamble	Consumer chemicals
Ralston Purina	Electronics
SLI Automotive Lighting	Automotive Industry, Lights, plastic parts

T&N Limited
TCI Group
Tennant
Tenneco Automotive
The Timken Co.
Torrington
Trustfin - Vanguard
Venture Holdings Trust
Visteon
Warburg Pincus LLC
Whitman Corporation

Chemical industry
 Optical instruments
 Automotive components
 Automotive engineering (shock absorbers)
 Automotive bearings
 Automotive bearings
 Engineering
 Automotive, Plastic components
 Automotive equipment
 Pharmaceuticals & Healthcare
 Food & beverages (PEPSI)

INVESTMENT BRIEFS

► **The first six months of 2004** indicate twice more investment projects into R&D, business support services and manufacturing in the Czech Republic with total value close to one billion Euros.

► **The CR ranks among** the countries with the best investment opportunities in the segment of bad debts, according to a survey titled Global Report on 2004 Endangered Debts, carried out by Ernst & Young.

► **USA Today on Business Costs in Prague:** Office occupancy costs in Prague are competitive. According to a report published by the commercial real estate services firm, CB Richard Ellis, in 2002, the total average occupation cost for offices in Prague is \$28.77 US per square foot per annum. In Warsaw the figure is \$38.40 US, while in Budapest and Vienna it is \$24.85 US and \$27.63 US respectively.

► **The country has become a favorite European post for outsourcing** centers thanks largely to technology centers set up by giants such as IBM, Sun Microsystems, DHL and Dell, according to A.T. Kearney study. The Czech Republic ranks fourth behind India, China and Malaysia as a site for offshoring, with low taxes and a cheap, well-educated work force working in its favor.

► **ExxonMobil**, the world's largest oil company, has opened its European center for strategic services in Prague. The center will provide ExxonMobil's arms with client service and services in selected areas of IT, finance and accounting. Up to 95 per cent of services will be exported.

► **Danish Bang & Olufsen**, luxury electronics maker, announced plan to build a plant in Kopřivnice, North

Moravia, for production of TV sets, audio and video systems.

► **Taiwan-based Asustek Computer Inc. located** a 20 million euro European production and repair center in north Moravia. It will open in the spring of 2005, employ 1,300 people and produce up to 200,000 personal computers per month.

► **Swiss biotechnology firm Lonza has expanded** its central production facility, bringing its total investment in the region to more than 117 million euros (3.7 billion Kc/\$144 million). Lonza produces biotech products for food and pharmaceuticals.

► **Japanese Koito, manufacturer of automotive lighting products,** is expanding production to supply leading automobile manufacturers including Renault and Land Rover.

► **German Behr Co.** is investing nearly 36 million euro into their new plant for annual production of 300.000 heating and A/C components, 400.000 radiators and cooling modules.

► **Denso, Japanese manufacturer of A/C units,** has opened a new production factory for automobile air-conditioning units. The total volume of this investment will be up to USD 255 million and will create more than 900 direct jobs. Production at the Liberec factory is intended for the European market.

► **Panasonic launches a massive expansion in Pilsen.** With Investment of USD 46 million, over 550 new jobs is anticipated for the expansion of Panasonic planned in Pilsen. The company will build a new factory to produce TV sets with plasma screens (PDP) and TV sets with liquid crystal screens (LCD). Panasonic, a part of Matsushita Electric Corp., Japan, has to date invested over USD 136 million into

its production and R & D facilities in the CR and employs more than 1700 people. The Czech factory exports products at an annual turnover exceeding USD 509 mil. - over 99% of its production - to 30 countries, primarily in Europe.

► **Austrian Mayr-Melnhof Holz Gruppe** has launched production in its new plant in Paskov. With investment into the plant reaching nearly 60 million euros, the plant constitutes a major contribution of regional importance for development of the lumber industry cluster.

► **German RWE Schott Solar**, manufacturer of solar energy systems, is going to build a Czech facility producing solar modules.

► **Ingersoll-Rand announced to start a new technology center in the CR, adding R&D** to its huge activities in the CR. The center will focus primarily on innovations in the field of mobile cooling and air conditioning components, stationary cooling devices for food distribution, air compressors, loaders, and on the construction of excavators and telescopic manipulators.

► **Also Tyco International expands R&D activities in the CR** unveiled a plan to expand their research by setting up a new design center in Brno, engaged in product design for fire detection and care communications. After Honeywell and Tescan, Tyco is the third company to announce an innovation-oriented, high-value-added project in Brno.

► **Spanish Inteplast** plans to build a new facility in the Czech Republic for the production of plastic components for the automobile and electrical industries by the end of this year. The construction investment is to exceed USD 11.32 mil.

► **Japanese Kyocera Corporation**, one of the world's leading solar panel

manufacturers, has decided to build its new production plant for solar panels in Kadan, North Bohemia. Kyocera intends

to invest approximately 5.8 million euro into the future plant. The new solar module assembly facility in Europe will

serve the purpose of developing modules fitting to European market.

ECONOMIC POLICY

■Finance Ministry proposes state budget with Kc94bn gap for 2005

The deficit of the state budget next year is proposed by the Czech Finance Ministry to reach Kc94bn. The figure does not include payment of losses of state-run bail-out agency Ceska konsolidacni agentura CKA worth Kc19bn. In real terms, the deficit is Kc2bn lower compared with this year's projected gap of Kc115bn.

■CNB raises interest rates

The Czech National Bank raised interest rates for the first time in three years on June 24, hiking rates by a quarter point to 2.25 percent. CNB vice-governor Ludek Niedermayer said that rising inflation initiated the central bank's interest-rate hike, the first since July 2001.

■New Prime Minister Stanislav Gross voiced his disagreement with the sale of 16 percent of power company CEZ on the capital markets and wants the state to keep control of the company.

■Klaus signs bills on personal data protection, VZP into laws

President Vaclav Klaus signed the amended bill on personal data protection, which includes genetic information among sensitive personal data, and several health care amendments into laws. EU approves CzechRep's timetable for cutting the deficit.

■The European Union launched proceedings over an excessive budget deficit with the Czech Republic and another five new EU members and EU Finance Ministers approved the timetables for cutting deficits as proposed by these

countries. They agreed with the Czech Republic cutting its deficit below 3 pct of GDP by the year 2008.

■Starting July 1, SME's are allowed to submit applications for financial support from EU structural funds being offered by the Industry and Enterprise operation program. The total EU budget for the program amounts to 347.8 million euros (10.9 billion Kc/\$418.4 million).

■The Czech National Bank (CNB) vice governor Oldrich Dedek was confirmed the Czech representative on the World Bank's Board of Governors, while CNB Governor Zdenek Tuma represents the country on the Board of Governors of the IMF.

■Martin Burda, deputy CEO of investment firm Investicni spolecnost ISCS, has been named to the Committee of European Securities Regulators. The 16-member panel was established by the European Union to monitor transparency and ethics rules for capital markets in EU countries.

■European Commission okays state guarantees for CSOB bank

The European Commission has allegedly approved state guarantees for Czech bank CSOB because they do not violate the EU competition rules. The largest Czech bank thus will not have to pay back several dozen billion crowns it received in 2000 within state guarantees for bad assets of bankrupt bank IPB it took over.

■The Regional Development Ministry will launch a 600,000 euro project to reinforce the system of public

procurement. The project, financed from the EU Phare fund, will last 13 months and is expected to stimulate competition and lower the prices of public contracts.

■The overall tax burden will increase to 38.5 percent in 2005, compared to 37.5 percent this year. The main reason is that tax changes introduced this year take effect at different periods of time and will not be reflected until 2005.

■The new government plans to cut unemployment from its current 10.1 percent to 8 percent by 2006. The main stimulus to lower unemployment is higher economic growth, which is the main priority of the new Cabinet.

■FinMin revises 2004 inflation forecast down to 2.9 pct

The Czech Finance Ministry had revised its inflation forecast for this year down to 2.9 from 3.1 per cent due to a slower price growth. Inflation should slow down to 2.8 per cent in 2005. The ministry expects end-2004 inflation at 3.2-3.6 per cent. At end-2005, prices should grow by 2.1 per cent.

■FinMin revises GDP estimate upwards, deficits to shrink faster

The FinMin has raised its estimate of GDP growth until the year 2007 after the recent Czech Statistical Office's revision of data and as a result the deficit-to-GDP ratio will shrink faster, to 3.3 pct instead of 3.5 pct of GDP in 2007. According to the revised predictions, this and next year, the public finance deficit will be 0.3 percentage points lower than previously estimated, at 5.3 pct and 4.7 pct of GDP, respectively.

COMPANIES AND BUSINESS

►Chicago Mercantile Exchange (CME) has set up six new futures currency contracts for Czech crown, Polish zloty, and Hungarian forint are therefore newly being traded against U.S. dollar. The contracts are traded at the exchange platform and on the e-business platform Globex. Trading started in July.

►Number of million earners hits high. The 2004 World Wealth Report found

that the Czech Republic had the second-largest jump in the number of dollar millionaires in Europe last year and ranked sixth in the world for those making seven-figure salaries. The number of millionaires residing in the country rose by 12 percent over the past year to roughly 11,000 people.

►Czechs are increasingly taking on debt to buy homes, the Czech National

Bank said. Housing-related debt is growing quickly, however is still much lower than in the pre-expansion EU countries.

►The number of active mobile phones in use in the country shot up by 1 million compared to the end of June 2003, for a total of more than 10 million. This means that nearly every Czech person has a mobile phone.

► **Eurotel launched an unlimited high-speed Internet access** launched an unlimited high-speed Internet access service based on CDMA technology. The signal covers 70% of the domestic population. The flat monthly fee has been set at CZK 1,070 (EUR 34, incl. VAT). The service will fill in the gap between the slower GPRS (or dial-up access) and faster ADSL (or cable access).

► **PKN is ready to pay for Unipetrol in Q4 2004.** The privatization tender winner and potential new majority owner of Unipetrol, the Polish PKN Orlen, has said it is ready to pay for the state's 63% stake in Q4 2004. The transaction is awaiting anti-monopoly clearance by the EC.

► **U.S. based Cargill is interested in Setuza,** a Czech producer of fats and oils. Setuza received a letter from Cargill showing interest in the purchase of the company's four lines of business -- pressing, oil refining, filling plants and biofuel production.

► **Energy company CEZ** is mulling the purchase of several power plants in Bulgaria. If the purchase goes through, CEZ would add 2 million customers to its current 3.4 million customers in the Czech Republic.

► **Russia's OMZ takes over shares in three Skoda Holding units**
Russia's largest engineering group OMZ has taken over shares in three subsidiaries of Czech engineering firm Skoda Holding. Contracts for the sale of crankshafts producer Skoda Kovarny,

castings maker Skoda Hute and Skoda JS, producing equipment for the nuclear energy sector, were signed in April. The Russian group reportedly paid EUR36m for the three firms.

► **Czech cabinet voted to sell the country's 50,000 shares** of Inmarsat Ventures, a leading provider of global mobile satellite communication services, for \$750,000 to Grapeclose Limited, which bought up 97 percent of the company in late 2003.

► **Regions of North Bohemia and Moravia** will be beneficiaries of offsets from the country's deal to lease Gripen fighters. More than 70 percent of the expected 25 billion Kc (\$962 million) worth of investment tied to the fighter deal will go to the economically hard-hit regions.

► **Ms Carly Fiorina, HP Chairman and CEO,** visited Prague, as a part of her business trip to the new EU member states in Central Europe in late July. During her two-day visit, she met with key HP customers, Czech government officials, and media.

► **Skoda Automotive CEO Vratislav Kulhanek** was named head of the Skoda Auto supervisory board starting Oct. 1, while Detlef Wittig will replace him as CEO and Chairman of the board.

► **The Czech Republic is the third-largest in production of ultra-light planes,** ahead of Germany and France. The Czech Republic manufactures more

than 500 ultra-light planes per year, 80% of which are intended for export.

► **Skoda bids for Bulgarian reactor**
Czech energy company Skoda Praha is leading an international consortium competing with two other groups for a lucrative contract to complete construction of a nuclear power plant in Belene, Bulgaria. The Bulgarian government is in the process of selecting which group will receive the contract.

► **Czech spirits maker Stock Plzen** exported almost 950,000 liters of spirits in the first half of 2004, a jump of 23 percent over the same period last year.

► **As a result of EU accession and strong inflow of business and leisure travelers to Prague,** the Prague airport set a passenger record with more than 1 million passengers in July. The number of passengers increased 20 percent over the same time last year.

► **Czech Savings Bank (Ceska sporitelna)** will issue 400 million Kc (\$15.3 million) in mortgage bonds. The bonds will carry a 3.6 percent annual interest rate and mature in 2009. The new bonds are part of a 15-year mortgage-bond program.

► **Patria Finance** increased the volume of share trading to 120.7 billion Kc in the first half of the year from 39.7 billion Kc a year earlier and became the largest stock dealer on the Prague Stock Exchange. The company controls 30 percent of the market. Second Wood & Company traded nearly 100 billion Kc.

POSITIVE EFFECTS OF THE UPCOMING EUROLAND PARTICIPATION

The CR's entry into the Euro area will complete the Czech economy's process of integration into European monetary structures. The CR will be able to participate fully in formulating and implementing the single European monetary and exchange rate policy, which aims to strengthen macroeconomic stability in Europe. The CR is scheduled to join the Euroland by 2009/2010.

Membership of the Euro area should have positive impacts on domestic economic policy, since the key elements of the system are requirements to achieve balanced public budgets in the medium term and undertake structural reforms supporting long-term sustainable economic growth.

Fiscal policy implemented in accordance with the Stability and Growth Pact will reduce the costs of financing public budgets and lead to stabilization of long-term interest rates at a low level. Corporations and households will profit not only from low interest rates, but also from access to the deeper, more liquid and more transparent capital markets of the Euro area.

The irrevocable fixing of the currency within EMU will increase the stability of the financial sector and reduce the risks of monetary turbulence. Sharp fluctuations in the exchange rate present a significant threat to a small open economy in an environment of liberalized capital flows.

The domestic enterprise sector in particular will profit from the elimination of exchange rate risk vis-a-vis the Euro area countries. These benefits will show up as a decline in transaction and hedging costs and a reduction in investment uncertainty. The household sector will profit from greater price transparency, which stimulates competition.

**ARCELOR FCS
COMMERCIAL CZ**

Evropska 115
160 00 Praha 6
Tel: (+420) 235.094.602 (-3)
Fax: (+420) 235.094.609
E-mail: fcs-cz@arcelor.com,
jiri.ulrich@tradedarbed.com
<http://www.fcs.arcelor.com>
Contact person:
Mr. Jiri Ulrich [L:en]
Activities: Distribution and sale of metal sheets of all kinds, including sheet for automobiles; Distribution and sale of profiled steel.

ARCIMPEX, s.r.o.

K cisticce 53
739 25 Sviadnov
Tel: (+420) 558.639.011
(+420) 558.639.031
Fax: (+420) 558.639.036
E-mail:
arcimpex@arcimpex.cz
<http://www.arcimpex.cz>
Contact person:
Mr. Tomas Slamjak [L:en]
Activities: Purchase and sale of metallurgical materials, welding materials and purchase of metal scrap.
Certificates: CSN EN ISO 9002 1996; CSN EN ISO 9001 2001

De-Metal, s.r.o.

Stromoradi 421
783 91 Unicov
Tel: (+420) 585.002.099
(+420) 603.465.956
Fax: (+420) 585.002.099
<http://www.prodejreziva.cz>
Contact person: Mr. Luboslav Zivotsky (Trade)
Activities: Metallurgical materials and ferroalloys, purchase and sale, import, export of metallurgical materials, ferroalloys and metals. Iron sheets, steel sheets, raw iron and steel, ferroalloys.

**FEROKOV OSTRAVA ,
spol. s r.o.**

Podebradova 1243/7
702 00 Ostrava I
Tel: (+420) 596.113.116 (-9)
(+420) 596.113.957
Fax: (+420) 596.114.500
(+420) 596.112.829

E-mail: pokryvka@volny.cz
Contact person:
Mr. Tomas Pokryvka
Activities: Purchase and sale of iron details for construction industry and design; Sale of metallurgical materials, including special steels and non-ferrous metals; Custom cutting of metallic materials and flame cutting of shaped flame-cut details using NC machines.
Certificates: ISO 9002

FERROMET a.s.

Opletalova 27
111 81 Praha 1
Tel: (+420) 224.212.263
(+420) 224.091.111
Fax: (+420) 224.212.396
E-mail:
ferromet@ferromet.cz
<http://www.ferromet.cz>
Contact person:
Ms. Marcela Mrazkova
Activities: Export and import of metallurgical products (welded & seamless tubes and sections, rolled steel, cold finished steel bars, drawn steel).

FIRMCONSULT spol. s r.o.

Antala Staska 30
140 00 Praha 4
Tel: (+420) 222.135.673
(+420) 222.135.670
Fax: (+420) 222.135.678
E-mail: trade@firmconsult.cz
<http://www.firmconsult.cz>
Contact person:
Ing. Zdenek Hrusak
Activities: Production cooperation in mechanical engineering, especially weldings (incl machining), castings (incl patterns and moulds), forgings, machined parts, sheet parts, pressings; Bearings - ball, cylindrical, tapered, spherical, needle.

Flash Steel, s.r.o.

Martinovska 3168/48
723 00 Ostrava - Martinov
Tel: (+420) 596.958.542
Fax: (+420) 596.901.315
E-mail:
flashsteel@flashsteel.cz,
j.zapletal@flashsteel.cz
<http://www.flashsteel.cz>

Contact person:
Ing. Jiri Zapletal
Activities: Export/import of metallurgical materials (non-standard materials, semi-finished machine products, materials for power production, materials for automobile and construction industries).
Certificates:ISO 9001: 2000

INCOS, spol. s r.o.

Karlovo nam. 17/288
120 00 Praha 2
Tel: (+420) 224.923.500
(+420) 224.912.465
Fax: (+420) 224.923.500
(+420) 224.912.465
E-mail: office@incos.cz,
liska@incos.cz
<http://www.incos.cz>
Contact person:
Mr. Marek Liska
Activities: Export and import of metallurgical materials (steel pipes, profiles, sheets, wires, alloying materials, components of steam boilers).

KORESTA TRADE, s.r.o.

Slevarenska 8
709 00 Ostrava - Marianske Hory
Tel: (+420) 596.617.181 (-3)
Fax: (+420) 596.617.184
E-mail: koresta@wo.cz
<http://www.kompass.com/c/koresta>
Contact person:
Ing. Roman Houska
Activities: Sale of raw materials for foundries and steel mills, sale of metallurgical materials.

METALSERV, a.s.

Ul. Miru 3267
738 01 Frydek - Mistek
Tel: (+420) 558.423.102 (-4)
Fax: (+420) 558.423.106
E-mail:
metalserv@metalserv.cz
<http://www.metalserv.cz>
Contact person:
Mr. Jaroslav Telecky
Activities: Purchase, processing, and sale of metallurgical materials (castings, forged pieces, forged and rolled rods, material for the

manufacturing of molds); Processing and supplies of forged and cast rollers for both cold and hot rolling, including spare parts for the rolling mill stands).
Certificates:ISO 9000: 2000

MORAVIA STEEL a.s.

Prumyslova 1000
739 70 Trinec - Stare Mesto
Tel: (+420) 558.511.111
(+420) 558.536.065
Fax: (+420) 558.331.831
(+420) -558.532.451
E-mail:
info@moravia-steel.cz,
generalni.reditel@moravia-steel.cz
<http://www.moravia-steel.cz>
Contact person:
Ing. Evzen Balko
Activities: Sale of metallurgical materials (flat & round steel, drawn steel, rolled wire rods, reinforced steel, angles, I and U profiles, ground steel).

SIMEX, spol. s r.o.

U Krize 627/13
158 00 Praha 5
Tel: (+420) 251.610.041
Contact person:
Ing. Ivo Bambas
Activities: Export of engineering products (castings and forgings).

SKODA TRADING , s.r.o.

Tylova 57
316 00 Plzen
Tel: (+420) 378.132.119
(+420) 378.132.906
Fax: (+420) 378.134.607
E-mail:
info-tra@tra.skoda.cz
<http://www.skoda-trading.cz/en>
Contact person: Ing. Petr Mic [L:en,de,fr,es,ru,hr,ro]
Activities: Export and import of machinery and equipment for power plants, metallurgy, heavy engineering (presses, rolling mills), transportation (electric locomotives, tramways, trolley buses, and subway wagons), machine tools, gearboxes.
Certificates:EN ISO 9002

STAHLHANDEL, s. r.o.
Prumyslova 461
530 02 Pardubice
Tel: (+420) 466.047.111 (-15)
(+420) 517.347.391 (-3)
Fax: (+420) 466.047.160

(+420) 466.047.170
E-mail: pschreiber@voest-stahlhandel.cz
Contact person:
Ing. Pavel Schreiber

Activities: Sale and distribution of metallurgical products (cold & hot rolled metal sheets, perforated sheets, trapezoidal metal sheets, bar iron, drawn steel (flat,

square, round), beams (I, IPE, HEA, U, UPE), welded & seamless tubes).
Certificates: ISO 9002

CZECH COMPANIES LOOKING FOR REPRESENTATIVES, IMPORTERS, DISTRIBUTORS

BUSINESS PARTNERSHIP, JOINT VENTURE

CRAYOMINE-CZ, a.s.

Baarova 45
140 00 Praha 4 – Michle
Tel.: (+420) 241.485.137
Fax: (+420) 241.485.139
E-mail: busek@crayomine.cz
www.koh-i-noor.cz
Contact person: Jiri Busek

Crayomine-CZ, a.s. is a subsidiary of a major Czech manufacturer of school and office supplies, the traditional trademark KOH-I-NOOR. The company would like to establish a business relationship with U.S. partners in the fields of joint venture, production partnership, trade cooperation, rental of production capacities, etc. For more info please see: www.koh-i-noor.cz/volnekapacity.

Garage space logistics patent by KOMA Systems

Czech company Koma-System, represented by MS Trade Co., looks for U.S. suppliers of garage systems. KOMA offers a unique system based on a carousel type modular parking and storage units allowing placement both under and aboveground up to 7 stories. Parked vehicles are protected against damage and theft. MS Trade will participate at NPA's 53rd annual Parking, Transportation and Services Convention and Exposition, taking place in Anaheim, CA September 19th – 22nd.

For more information please contact CzechTrade Chicago at chicago@czechtrade.cz or call (312) 644-1790.

CONSUMER PRODUCTS

Top Crystal

Tel.: (+420) 731.170.770
Fax: (+420) 491.470.790
E-mail: topcrystal@tiscali.cz
www.psm.cz/crystal
Contact person: Dr. Ivana Krupickova

Top Crystal is a producer of lead crystal products with the certified decor 500 PK

hand cut in traditional technology which is very rare nowadays. The company is seeking representation in the U.S.

PREMIA, s.r.o.

Zitavska 63
460 11 Liberec 11
Tel.: (+420) 485.100.106, 485.103.978
Fax: (+420) 485.100.106
E-mail: premia@volny.cz,
premia3@volny.cz
www.premia.infohelp.cz
Contact person: Mr. Pavel Trcka

Premia export agency represents several Czech small and medium producers of utility and decorative ceramic, glass, and decorative items. It is seeking cooperation with U.S. importers and distributors.

Ing. Josef Horak

Msenska 18
466 04 Jablonec nad Nisou
Tel.: (+420) 724.338.788
E-mail: info@josefhorak.com
www.josefhorak.com
Contact person: Mr. Josef Horak

The company is a manufacturer of glass and metal jewelry and a wholesaler of glass pearls. It is looking for U.S. customers and importers.

ZENIT, spol. s r.o.

Prazska 162
286 01 Caslav
Tel.: (+420) 327.304.890, 327.304.397
Fax: (+420) 327.313.688
E-mail: info@zenit-caslav.cz
www.zenit-caslav.cz

Zenit is a major manufacturer of chemical products for the household and industrial purpose. It also manufactures products to the customer specification or under a "private label". Zenit specializes in ecological products, is ISO 9001: 2001 certified.

LINET LLC

Zelevce 5
274 01 Slany
Tel.: (+420) 312.576.111
Fax: (+420) 312.522.668

E-mail: info@linet.cz
www.linet.cz

Linet LLC is a manufacturer of hospital care beds, mattresses and furniture and other medical care facility outfit are sold in 67 countries of all continents. The company is looking for U.S. importers and distributors.

LANEX a.s.

Hlucinska 1/96
747 23 Bolatice
Contact: Ms. Lucie Bechna
Tel.: (+420) 553.751.111
Fax: (+420) 553.654.125
E-mail: lanex@lanex.cz
www.lanex.cz

LANEX is a manufacturer of bulk bags, container filters, bags for liquids, etc. The company is looking for U.S. dealers and distributors for one of its products – paper carrier ropes.

ULLMAN MILAN

Kralovicka 11
323 28 Plzen
Tel.: (+420) 373.397.251
Fax: (+420) 373.397.661
Cell: (+420) 602.466.195
E-mail: milan@ullman.com
www.milan.ullman.com
Contact person: Mr. Milan Ullman

The largest Czech wholesaler and exporter of tank-raised tropical fish, supplying about 1,000 tropical fish species, seeks new U.S. importers.

Proluxmusic

Palackeho 2205
756 61 Roznov p. Radhostem
Tel.: (+420) 571.657.404
E-mail:
lenka.ondruchova@proluxmusic.com
www.proluxmusic.com
Contact person: Ms. Lenka Ondruchova

Proluxmusic produces special music mixes for professional and amateur aerobic and fitness. The company is seeking partners in the U.S.

MACHINERY AND ENGINEERING

Hennlich Engineering

Ceskolipska 9
Litomerice 412 01
Tel.: (+420) 416.711.352
Fax: (+420) 416.711.999
E-mail: engineering@hennlich.cz,
votruba@hennlich.cz,
www.hennlich.cz
Contact person: Mr. Vitezslav Votruba,
Manager

Hennlich Engineering is a distributor of components and technology used in the final production in steel, hydraulic, chemical and paper industry. The firm is seeking importers and distributors in the U.S.

PBS, a.s.

Prumyslova Ctvrť
674 86 Trebic
Tel.: (+420) 568.504.105
Fax: (+420) 737.262.876
E-mail: sykora@pbstre.cz
www.pbstre.cz
Contact person: Mr. Peter Sykora,
Marketing Manager

PBS is a high-quality manufacturer and supplier of parts for energy and heating projects and is looking for new possible importers and buyers in the U.S.

Jetarrows LLC

Medlanecka 20
621 00 Brno
Tel./Fax: (+420) 541.229.630
E-mail: svec@jetarrows.com
www.jetarrows.com
Contact person: Mr. Michal Svec

The company is a producer of JET models with excellent aircraft properties both at low speeds as well as in air acrobatics and at speeds above 380 km/h (240 MPH). It is looking for new business partners.

KNOW-HOW, SERVICES

2N Telecommunication

Modranska 621
143 01 Praha 4
Tel.: (+420) 261.301.500, (+420)
603.419.266
Fax: (+420) 261.301.599
E-mail: Nicole@2n.cz, www.2n.cz
Contact person:
Ms. Nicole Konstantinidisova

2N Telecom is a developer and supplier a wide portfolio of high-quality Telecommunication products and technologies and the leading supplier of

Telecommunication products in Central Europe. The company is seeking partners in the U.S.

IGUASSU Software Systems a.s.

Evropska 61
160 00 Praha 6
Tel.: (+420) 235.351.000(-1),
220.610.407
Fax: (+420) 235.351.934
E-mail: petr@compuservec.com
www.iguassu.cz
Contact person: Mr. Petr Bares, Director

IGUASSU offers its IT services, including development of custom software, and consulting. The software developer is looking for partners in the U.S.

CIT.CZ, spol. s r.o.

Jandova 14/630
190 00 Praha 9
E-mail: mail@cit.cz
www.cit.cz
Contact person: Mr. Pavel Vinduska

CIT.CZ is a software developer specializing mainly in telecommunication products with voice systems. The company would like to find U.S. customers for its original SW product, which enables sightless and purblind people to read a text with the help of a synthetic voice.

CmXgraddo LLC

U Bulhara 3
110 00 Praha 1
Tel.: (+420) 577.210.994
Fax: (+420) 577.217.541
E-mail: cmxgraddo@graddo.com
www.graddo.com
Contact person: Mr. Alexander Cach,
President

CmXgraddo LLC is a development company of European-American joint venture, local and international markets, foreign investment and is looking to offer its services to all U.S. business partners.

International Consultants Group

Stewart E. Neiman
Tel.: 1-866-298-8169
Fax: (828) 659-7857
E-mail: retvrnc@icu2.net
www.internationalconsultantsgroup.org

International Consultants Group specializes in helping American companies who want to open an office in the Czech Republic. It helps companies get their business licenses, find offices, hire people, establish banking

relationships, and expedite all the necessary official paperwork.

Teris, a.s.

Stetkova 18
140 68 Praha 4
Tel.: (+420) 261.223.873
Fax: (+420) 261.218.992
E-mail: dach@teris.cz
www.teris.cz
Contact person: Mr. Karel Dach

Teris, an organizer of marketing events such as conferences, trade shows, business meetings, offers its services to U.S. firms wishing to present themselves in the CR.

COMPANIES.CZ

Na Prikope 15
110 00 Praha 2
Tel.: (+420) 272.143.143
Fax: (+420) 272.143.516
E-mail: enquiries@companies.cz,
tim.cox@companies.cz
www.companies.cz
Contact person: Mr. Tim Cox

First Czech on-line company registration service with specialisation in providing limited companies (s.r.o.) for foreigners for the purpose of purchasing real estate and operating businesses in the Czech Republic. The firm is a part of the Ceres Group which encompasses a one stop shop of services tailored to expatriates.

- Fixed fees start from 48,000 CZK for a newly formed s.r.o.
- It is not necessary for overseas clients to come to Prague, document signing can usually be arranged overseas.

Miroslav Kocman, LL.M.

Registered Tax Adviser
Gorkeho 61/11
602 00 Brno
Tel.: (+420) 541.642.268
E-mail: miroslav.kocman@fasnetwork.com
www.fasnetwork.com
Contact person: Mr. Miroslav Kocman

Foreign Assignment Solutions Network provides assistance to U.S. firms and individuals wishing to establish/maintain business in the Czech Republic (Czech visa & work permit; tax-related issues, social security and health insurance issues; legal advisory (setting up a company, property transfers); accounting advisory).

Ing. Stepan Simik

Vysoka 1088
763 02 Zlin 4
Tel.: (+420) 577.103.647

Fax: (+420) 577.103.632
E-mail: s.simik@tiscali.cz
Contact person: Mr. Stepan Simik

Mr. Simik provides expert opinions, as well as trade, marketing, and cooperation studies to U.S. businesses, who plan to export their products into the Czech Republic.

Juras Law Firm, PLC

P.O. Box 3533
Scottsdale, AZ 85271-3533
Tel.: 480.209.2961
E-mail: Irena.Jurasova@azbar.org
Contact person: Irena Juras-Makeeta

Juras Law Firm offers legal expertise for Czech Companies doing business in the U.S.

- Free Initial Consultation
- Legal Advice in Czech and English
- Legal Education and Experience from both the CR and the US
- International Business Transactions
- Contract Negotiation and Drafting
- Dispute Resolution and Prevention
- Commercial Representation
- Other Commercial Law Issues
- Bankruptcy Law

TOURISM

Lecebne lazne Bohdanec, a.s.

Masarykovo nam. 6
533 41 Lazne Bohdanec
Tel./Fax: (+420) 466.860.274
E-mail: p.stochl@llb.cz
www.llb.cz
Contact person: Mr. Pavel Stochl

Bohdanec spa specializes in healing patients with arthritis, rheumatism, and other locomotive organs diseases, post-injury trauma, and similar. The spa would like to attract new U.S. clients.

Pragokonzert Bohemia a.s.,

Peckova 13
186 00 Prague 8
Tel.: (+420) 724.105.390
E-mail: box1@iol.com
www.pragokonzert.com
Contact person: Mr. Alexandr Cach, Chairman

Czech Art Agency (entertainment) is offering the program of events for anyone visiting the Czech Republic.

Hotels in Prague:

www.guideprague.com,
www.a-prague.com, www.visitprague.cz,
<http://prague-hotel.cwz.cz>,
www.aahotels.com,
www.hotels-of-prague.com,
<http://prague.hotels-europe.ws>

ASSOCIATIONS

CUJ - Czech Union of Judges

Ovocny trh 14
P.O.Box 210
110 01 Praha 1
Cell: (+420) 724.105.390
E-mail: box1@iol.com
Contact person: Mr. Alexandr Cach

International Bodyguard & Security Association

Rumy 1598
760 01 Zlin
Tel.: (+420) 577.210.994
Fax: (+420) 577.217.541
Cell: (+420) 724.105.390
E-mail: box1@iol.cz
www.ibssa.cz

CZECH IT COMPANIES ALLIANCE

Twenty-four Czech IT firms have formed an alliance in order to unify the IT sector in the Czech Republic and to present its strengths in foreign markets. Czech firms will be represented at the TECHXNY show in New York (www.techxny.com) in October, after which CzechTrade office will host an IT seminar in Chicago.

The firms provide software development, data security software, CRM, voice recognition technologies, packaged software products or Internet applications. Experience of these companies includes banking, manufacturing, telecom, insurance, transportation, various services as well as aviation and space industry. According to AT Kearney, the Czech Republic ranks 2nd in the world in skills and availability for the IT sector:

For more information feel free to contact CzechTrade offices:
Chicago office at chicago@czechtrade.cz or call (312) 644-1790
Miami office at miami@czechtrade.cz or call (305) 261-6313

IT Trade Mission to Central Europe

Business trade mission is going to visit the new EU countries of Poland, Hungary and the Czech Republic on October 9 – 17, 2004. Key industries promoted will be: Informational Technology, Bio-Medical, Engineering, Environmental, Automotive, and Video Gaming. Firms interested in entering, expanding or sourcing from markets in Central Europe are welcomed to join the delegation.

Main advantages of the region are:

- A new market of 100 million consumers – three times the size of California
- Fair and transparent laws
- Friendly to American businesses
- Highly educated workforce

To learn more about participating in the Trade Mission to Central Europe in October, or to inquire about sponsorship opportunities, contact Moises Cisneros at (213) 580-7569.

EXPORTERS OF CZECH MILITARY PRODUCTS

BANZAI spol. s r.o.

Blahoslavova 10/293
130 00 Praha 3
Tel.: (+420) 271.771.206, 271.771.204
Fax: (+420) 271.771.208
E-mail: brynych@banzai.cz
Contact person: Mr. Jiri Brynych

Activities/Products:

- Guns, Ammunition, and related accessories
- Protective equipment (helmets, vests, shoes)
- Used military equipment

M.P.I. Trading, spol. s r.o.

Holeckova 103/31
150 95 Praha 5
Tel.: (+420) 257.319.740, 257.310.918
Fax: (+420) 257.325.910
E-mail: mpi@mpi.cz, sales@mpi.cz
Contact person: Mr. Karel Jordak

Activities/Products:

- Heavy armored vehicles, Armored fighting vehicles, Personal carriers, and other military vehicles & spare parts
- Aircraft, Aviation equipment & spare parts
- Military and Civillian Firearms & spare parts
- Ammunition & Explosives
- Personal protection means
- Logistic equipment and items
- Transport & waste containers, Special containers, Office & accommodation units, Laboratories, Medical & hospital units, Water treatment plans etc.

NH Zabreh, a.s.

Na Nove 1697/25
789 36 Zabreh
Tel.: (+420) 583.491.179, 583.491.150

Fax: (+420) 583.414.541
E-mail: mindl.karel@nhzabreh.cz,
nhzabreh@nhzabreh.cz
Contact person: Mr. Karel Mindl

Activities/Products:

- Multi-function Reinforced Assembly Container
- transportable structure, easily handled and very resistant
- provides acceptable living conditions
- designed for applications in crisis situations
- designed for air transport using large-capacity aircraft

VOP-026 Sternberk ,s.p.

Olomoucka 175
785 01 Sternberk
Tel.: (+420) 585.083.111
Fax: (+420) 585.083.115
E-mail: vop026@vop.cz
www.vop.cz
Contact person: Mr. Miroslav Marak

Activities/Products:

- Weapons and Ammunition
- Sets and Power sources
- Equipment for Reconnaissance and mine clearance
- Reconnaissance systems
- Filtration and Ventilation kits

ORITEST, spol. s r.o.

Na Belidle 21
150 00 Praha 5
Tel.: (+420) 257.311.639
Fax: (+420) 257.313.820
E-mail: oritest@oritest.cz
www.oritest-group.com
Contact person: Mr. Josef Orel

Activities/Products:

- Simple CWA detectors
- Reconnaissance & Water control kits
- Decontamination substances
- Defence sprayers

GUMARNY ZUBRI, a.s.

Hamerska 9
756 54 Zubri
Tel.: (+420) 571.662.193
Fax: (+420) 571.658.735
E-mail: radek.pisek@guzu.cz
www.guzu.cz
Contact person: Mr. Radek Pisek

Activities/Products:

- OM-90 military protective mask with accessories
- CM-6, CM 5D and CM-4 civil protective masks (designed for police, firemen, special forces, civil protection, industrial plants) with accessories

AlfaVaria Liberec spol s r.o.

Pobrezni 28
463 31 Chrastava
Tel.: (+420) 485.100.303
Fax: (+420) 485.103.812
E-mail: alfavaria@alfavaria.cz,
jan.kupsky@alfavaria.cz
www.alfavaria.cz
Contact person: Mr. Jan Kupsky

Activities/Products:

- Equipment for mobile workstations and workshops
- Power plants
- Kits for pyrotechnicians
- Special devices for aircraft repair and aeronautical engineering
- Special mobile workstations for land engineering repair

TRADESHOWS AND EXHIBITIONS / AUTUMN 2004

Prague Exhibition Grounds / www.incheba.cz

September 10 – 11
△BEAUTY / International Cosmetic Trade Fair

September 10 – 12
△COLLECTOR / International Fair for Stamps, Coins, Telephone cards, Minerals and Collecting

September 30 – October 1
△MODA PRAHA / International Fashion Fair

September 30 – October 2
△ANTIK / International Sales Exhibition for Antiquities and Art
△WATCHES AND JEWELRY/ International Exhibition of Clocks, Watches, and Golden and Silver Jewelry

October 6 – 8
△CLEANTEC / International Exhibition of Cleaning and Maintenance
△CHEMTEC PRAHA / International Fair of Chemistry and Plastics

October 14 – 16
△PRAGODENT / International Dental Apparatus, Instruments, Surgery Equipment and Service Fair

October 21 - 24
△AUTOSHOW PRAHA / International Fair of Passenger Cars and Light Commercial Motor Vehicles, Caravans etc.
△ASA PRAHA / International Car-part Exhibition, Car Accessories, Services and Garage Technology

Brno Exhibition Center / www.bvv.cz

September 9 – 12
△INTERIER 2004/ International Contracting and Sales
Exhibition of Furniture, Home Textiles and Interior Accessories

September 20 – 24
△MSV / International Engineering Fair
△IMT/ International Machine Tools Exhibition

October 11 – 15
△INVEX / International Fair of Information and Communication
Technology

October 19 – 22
△GAUDEAMUS / European Educational Exhibition

November 2 – 5
△MEFA / International Fair of Medical Technology and
Pharmacy

KRUSOVICE BREW IN THE U.S.

Krusovice Brewery is about to start distribution of its popular light and dark beer in the U.S. in October, 2004. The distribution will cover New York Metro area, Chicago, IL, and Wisconsin.

U.S. Distributor
Binding Brauerei USA Inc.
1974 Main Street
Norwalk, CT 06851
Tel.: 203.229.0111
Toll Free: 1-800-831-6417
Fax. 203.229.0105
E-mail: dilipmehtabbusa@aol.com
Contact person: Mr. Dilip B. Mehta

For more information on Krusovice beer please visit the web site of the brewery: www.pivo-krusovice.cz

CZECH COMMERCIAL OFFICES IN THE UNITED STATES

Czech Embassy in Washington, D.C.: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Texas, Tennessee, Virginia, West Virginia, Wisconsin.
Contact: Ms. Marketa Janikova, Phone: 202.274.9104
Fax: 202.244.2147, eco_washington@embassy.mzv.cz

Consulate General in Los Angeles: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.
Contact: Mr. Michal Korycanek, Phone: 310.473.0889 x.229
Fax: 310.473.9813, losangeles@embassy.mzv.cz

Consulate General in New York: Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.
Contact: Mr. Josef Dvoracek, Phone: 212.717.5643
Fax: 212.717.5064, consulate.newyork@embassy.mzv.cz

CzechTrade - Chicago Office (Czech producers & Opportunities)

Contact: Ms. Ivana Ingram, Phone: 312.644.1790, Fax: 312.527.5544, chicago@czechtrade.cz

CzechTrade - Miami Office (Czech producers & Opportunities)
Contact: Mr. Michal Rozkydalek, Phone: 305.261.6313,
Fax: 305.261.6314, miami@czechtrade.cz

Czech Center New York
Contact: Mr. Jan Zahour, Phone: 212.288.0830 x.106,
Fax: 212.288.0971, zahour@czechcenter.com

CzechInvest – Chicago Office
(investment opportunities in the CR)
Contact: Mr. Bohuslav Frelich, Phone: 312.245.0180,
Fax: 312.245.0183, chicago@czechinvest.org

CzechInvest – San Jose Office
(investment opportunities in the CR)
Contact: Ms. Karolina Bockova, Phone: 408.376.4555,
Fax: 408.376.4557, california@czechinvest.org

MR. BOHUSLAV FRELICH – NEW HEAD OF THE CZECHINVEST OFFICE IN CHICAGO

Mr. Bohuslav Frelich comes to Chicago after his tenure as Investment Projects Manager and Head of the Advanced Technologies & Innovations Section at CzechInvest office in Prague.

Mr. Frelich starts his assignment September 7th, replacing Ms. Hana Lasslerova, who has been the director of Czechinvest's Chicago office for the past four and a half years. Ms. Lasslerova is leaving the agency in order to pursue other opportunities.

BUSINESS AND TRADE WEBSITES

General Information	www.czech.cz	CzechInvest	www.czechinvest.org
Czech Supplier	www.supplier.cz	Tradeshows	www.veletrhyavystavy.cz
CzechTrade	www.czechtrade.cz	Czech Embassy	www.mzv.cz/washington

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