

# Czech Trade Focus

*News from the Czech Commercial Offices in the United States / June 2005*

Czech Glass Industry    Economic Indicators    Czech Manufacturers of Machine Tools  
Investment Projects    Acquiring Real Estate Property in CR    Czech - U.S. Business Cooperation

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## ECONOMIC BRIEFS

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**Last year's 4.4% GDP growth was the highest since 1996.** The growth resulted mostly from a 9.1% y/y increase in investment, and from favorable foreign trade. The overall price level rose 3.7% in 2004. This year's economic growth should again exceed 4 percent. The Czech economy grew by 4.4 percent in Q1 2005, the growth slowing down from a revised 4.6 percent in Q4 2004.

**Czech construction output decreased by 19.6 pct** year-on-year in constant prices in May, the Czech Statistical Office (CSU) said.

**Czech agriculture returned from red to black in 2004**, generating a profit of Kc8.99bn (\$359.6 mil.), against a loss of Kc2.36bn in 2003, largely thanks to the country's accession to the EU last year as well as to higher output and higher farmers' prices.

**The Czech Republic's state budget deficit widened by Kc4.5bn** by end-May to Kc27bn (\$1.08bn). The state budget for this year has been approved by Parliament with a deficit of Kc83.6bn. In May 2004, the deficit stood at Kc45.4bn, and full-year deficit totaled Kc93.5bn in 2004.

According to the Czech Statistical Office, **per capita GDP for the year 2003** equaled almost 73% of the average of the current EU. Prague, with 164% of the EU average, is among the richest regions of Europe.

**The Czech government will issue bonds worth Kc33bn** (\$1.3bn) in the third quarter of this year, the Finance Ministry said. The state will also issue short-term treasury bills worth Kc75 billion, of which Kc45 billion will be put on the block.

**Czech production output rose by 8.3 pct** year-on-year in May, following a 5,1 pct y/y increase in April.

**Czech import and export prices went up in April, by 1.7 and 0.7 percent** respectively, the Czech Statistical Office CSU said. The growth in import prices was the biggest since September 2000 and export prices have grown fastest since March 2004, mainly due to the weakening of the Czech crown vis-a-vis the main foreign currencies.

**Czech current account showed a deficit of Kc3.3bn** (\$132m) in April, the Czech National Bank CNB said. The result was affected by the payment of dividends and estimated reinvested profits. In March, the current account posted a revised surplus of Kc4bn.

**Retail sales continued to go up, adding 3.9 pct** year-on-year in April, and 6,2 pct y/y in May.

**Czech foreign trade posted a Kc5.1bn (\$204m) surplus in April** after a revised surplus of Kc7.9 billion a month earlier. Year-on-year, the April figure improved by Kc16 billion, the biggest jump in memory. Czech surplus for January-April reached Kc24.5 billion against a Kc9.6 billion gap a year ago.

**Czech industrial producer prices rose by 4.8 percent** year-on-year in May after a 5.6 percent increase in April, with the slowdown lasting for seven consecutive months. In May alone, producer prices in the Czech industry dipped by 0.7 percent.

**Czechs buy 53,896 new cars in Jan-May, up 2.5 pct y/y**  
Domestic producers and official importers sold 53,896 new passenger cars in Jan-May, 2.5 percent more than a year ago. A total of 13,614 light utility vehicles (LUVs) were sold in the first

five months, up one-third against a year ago.

**The average gross monthly wage grew by a nominal 5.8 per cent** year-on-year to Kc17,678 (\$710) in the first quarter. Compared with the average yearly growth paces, this was the slowest growth since 1993. The real wage growth reached 4.1 per cent.

**Czech public finance gap will grow to 4.8 - 5 pct of GDP this year**, first deputy finance minister Eduard Janota estimated at a news conference. Last year, the gap was at 3 pct of GDP.

**Foreign direct investment** in the Czech Republic fell slightly in March to Kc9.1bn from February's Kc14.6bn.

**The so-called effective rate of corporate taxes**, i.e. actual taxation after subtracting all tax-deductible items and write-offs, in the CR accounts for 25% and could further fall to 21.2% in the coming years, a recent Ernst & Young study shows.

**Czech consumer prices rose by 1.2 pct** year-on-year in May.

**Unemployment in the Czech Republic fell to 8.6 percent in May** as expected, down from April's 8.9 percent. Labour offices registered 494,576 job seekers in May, nearly 18,000 fewer than in April.

**Czech trade balance showed an increase of \$140 mil.** (\$5.6 mil.) year-on-year in May 2005.

**Czech debt grows to Kc618.2bn (\$24.7bn) in Q1**  
Debt of the Czech Republic increased to Kc618.2bn in the first quarter of the year, up from Kc592.9bn at end-2004. Economists admit the debt is not too high but the pace of its growth is a threat.

**Housing construction in the Czech Republic grew in the first quarter of 2005**, with the number of started and completed dwellings both up, the Czech Statistical Office (CSU) said. The construction of 8,645 dwellings (+6.1 pct y/y) was started, and 6,452 dwellings were completed (+5.8 pct y/y) in Q1.

**The Czech IT market** compared to GDP is the **4th largest among the EU countries**, in proportion to the population, an Insead agency study shows.

**Forex revenues from tourism went down year-on-year by 1.8 pct** to Kc22.2bn (\$888 mil.) in the Czech Republic in Jan-March this year, according to data of the Czech National Bank CNB.

**Czech currency (koruna, CZK) kept weakening towards the US dollar** during May and June, trading in the range of 23.09 – 24.91 CZK per \$1. The position against Euro remained stable, trading in the range of 29.80 – 30.55 CZK per 1 EUR.

**The number of foreigners in the Czech Republic has been markedly rising** in recent years, and as many as 254,294 of them legally stayed in the country late last year, including 99,467 foreigners with a permanent stay permit. The number of foreigners rose by 18,623 last year against the year 2003.

**Direct investment recorded a surplus of Kc8.6bn** (\$344 mil.) in March following a surplus of Kc14.4bn in February, and estimated reinvested earnings were roughly Kc5.3bn. The annual direct investment total saw a

gradually increasing inflow which has amounted to about Kc30bn.

**Czech industrial producer prices rose 4.0 percent in May** compared to the same month a year earlier, following a 5.6 percent increase in April. Price growth has slowed for the seventh consecutive month.

**Czech households' debts rise by Kc7.4bn to Kc335.6bn (\$13.4bn) in April**

The volume of loans banks provided to Czech households amounted to Kc335.6bn in April, an increase of Kc7.4bn month-on-month, the Czech National Bank (CNB) statistics show.

**Czech exports to Russia will exceed \$1 billion this year**, significantly decreasing the country's bilateral trade deficit.

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## CZECH GLASS INDUSTRY

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In 2004, the Czech glass industry had an approximately 2 per cent share in the revenues of the manufacturing industry, employing 2.7 per cent of its employees. It is a sector that chiefly processes domestic raw materials and plays an important role within the manufacturing industry, as its products are used in practically all sectors of the economy and are exported in large volumes.

Towards the end of 2004, the sector comprised six production branches and 126 businesses with 20 or more employees. 25.9 per cent of total glass production in 2004 fell to the manufacture and shaping of other glass, 22.4 per cent fell to hollow glass production, 19.9 per cent to sheet glass production, 16 per cent to sheet glass shaping and processing, 11.2 per cent to fibre glass production and fibre glass products, and 4.6 per cent to glass manufacture and processing.

Czech glassmaking is an important export sector; over 80 per cent of production is exported. The surplus of foreign trade amounted to EUR 746 million. Despite growing foreign competition, exports are developing positively. Last year's trade surplus increased by EUR 61 million. One of the Czech Republic's most important traditional export items is lead crystal. Treated sheet glass and processed fibre glass are also successful; exports, however, include the entire glass product range.

The accession of the Czech Republic to the EU was trouble-free for the glass industry, mainly due to the prior presence of foreign capital. Investments by renowned foreign companies (such as Saint-Gobain, Glaverbel, Owens, Schott, and others) into domestic firms had previously influenced production quality, labor productivity, the product range, investment, and marketing in a positive way. Foreign direct investment brought about a radical change, giving new hope to the industry and its future development in the Czech Republic.

The influx of foreign capital into the glass sector began in the years 1991 and 1992 and was directed at industrial glass branches. Although the existing level of technical equipment in the Czech Republic is comparable to that of global standards, and businesses are therefore fully competitive, they continue to modernize production equipment and to develop new product lines.

The only glassmaking branch where domestic owners predominate following privatization is the production of utility glass and fashion jewelry. In addition to large companies, there are many small producers present on the market, enriching it with their broad range of products. Thanks to their flexibility, they are often successful in penetrating foreign markets.

Today, there are 70 industrial glassworks and 65 smaller glass factories and studios operating in the Czech Republic, which belong to a total of 119 owners. Furthermore, a large number of firms are involved in the subsequent treatment and processing of produced glass.

Very high global standards have been met in technological equipment, engagement in international trade, management in the sheet glass, container glass, fibre glass, and technical glass (for example glass components for TV screens) branches. Production in these branches is not subject to unpredictable fashion trends. It is closely linked to developments in the construction and car industries and it follows environmental trends in the area of container technology. The marketing approach and division of markets is well managed and is improving constantly. Sheet glass application and fibre glass production (to some extent) show considerable innovative potential and can be expected to further increase revenues, without any need for the launch of new production with its high demands on investment.

The market for utility household glassware is very competitive. It faces continuous strong competition from other materials, as well as high consumer requirements. In this environment, Czech manufacturers manage to sustain the volume of their exports, sometimes however at the cost of considerable reductions in less profitable production.

In the upcoming period, Czech glass industry has a good chance to maintain its existing position as an important export sector of the processing industry. Its competitive advantages include its long tradition, the high potential of creative glass technicians and artists, and the development of small and medium-sized glassmaking businesses. Today, there are many successful progressive producers, as well as many smaller manufacturers, who operate successfully.

In the future, the glass industry must chiefly focus on the production of high value added products and must give priority to dynamically developing sectors and branches (such as electronics, the car industry, optics, defense, modern construction, etc.).

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## SELECTED GLASS MANUFACTURERS SORTED BY BRANCH

### Flat glass

*Glaverbel Czech, a.s.* Teplice ([www.glaverbel-czech.com](http://www.glaverbel-czech.com)) is a monopoly producer of large-dimension flat glass in the Czech Republic. This company is at present the leading producer of flat glass and its applications in Central and Eastern Europe.

*AGC Automotive Europe, a.s.* ([www.agc-arg.com/agceurope.html](http://www.agc-arg.com/agceurope.html)) processes high volumes of flat glass finished by shaping, tempering, and reinforcing) at its plant in the Czech Republic. AGC Automotive Europe is a part of Automotive Glass Company, owned by Asahi Glass Co., Ltd, the world's number one producer of glass specialized products and services for automotive industry.

Other producers of flat glass are:

*Saint-Gobain Sekurit CR, s.r.o.* Horovice ([www.saint-gobain-sekurit.cz](http://www.saint-gobain-sekurit.cz)) – automotive glass

*Pilkington Czech, s.r.o.* ([www.pilkington.com](http://www.pilkington.com)) – insulating glass

*Amirro, s.r.o.* ([www.zrcadla.cz](http://www.zrcadla.cz)) – mirrors and furniture glass

*ERTL GLASS, s.r.o.* ([www.ertl-glas.at](http://www.ertl-glas.at))

*WMA-Glass, s.r.o.* Chrastava ([www.wma-glass.cz](http://www.wma-glass.cz)).

### Container glass

*AVIRUNION, a.s.* Dubi u Teplic ([www.avirunion.cz](http://www.avirunion.cz)) is a member of the transnational group of companies Owens-Illinois (USA).

*VETROPACK MORAVIA GLASS, a.s.* ([www.vetropack.cz/en](http://www.vetropack.cz/en)) is a member of the transnational group Vetropack Holding AG (Switzerland).

*AVIRUNION* and *VETROPACK MORAVIA GLASS* have a combined 90 per cent market share of the container glass commodity market in the Czech Republic.

Other producers of container glass are:

*SKLARNY MORAVIA, a.s.* ([www.sklomoravia.cz](http://www.sklomoravia.cz))

*Stolzle UNION, s.r.o.* ([www.stoelzle.com](http://www.stoelzle.com)).

### Glass fibres and glass fibre products

The only producer of glass textile fibres and associated products in the Czech Republic is *Saint-Gobain Vertex, a.s.* ([www.vertex.cz](http://www.vertex.cz)). The company is a member of the transnational production and distributive channels of the Saint-Gobain Vetrotex GmbH Group (Germany). It's composite materials made of glass fibres are especially in demand by producers of transportation and in the building and machinery trade for its construction and physical properties which exceed those of traditional materials.

Thermal and heat insulation in the form of mats and slabs made of glass fibres (ROTAFLEX SUPER trade mark) is produced by the company *Union Lesni Brana, a.s.* ([www.rotaflex.cz](http://www.rotaflex.cz)).

### Other glass

*Sklarny Kavalier, a.s.* is a dominant Czech producer of technical and laboratory glass, tubing and apparatus glass made of borosilicate glass ([www.kavalier.cz](http://www.kavalier.cz)). Technical glass is also produced by *Technosklo, s.ro.* ([www.technosklo.com](http://www.technosklo.com)), *EXATHERM, s.r.o.* ([www.exatherm.cz](http://www.exatherm.cz)), and other smaller companies.

The company *ECOGLASS, s.r.o.* ([www.ecoglass.cz](http://www.ecoglass.cz)) is a producer of advanced pressed components of optical glass for electro optical apparatuses.

The company *STV GLASS, a.s.* ([www.stvglass.cz](http://www.stvglass.cz)) specializes in the production and delivery of lead glass funnels for color TV and monitor screens. STV Glass, a.s. is a member of the transnational glass producer Schott Group (Germany). *Nippon Electric Glass, a* producer of TV screens is the minority shareholder and also a major customer.

Glass blocks for the building industry are produced by *Vitrablok, a.s.* ([www.vitrablok.com](http://www.vitrablok.com)). The owner of Vitrablok, a.s. is an Italian company, Vetroarredo Sediver.

Production of fashion jewelry semi-products is a subject of activities of a number of companies mainly based in the north of the Czech Republic. Trade activities of the fashion jewelry group are strongly export-oriented and are predominantly realized through the company

*Jablonex, a.s.* (www.jablonex.cz). The majority owner of Jablonex is an association group of the most important producers of fashion jewellery glass - *Preciosa, a.s.* (www.preciosa.com), *Ornela, a.s.* (www.ornela.cz), *Zeleznobrodske sklo, a.s.* (www.zbs.cz), and *Bizuterie Ceska mincovna, a.s.* (www.bcm.cz).

Lighting glass is produced by *Sklarny Janstejn, s.r.o.* and *RapoSklo, s.ro.* (www.sklarny.cz).

A number of companies (mostly members of the *Union of Fashion Jewellery Producers* (www.svbi.cz)) are engaged in the production of components for chandeliers and also in individual production of chandeliers, e.g. *Preciosa, a.s.* in Jablonec nad Nisou and its subsidiary in Kamenicky Senov.

#### Utility glass

The most important Czech producers of utility glass are:

*Crystalex, a.s.* Novy Bor (www.crystalex.cz) – tableware and decorated glass

*Sklo BOHEMIA, a.s.* (www.sklobohemia.cz) – soda potassium glass and lead crystal

*Sklarny BOHEMIA, a.s.* (www.sklarny-bohemia.cz) – lead crystal

*Sklarny Kavalier, a.s.* (www.kavalier.cz) – borosilicate cooking glass

The above-mentioned companies are significant export producers and, at present, carry out their trade activities within the *Bohemia*

*Crystalex Trading, a.s.* (www.bct.cz) company.

*Sklarna Hermanova Hut, a.s.* (www.shh.cz) – pressed-and-blown soda potassium decorated drinking glasses

*Sklarska Hut Libochovice, s.r.o.* (www.shl.cz) – pressed utility glass

*Moser, a.s.* Karlovy Vary (www.moser.cz) – luxury hand-made utility glass

There is also a number of smaller companies offering wide range of products, such as art glass, cut lead crystal, utility glass decorated with painting, pen-and-ink drawing, staining, high enamel and engraving, hand made utility glass, historical replicas, etc.

Companies in this group include:

*AJETO, s.r.o.*, *Ruckl CRYSTAL, a.s.* (www.ruckl-crystal.cz), *J. Blazek Sklo Podebrady* (www.blazek-glass.com), *SKLARNA SLAVIA, s.r.o.* (www.sklarna-slavia.cz), *Sklarna Bratri Jilkove, s.ro.*, *KRALOVSKA HUT, s.r.o.* (www.royal-glassworks.cz), *Glass Tomes, EGERMANN, s.r.o.* (www.egermann.cz), and a number of others.

#### TOP TEN GLASS PRODUCT GROUPS, EXPORTED TO THE U.S. (thousand USD):

Product description	2002	2003	2004	2004 YTD	2005 YTD
Utility glassware	34,046	35,870	32,466	11,060	12,097
Glass beads, imitation stones, and similar	27,931	28,903	30,199	10,084	11,219
Glass fibers	1,522	1,137	7,711	811	1,755
Glass in balls, rods or tubes	1,622	2,026	2,672	888	1,155
Laboratory, hygienic or pharmaceutical glassware	1,357	1,324	1,385	431	1,433
Glass for building and decorative purposes; leaded glass; foam glass	1,226	1,096	1,357	501	1,427
Safety glass (tempered or laminated)	335	472	964	209	298
Articles of glass	173	491	623	324	243
Glass mirrors	97	20	153	35	129
Signaling glassware and optical elements	15	15	21	10	18
<b>Total value of Czech glassware, exported to the U.S.</b>	<b>68,645</b>	<b>71,718</b>	<b>77,684</b>	<b>24,395</b>	<b>29,777</b>

source: U.S. Harmonized Tariff Schedule

#### INVESTMENT BRIEFS

**The Czech subsidiary of General Electric**, one of the largest and most renowned American corporations, has decided to expand its activities in the Czech Republic. The new customer support center of GE Money Multiservis

for Czech and Slovak clients will be located in Ostrava (Moravia-Silesia region) and will provide work for up to 500 qualified staff members. The total investment exceeds 3 mil. EUR. Commencement of operations is

scheduled for the second quarter of 2006.

**The car manufacturing plant of the Toyota Peugeot Citroen Automobile (TPCA) consortium** – one of the largest

manufacturing plants in Central Europe – has commenced production in the Czech Republic. The investment into this plant based in Kolin (Central Bohemia), including development costs for a new model, amounts to 1.3 billion EUR; by the end of the year, an estimated staff of 3,000 will work here.

**AFL, member of U.S. based Alcoa Group**, the world's biggest aluminum manufacturer, has opened a new development center for electrical and electronic automobile systems near Pilsen (West Bohemia). The center will serve an AFL plant in nearby Stribro, which manufactures automobile cable systems for Skoda Auto, Volkswagen, and Daimler Chrysler.

**Swedish Arla Plast AB**, one of the largest European producers of hollow polycarbonate sheets, has decided to strengthen its activities in the Czech Republic and build its new production facility in Kadan in the Chomutov area. Arla Plast is investing over 10 mil. EUR into the new plant. The company already has a branch in the Czech Republic in Tabor.

**Scottish company Incline opened its high-tech center in Prague-Letnany** which will service flat LCD notebooks, LCD televisions and plasma screens. Thanks to this investment on the order of millions of dollars, Incline will create 165 new jobs in its new center. Incline Global Technology Services is a leading company in the field of LCD repair and has strong links to the largest global producers of LCD devices and the most important companies in the sector.

**German based company Bosch Diesel** opened another manufacturing hall in the Czech Republic. This expansion in the area of its existing plant in Jihlava required 100 mil. EUR investment and represents the immediate creation of more than 350 new jobs. Bosch Diesel, the largest investor and employer in the region, intends to hire up to 1,000 new employees in the course of 2005. The total volume of Bosch Diesel's investment into the Jihlava plant, which today already employs a staff of more than 5,800, exceeds 505 mil. EUR. In the new manufacturing hall, Bosch Diesel will produce a novel type of high-pressure pump.

**Skoda Auto is investing over hundred mil. EUR** into expanding the manufacturing capacities of its production plant in Eastern Bohemia, where the new Skoda Roomster model is

going to be produced. Launching the production is scheduled for the beginning of next year; the new car will be presented to the general public for the first time at the Geneva Motor Show in March 2006. This new line of production translates into employment for more than 2000 people.

**A new development center of Czech company Value Engineering Services** was opened in Borske Pole in Pilsen. This project will create jobs for 150 development and testing engineers and investment exceeding 4.3 mil. EUR. The center will provide services in the field of development, testing and prototype production mainly to clients from EU countries.

#### **Japanese Futaba launches production in the Vysocina region**

The global number one manufacturer of molded car components, Japan-based Futaba, has opened its new plant in Havlickuv Brod. Investment into this plant exceeds 67 million EUR and will create 450 new jobs by the end of the year. The output of Futaba's plant is mostly intended for the Kolin-based car manufacturer TPCA. This plant with state-of-the-art machinery is the first Futaba investment in continental Europe.

**Kappa Packaging has opened a new plant** for the production of packaging from backed corrugated board in the industrial zone Olomouc-Holice. The plant required investment of more than 11 mil. EUR. In the Czech Republic, Kappa Packaging is represented with five plants with an annual production capacity of 200 mil. square meters of corrugated board and 60 tons of paper. It currently employs 514 persons.

**Daido Metal, producer of bearings for the automobile industry**, signed an agreement on future agreement on the purchase of land with the city of Brno to build a new production plant in Cernovicka Terrace industrial zone. The investment of Daido Metal will amount to nearly 13 mil. EUR and the plant will employ up to 100 persons in the first stage. The production should be launched at the beginning of next year.

#### **Japanese Toyota Gosei expands in North Bohemia**

The third largest manufacturer of airbags and steering wheels in the world, Japanese Toyota Gosei, is undergoing a major expansion of its production capacity in the Czech Republic. Toyota Gosei came to the Czech Republic three years ago and opened its second

production hall in North Bohemia where rubber sealing components for the automotive industry will be produced. This expansion reached 40 mil. EUR and created 400 jobs.

**The car manufacturer Mercedes-Benz** has opened a development center in Pilsen in June. The center is developing and testing prototype auto parts for the DaimlerChrysler Group. Mercedes-Benz plans to invest 200 mil. Kc in the center by the end of 2007 and employ over 170 persons.

**The Japanese company Daikin**, one of the world's major producers and sellers of air-conditioning equipment for industrial and home use, began the construction of its production plant in Brno. Daikin Device Czech Republic s.r.o. will produce compressor units. In the first year, they plan to invest EUR 41 mil. and create more than 350 jobs. Daikin plans further investment in the following years. As early as in the middle of 2006, the Brno plant should produce around 25 000 compressors per month and employ about 800 people.

#### **New aircraft development center to be built in the Czech Republic**

With the support of French parent company Latecoere, the traditional Czech company Letov letecka vyroba will build a new R&D center for composite parts for large transport aircraft. The company is investing more than 6.6 mil. EUR and will create up to 150 new jobs with a significant presence of engineers and mechanics. Latecoere produces and supplies aircraft parts such as fuselage sections and doors for the Airbus, Embraer and Dassault aircraft.

#### **Multipurpose virtual robot helps in cancer research**

Brno based eTrium Corporation recently announced the creation of what they call the first Universal Information Robot. The robot can help software firms to radically reduce costs for the creation and maintenance of information systems. The virtual robot is a step from information systems towards virtual employees - business assistants. It is capable of communicating in a number of languages and can also translate between languages. The company wants to launch commercial production and is looking for investors. At the moment, the robot is helping to sort out 30 years' worth of data collected on cancer treatment.

**Computer Associates International, Inc. (NYSE: CA)**, one of the world's

largest management software companies, has announced that it will create its first worldwide Mainframe Center of Excellence in Prague. The new Center, which is scheduled to open in August 2005, will focus on software development, maintenance, validation and quality assurance for the mainframe computing environment. Computer Associates plans to invest some Kc1.1bn (EUR36m) into the center.

**Japan's Amagasaki Pipe Corporation** has launched production of components for cooling systems in the Kozlany industrial zone north of Pilsen. The investor spent CZK 100 mil. (EUR 3.29 mil.; USD 4.45 mil.) on the first production hall and wants to hire over 400 employees in the next 3 years.

**U.S. software firm PeopleSoft is to open offices in Prague,** Warsaw and Moscow. The Prague office will also serve customers in Slovakia, Slovenia, Turkey and the Balkan countries, according to British news portal Evolving Times Online.

**The Enterprise Mobility Company,** a unit of the IT firm Symbol Technologies, has opened a shared services center in the Moravian capital of Brno. The center will cover the EMEA (Europe, Middle East and Africa) region. The 10,000-square-meter facility will serve as the hub for Symbol's EMEA customer support services including a repair center, multilingual customer call center, finance, contract administration and sales ordering operations.

**Chinese company Lenovo will open a new Czech branch** in Prague August 1. The firm, which just had finalized an acquisition of the IBM's PC division, plans to keep all the employees of the Czech IBM's PC division.

**US software and computer company Sun Microsystems** plans to build European R&D center in Prague. The volume of the investment has not yet been determined. The company employs around 200 people in the Czech Republic now and their number could grow up to 600 with the new center.

**Siad Czech, an arm of Italian-US SIAD-Praxair,** is building a new plant and a logistics center near Brno. The company is a manufacturer of equipment and gases used in the health sector.

**Austrian investment company Immoeast plans to invest up to 200 mil. EUR** (\$246 mil./6.1bn Kc) in the Czech Republic next year. Future projects include construction of the Palladium shopping and office center in Prague. Immoeast said it wants to become the leading real estate developer in Central and Eastern Europe.

**Austrian insurance company Niederoesterreichische Versicherung** plans to invest more than 600,000 EUR in the Czech Republic this year before officially entering the domestic market in 2006. The company plans to focus its business on areas on the Czech-Austrian border.

**British Nuclear Group (BNG) opened its regional headquarters** for Central and Eastern Europe in Prague June 7. BNG, which specializes in liquidation of nuclear reactors, believes Finland and countries in the former Eastern bloc have as many as 70 reactors slated for closure in the next 15 years.

**Siemens will invest 640 mil. Kc (\$28 mil.)** to expand production of electric engines in Frenstat pod Radhostem, north Moravia, by 2008. Project GROWTH 2008 is expected to create dozens of jobs in the region. In addition to increasing production capacity, the project aims to centralize machine tool and assembly workshops.

**Acer, the major manufacturer in the notebook sector** decided to open new service center, with a related call-center for customers coming from Europe, Middle East and Africa (EMEA). The Acer shared services center will be opened on July 1 in Brno, within an industrial complex Cernovicka Terrace. The new center will replace the current solution, where customer service is being provided via external service providers.

**Japanese company Muramoto Industry,** producer of pressed components for plasma television sets, has decided to build a new factory in the Czech Republic, in the area of Zebrač city (Central Bohemia). Initially, the company will invest nearly 11.5 mil. EUR. The new plant will employ up to 70 people in the first phase. Production should be launched here by April 2006.

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## CZECH PRODUCTS IN THE USA

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### **Official Exhibition of the Czech Republic – Czech machinery at Westec 2005**

As a support to Czech export and promotion of the Czech machinery at Westec, the Czech Republic had its own official presence and a booth exposition. Moreover, the distributor of the Czech machinery in the US and Canada, Omnitrade Ltd. ([www.omnitrade.ca](http://www.omnitrade.ca)) was presented at Westec as well as CzechTrade, Trade Commissioners from the Czech Embassy in the US and the Czech General Consulate in Los Angeles, Association of Manufacturers and Suppliers of Engineering Technique, ProTenax, CzechInvest and the Ministry of Trade and Industry showed their active support to Czech machinery in the US.

This trade show took place April 4th-7th, 2005 at the Convention Center in Los Angeles. Besides the official exposition of the Czech Republic, other 522 company expositions from 9 countries presented themselves to over 19 000 visitors and professionals.

Dozens of potential customers have visited our exposition and furthermore many of those have used Czech machinery in the past. As a part of the event, the Czech delegation took part in a briefing and a discussion panel organized by Small manufacturers Association of California enabling communication with Albert Frink, Assistant Secretary of Commerce, Manufacturing and Services US Department of Commerce.

The next Czech official exposition for the machining industry in the US is planned for IMTS 2006 in Chicago.

**Czech products at Chicago Gift and Home in July**

This July's Chicago Gift and Home will take place July 23<sup>rd</sup>-27<sup>th</sup>, 2005 at the Merchandise Mart building. The fair will contain of over 1000 non permanent and approximately 350 permanent showrooms.

Czech manufacturing will be represented here by the following companies:

Preciosa international, Inc.  
 2316 Wehrle Dr.  
 Williamsville, NY 14221  
 Tel.: 716/ 626 9759  
 E-mail: [phruska.preciosa@speakeasy.net](mailto:phruska.preciosa@speakeasy.net)  
<http://www.preciosa.com>

Ms. Pauline Hruska  
 Preciosa will present its beautiful crystal figurines. The company has already established itself as a major supplier of wonderful Czech gift cut glass products as well as crystal chandeliers.

European Trading Company  
 8451 N 46<sup>th</sup> ST.  
 Brown Deer, WI 53223  
 Tel.: 414/ 354 4655  
 E-mail: [vcinadr@wi.rr.com](mailto:vcinadr@wi.rr.com)  
<http://www.ornex.cz>  
 Mr. Vashek Cinadr

Wisconsin's European Trading company will present the beautifully hand crafted and hand painted Christmas ornaments from Ornex.

CzechTrade ([www.czechtradeoffices.com](http://www.czechtradeoffices.com)) will also be present at this show and will represent other products from the Czech Republic, mainly glass products, other gift items as well as kitchenware, some of which are trying to penetrate the US market for the first time.

**Czech Light Sport Aircraft sold in the U.S.**

Evektor, Czech manufacturer of light sport aircraft, has started to export its *SportStar* aircraft to the U.S. The *SportStar* is a Light Sport Aircraft (LSA) designed for pilot training, sport and leisure flying and touring with limitation to non-aerobatic VFR operations. The plane meets the Sport Pilot Light Sport Aircraft regulations.

The company plans to sell about 100 aircraft per year in the U.S. The *SportStar* is already being exported to Australia, Canada, South America, and together with its European version *Eurostar* flies in more than 30 countries all around the world.

**CZECH MANUFACTURERS OF MACHINE TOOLS**

**Representatives in the U.S.**

<p>Omnitrade Limited                  78 Torlake Crescent                  Toronto, ON                  M8Z 1B8, Canada                  Contact person:                  Stan Wiener, President                  Tel.: 416/ 252 1151, ext. 201                  Tel. direct: 416 252 3935                  E-mail: <a href="mailto:swiener@omnitrade.ca">swiener@omnitrade.ca</a>                  Dennis Kohout, Technical Director                  Tel.: 416/ 252 1151, ext. 206                  E-mail: <a href="mailto:dkohout@omnitrade.ca">dkohout@omnitrade.ca</a></p>	<p>Successfully importing, selling, installing and servicing machine tools and hand tools from the Czech Republic and Slovakia since 1947.</p> <p>Companies represented:                  CETOS, CKD Blansko, HELTOS, Kовosvit MAS, Omnitrade, OSO Olomouc, ReTOS Varnsdorf, Skoda Machine, TOS Celakovice, TOS Varnsdorf, TOS Hulin, TRENS, VOJUS, Weiler Holoubkov</p> <p>Products:                  - boring mills, drills, grinders, horizontal centers, lathes, mills, VTL's</p>
<p>Erwin Junker Machinery Inc.                  2029 Lyons Road                  Dayton, OH 45342                  Tel. 937/433-0774                  Fax 937/433-0775                  e-mail: <a href="mailto:info@junker-usa.com">info@junker-usa.com</a>, <a href="mailto:rfashjian@junker-usa.com">rfashjian@junker-usa.com</a>  <a href="http://www.junker-usa.com">www.junker-usa.com</a>                  Richard Fashjian, Senior Project Manager</p>	<p>Products:                  - grinding machines</p>

<p>Pilsen Imports, Inc. 3985 Virginia Avenue Cincinnati, OH 45227 Phone: 513.271.3380 ext 111 Fax: 513.271.8629 E-mail: <a href="mailto:info@pilsenimports.com">info@pilsenimports.com</a>, <a href="mailto:Bpruden@pilsenimports.com">Bpruden@pilsenimports.com</a> <a href="http://www.pilsenimports.com">www.pilsenimports.com</a> Robert A. Pruden, President</p>	<p>Products: - lathes</p>
<p>ZPS-CNC U.S.A., Inc. 1225 Henri Drive Wauconda, IL 60084 Tel. 847/487-4353 Fax. 847/487-4352 E-mail: <a href="mailto:zpsbob@hotmail.com">zpsbob@hotmail.com</a> <a href="http://www.zpusa.com">www.zpusa.com</a> Robert C. Norman, Vice President</p>	<p>100% - Tajmac-ZPS, a.s.  Products: -cutting, milling, grinding machines</p>

### Manufacturers in the Czech Republic

#### **ALTA, a.s.**

Stefanikova 41  
602 00 Brno  
Tel.: +420 541 550 111  
Fax: +420 541 550 555  
E-mail: [office@alta.cz](mailto:office@alta.cz)  
<http://www.alta.cz>  
Contact person:  
Mr. Milos Krutak  
Mr. Vladimir Hornak  
Products: cutting machines

Tel.: +420 383 342 447  
Fax: +420 383 343 001  
E-mail:  
[cz\\_strojirna@pvtmet.cz](mailto:cz_strojirna@pvtmet.cz)  
<http://www.cz.as.cz>  
Contact person:  
Mr. Frantisek Brusak,  
Tel. +420 383 342 357,  
E-mail: [fbrusak@cz.as.cz](mailto:fbrusak@cz.as.cz)  
Products: internal grinding machines; cylindrical grinding machines; endworking machines

Fax: +420 311 533 236  
E-mail: [intos@intos.cz](mailto:intos@intos.cz)  
<http://www.intos.cz>  
Contact person:  
Mr. Vaclav Zavadil (Sales)  
Tel. +420 311 535 400  
Products: universal tool-room milling machines; universal lathes; machining centers

Products: vertical & horizontal machining centers; (universal center) CNC lathes; multioperational turning-milling centers; drilling machines; single spindle automatic lathes (also CNC)

#### **AXA CNC stroje, s.r.o.**

Cintlovka 535  
268 01 Horovice  
Tel.: +420 311 516 420,  
+420 311 514 902  
Fax: +420 311 516 410  
E-mail: [vyroba@axacnc.cz](mailto:vyroba@axacnc.cz)  
<http://www.axacnc.cz>  
Contact person:  
Ms. Monika Schovankova (Sales)  
Products: milling machines, lathes, machining centers

**HIPO, s.r.o.**  
Radosovice 81  
386 01 Strakonice  
Tel.: +420 383 326 787  
Fax: +420 383 322 003  
E-mail: [hipo@cbu.pvtmet.cz](mailto:hipo@cbu.pvtmet.cz)  
<http://www.hipo-st.cz>  
Contact person:  
Mr. Vaclav Pozarek,  
Tel. +420 383 326 787  
E-mail: [hipopozarek@iol.cz](mailto:hipopozarek@iol.cz)  
Products: grinding machines

**JIHOCESKA STROJIRENSKA, s.r.o.**  
Prumyslova 567  
375 01 Tyn nad Vltavou  
Tel.: +420 385 722 740,  
+420 385 721 376  
Fax: +420 385 722 651  
E-mail: [jistyn@volny.cz](mailto:jistyn@volny.cz)  
Contact person:  
Mr. Vaclav Hodny (Director)  
Products: lathes

#### **MODIKOV, s.r.o.**

Wokerova 845  
768 24 Hulin  
Tel.: +420 573 327 260,  
+420 573 327 509  
Fax: +420 573 327 505  
E-mail:  
[modikov@modikov.cz](mailto:modikov@modikov.cz)  
<http://www.modikov.cz>  
Contact person:  
Ms. Marie Otepkova (Sales),  
Tel. +420 573 327 507  
E-mail:  
[marie.otepkova@modikov.cz](mailto:marie.otepkova@modikov.cz)  
Products: vertical turning lathes up to 600mm in diameter

#### **BROM LIBOR – MOSTR**

Prachovice u Dasic 17  
530 02 Pardubice  
Tel.: +420 466 950 866, 466 950 868, 466 950 826  
Fax: +420 466 950 866  
E-mail: [mostr@mostr.cz](mailto:mostr@mostr.cz)  
<http://www.mostr.cz>  
Contact person: Mr. Radomir Stefl (Director)  
Tel. +420 466 950 868  
E-mail: [stefl@mostr.cz](mailto:stefl@mostr.cz)  
Products: bending machines, flanging machines, presses, punching machines, drilling machines, bend saws

**HOL – MONTA s.r.o.**  
Radiova 1431/2a  
102 00 Praha 10  
Tel.: +420 272 706 555 (-7)  
Fax: +420 272 706 561  
E-mail: [hol-monta@post.cz](mailto:hol-monta@post.cz)  
<http://www.hol-monta.com>  
Contact person:  
Mr. Petr Nemecek (Sales)  
Products: NC or CNC cylindr. grinding machines  
Certificates:  
ISO 9001: 2000

**K.H.A., s.r.o.**  
Hrbítovni 653  
339 01 Klatovy  
Tel.: +420 376 375 911,  
+420 376 375 913  
Fax: +420 376 375 916  
E-mail: [kha@kha.cz](mailto:kha@kha.cz)  
<http://www.kha.cz>  
Contact person:  
Mr. Milan Bartl  
Products: turning on NC turning machines  
Certificates:  
ISO 9001: 2000

#### **M & V spol. s r.o.**

4. kvetna 288  
755 01 Vsetin  
Tel.: +420 571 484 814,  
+420 571 411 127  
Fax: +420 571 411 136  
E-mail: [info@mav.cz](mailto:info@mav.cz)  
<http://www.mav.cz>  
Contact person:  
Mr. Rostislav Mikus (Sales)  
Tel. +420 571 411 127  
Products: tools for milling, turning, grinding, drilling  
Certificates:  
ISO 9001: 2000

#### **CZ Strojirna, s.r.o.**

Tovarni 202  
386 01 Strakonice

#### **INTOS, spol s.r.o.**

Tovarni 220  
267 53 Zebrač  
Tel.: +420 311 535 111,  
+420 311 533 329

#### **KOVOSVIT MAS, a.s.**

nam. Tomase Bati 419  
391 02 Sezimovo Usti  
Tel.: +420 381 741 111  
Fax: +420 381 276 372  
E-mail: [mas@kovosvit.cz](mailto:mas@kovosvit.cz)  
<http://www.kovosvit.cz>

#### **NAVEL, s.r.o.**

Nova 641



382 32 Velesin  
Tel.: +420 380 332 138  
Fax: +420 380 347 419  
E-mail: [navel@navel.cz](mailto:navel@navel.cz)  
<http://www.navel.cz>

Contact person:  
Mr. Miroslav Zemene  
Products: milling cutters,  
drilling machines

**Obrabeci stroje Olomouc, spol. s.r.o.**

Tovarni 30  
772 49 Olomouc-Hodolany,  
c.p. 1180  
Tel.: +420 587 404 207,  
+420 587 404 309  
Fax: + 420 587 404 253  
E-mail:  
[prodej@oso-olomouc.cz](mailto:prodej@oso-olomouc.cz)  
[http://www.oso-](http://www.oso-olomouc.cz/home_eng.html)

[olomouc.cz/home\\_eng.html](http://www.oso-olomouc.cz/home_eng.html)  
Products: universal and  
production knee-type  
milling machines; knee-type  
milling machines with  
continuous control

**Strojirny Kohout, spol. s r.o.**

Klatovska 77  
345 06 Kdyne  
Tel.: +420 379 775 111  
Fax: +420 379 775 115  
E-mail:  
[strojirny@strojirnykohout.cz](mailto:strojirny@strojirnykohout.cz)  
<http://www.strojirnykohout.cz>  
Contact person: Mr. Zdenek  
Kohout

Products: lathes, milling  
machines, grinding  
machines, saw blades

**STROJTOS LIPNIK, a.s.**

Loucska 503  
751 31 Lipnik nad Beovou  
Tel.: +420 581 772 731,  
+420 581 721 111  
Fax: +420 581 771 731,  
+420 581 771 000  
E-mail: [strojtos@strojtos.cz](mailto:strojtos@strojtos.cz)  
<http://www.strojtos.cz>

Contact persons:  
Mr. Frantisek Krystof  
(Trade)  
Tel.: +420 581 721 258  
E-mail: [krystof@strojtos.cz](mailto:krystof@strojtos.cz),  
Mr. Zdenek Novotny  
(Trade),  
Tel. 420 581 721 300  
E-mail: [novotny@strojtos.cz](mailto:novotny@strojtos.cz)  
Products: knee & RAM  
type milling machines (also  
CNC), vertical machining  
centers

**TECHNA spol. s r.o.**

Weilova 2, bud. 6  
102 00 Praha 10  
Tel.: 420 2 67215634  
Fax: 420 2 67215633  
<http://sweb.cz/techna>  
Products: grinding  
machines, drilling  
machines, saw blades

**TOSHULIN, a.s.**

Wolkerova 845

768 24 Hulín  
Tel.: +420 573 327 561  
Fax: +420 573 350 321  
E-mail: [sales@toshulin.cz](mailto:sales@toshulin.cz)  
<http://www.toshulin.cz>

Contact person:  
Mr. Jaroslav Marsa (Sales)  
Tel. +420 573 327 432  
Products: vertical lathes –  
diameter of faceplates 800-  
5000mm, machining centers

**TOS KURIM - OS, s.r.o.**

Blanenska 257  
664 34 Kurim  
Tel.: (+420-5) 41101111  
Fax: +420-5-4110 2444  
E-mail:  
[prodej@tos-kurim.cz](mailto:prodej@tos-kurim.cz)  
<http://www.tos-kurim.cz>  
Contact person: Mr. Jan  
Svoboda (Sales Director),  
Mr. Milos Hovorka  
(General Director)  
Products: machining tools,  
hand tools

**TOS VARNSDORF, a.s.**

Ricni 1774  
407 47 Varnsdorf  
Tel.: +420 412 351 210,  
+420 412 351 111  
Fax: +420 412 351 176  
E-mail:  
[sales@tosvarnsdorf.cz](mailto:sales@tosvarnsdorf.cz)  
<http://www.tosvarnsdorf.cz>  
Contact person:  
Mr. Jiri Neveceral (Sales)  
Tel. +420 412 351 203

Products: horizontal boring  
machines  
Certificates: ISO 9001

**Tooltechnic Systems CZ, s.r.o.**

Modranska 342/54  
143 00 Praha 4  
Tel.: 420 2 44402556  
Fax: 420 2 44403286  
<http://www.festool.cz>  
Products: milling machines,  
saw blades

**Tradeinvest, a.s.**

Behradská 77  
120 00 Praha 2  
Tel: +420 221 590 150,  
+420 221 590 152  
Fax: +420 224 247 584  
E-mail:  
[j.prokop@tradeinvest.cz](mailto:j.prokop@tradeinvest.cz)  
<http://www.tradeinvest.cz>  
Directors: Ing. Jan Prokop  
(General Manager)  
Activities: (trade)  
- metal threading machines;  
metal milling, grinding,  
drilling, centering, tapping  
and boring machines (incl.  
CNC)  
- machine tools,  
multifunctional, for  
metalworking (sawing and  
milling machines,  
machining centers)

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COMPANIES AND BUSINESS

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**Private nationwide station Prima TV's operating profit reached about 300 million Kc** (\$12 mil.) last year. Prima TV has managed to offset a shortfall in advertising revenues early this year and advertisement income in May increased year on year.

**eBanka made its first quarterly profit ever this year, 18.8 million Kc** (\$752 thousand). The first bank to offer services solely through direct banking finished 2004 in the red by 271 million Kc. eBanka also ranked first measured by costs per account.

**Aero to offer licence to produce L-159 plane abroad**

The largest Czech aircraft maker Aero Vodochody will offer licensed production of the L-159 light combat aircraft to foreign companies. Aero has entered in talks on the aircraft's sale with 13 companies so far and offered several

of them licenced production. If Aero succeeds in the sale it will be the first aircraft maker to hand over documentation for military aircraft production to a foreign firm after the fall of the Iron Curtain.

**Czech rail operator Ceske drahy has increased its stake in CD-Telekomunikace** (CDT), which reportedly operates the second-largest telecommunications network in the Czech Republic, to 51 percent from 40 percent. Expected to undergo a name change in May, CDT will offer information technology and telecommunication infrastructure services.

**Telefonica pays Kc74.3bn (\$2.97bn) for majority in Cesky Telecom**

Spanish telecom giant Telefonica has become the majority owner of Czech fixed-line operator Cesky Telecom and

its mobile arm Eurotel. Telefonica paid the remaining 90 percent of the purchase price of Kc82.6bn, that is, some Kc74.3bn, to the National Property Fund (FNM) June 16, and acquired 51.1 percent of the largest Czech telecommunications group. The transfer of shares, recently approved by the European Commission, finalized the privatization of the country's largest remaining state-owned interest.

**American company Central Media Enterprises**, the owner of TV Nova, has entered the Prague Stock Exchange (PSE) at the end of June. The stock could reach a price as high as 1,100 Kc (\$45) a share, according to analysts.

**Profit increased more than 25 percent to a record 30.7 mil. Kc** (\$1.2 mil.) at construction company P-D Refractories CZ last year.

**The planned merger of HVB and UniCredito** could be completed as early as October. HVB controls 5.4 percent of the local banking market; UniCredito, 1.8 percent. It would reportedly take an investment of billions of crowns to challenge the largest banks on the Czech market.

**Sales increased 25 percent to 1.17bn Kc** (\$46.8 mil.) at Stavostroj, the largest Czech producer of heavy road machinery, last year on an increase in exports, according to the company's 2004 annual report.

**Siad Czech, an arm of Italian-US SIAD-Praxair**, a manufacturer of equipment and gases used in the health sector, increased sales 16 percent to 331.5 million Kc (\$13.5 million) last year over 2003.

**State-owned power utility CEZ** could buy a majority stake in mining company Severoceske doly by the end of August. The Industry and Trade Ministry will propose CEZ be granted 60-day exclusivity for talks.

**Czech electrical engineering firm Atas elektromotory Nachod** raised turnover by 8 percent to a record 333 million Kc (\$13.3 mil.) last year thanks to higher sales on the domestic market. Profit amounted to 3 million Kc compared to 704,000 Kc in 2003.

**Cars produced at the TPCA automotive plant in Kolin** will be available on the domestic market starting in June and July. The cars are expected to cost as much as in Western Europe.

**Skoda Power, a producer of power-plant equipment**, has won a 500 million Kc (\$20 mil.) contract to upgrade the first unit of a heating plant in Amager, Denmark. It's the company's sixth contract in northern Europe in the past year.

**The Prague Stock Exchange (PSE) mediated deals worth approximately 8.8bn euros** (\$11.4bn /263 bn Kc) in the first quarter of 2005, making it the top exchange in Central Europe for the first time. Heavy trading worth more than 120 billion Kc in March helped to win the top spot. In 2004, PSE was the fourth most productive exchange in the world.

**Dozens of European banks have been lured to the Czech Republic** this year as EU accession has allowed financial institutions to operate on the Czech

market without building branch offices. The number of banks without a Czech branch network increased by 41 in the last six months.

**The country's largest importers of information technologies** have formed a system called REMA to collect, recycle and reuse electrical waste starting in August.

According to a survey conducted by the prestigious American magazine Global Traveller, **Czech Airlines is the best carrier in Eastern Europe**. It tops a list of 25 European carriers with a majority of flights departing on time.

**Czech steelworks Vitkovice Steel**, slated for privatisation, raised net profit to a record-high Kc938.8 mil. (\$37.5 mil.) in the first quarter of 2005. Sales amounted to Kc4.2bn, up from Kc2.4bn a year ago. The expected profit for the first half of the year is almost Kc1.8bn.

**TV Nova group reverses loss into net profit of Kc1.75bn (\$70 mil.) in 2004**

The group of four companies around TV Nova netted Kc1.75bn last year against a loss of some Kc1bn the year before. The group comprises CET 21, Ceska produkci 2000, Mag Media 99, and Erika.

**Czech engineering company Vitkovice made Kc2.732bn** (\$109.2 mil.) profit last year after a previous loss of over Kc140m. Sales increased by some 16 percent to Kc2.15bn last year, of which 61 percent were revenues from the sale of energy.

**Skoda Auto firm with highest sales in 2004**

Car maker Skoda Auto has maintained its position as the most important Czech firm in terms of sales for 2004, and was on the top of the Czech Top 100 ladder with annual sales of Kc153.6bn (\$6.1bn). Power producer CEZ ranked second with sales of Kc100.2bn, followed by oil group Unipetrol with Kc85.8bn. Last year, Skoda Auto raised output by 1.5 per cent to 444,121 units and global sales by 0.4 per cent to 451,675 units.

**Five firms submit final bids for Vitkovice Steel**

Five entities submitted final bids to buy a 99 percent state-held stake in Czech steel maker Vitkovice Steel. Among the five bidders are Charles Capital, Mastercroft, Penta Investment, System Capital Management and Trinecke zelezarny.

**Stock trading on Prague bourse exceeds 2004 record**

The Prague Stock Exchange (BCPP) has enjoyed the biggest interest in shares in history this year and still dominates the Central European region, the bourse said. In less than half year, the total volume of deals has surpassed the record turnover seen for the whole 2004 and approached Kc500bn (\$20bn). Net earnings at the BCPP dropped to Kc30.5m last year from a previous Kc38.2m.

**Skoda Holding generated Kc8.59bn (\$343.6 mil.) in sales** last year, down from Kc11.15bn in 2003, and netted Kc322m. Operating profit stood at Kc529m. Skoda Holding now employs 4,300 people in ten subsidiaries.

**Penzijni fond Ceske sporitelny (PFCS)**, with 434,000 clients the third biggest pension fund in the Czech Republic, reported a yield of 3.74 pct for last year, up from 2.64 pct in 2003, according to the company's spokesperson.

**Skoda Auto to launch serial production of Skoda Yeti**

Czech car maker Skoda Auto, a unit of the Volkswagen concern, plans to launch serial production of the Yeti model. Skoda Yeti, which will be built on the platform of the popular Skoda Octavia, should appear on the market in 2008 at the earliest.

**Ceska zbrojovka Uhersky Brod, a major world producer of fire arms**, is considering the launch of a control system that would prevent potential reexports of arms to other customers or countries than enabled by the state licence. Before signing a contract the client would have to agree with potential checks to prove the ownership of arms or further trade in them.

**Czech mobile operator Oskar will probably change its name to Vodafone**

Czech Republic as of next year after Vodafone bought the company from Canada's TIW. No changes in tariffs or services are scheduled for this year.

**Dominant Czech fixed-line operator Cesky Telecom**

has cut the minimum price for Internet connection through the ADSL technology. The price of 128 kbit/s connection is now Kc475 (\$19) a month. Telecom will also offer 512 kbit/s at Kc713 a month, down from a previous Kc1,035, as well as 1 Mbit/s at Kc951 and 2 Mbit/s at Kc1,665 a month.

**Leading Czech power producer CEZ plans to renew** nearly 45 pct of the current capacity of the coal-fired power plants, investing Kc90bn to Kc100bn (\$4bn) by the year 2015.

**Unipetrol has submitted a preliminary bid for 69 filling stations** run by Aral on the Czech market, Unipetrol spokesman said. Czech firm Cepro, which owns about 180 EuroOil filling stations, had earlier also expressed interest in Aral stations, and so has Shell, which operates about 140 stations in the country, and ConocoPhillips with 43 Jet filling stations. The deal should be wound up in the 4th quarter of the year.

**Domestic breweries exported 560,000 hectolitres of beer** in the first quarter, up 15.5 pct yr/yr, but sale on the domestic market fell by nearly 5 pct to 3.26 million hectolitres, mainly due to the cold February, Czech Association of Breweries and Malt Houses reported.

**Czech petrochemical group Unipetrol last year raised net earnings to Kc3.69bn** (\$147.6 mil.), against 2003's Kc78.6m, and sales were about 25 pct higher at Kc86.25bn.

**Re/Max, a U.S.- based real estate agency,** is entering the CR and Croatia as a franchise operation.

**Czech car maker Skoda Auto is planning to produce Skoda Fabia Sedan** cars in its plant in India next year,

board chairman Detlef Wittig said. So far, Skoda has been producing the older type of Skoda Octavia in India. It is now expanding production by new Octavias and Superbs. Skoda expects to sell almost 10,000 cars to the Indian market in 2005.

**Heat and power utility Dalkia CR raised its net profit last year by 12 pct to Kc999.12m** (\$39.9m). This year's sales are planned at Kc6.5bn. Dalkia employs over 2,700 people in the Czech Republic and ranks among the largest French investors in the country.

**Polish concern PKN Orlen paid the CzechRep the remaining Kc11.75bn** (\$470 mil.) for the state-owned stake in petrochemical group Unipetrol and the National Property Fund FNM transferred to PKN 63 pct of Unipetrol shares, completing the privatisation, FNM spokeswoman Petra Krainova said. Altogether, the government got Kc13.05bn for its stake, PKN having paid 10 pct of the price last year.

**Czech car industry posts sales of Kc367bn (\$14.6bn) for 2004**

Domestic producers of cars and car components raised their sales by 14 pct last year to Kc367bn, or a growth of 50 pct since the year 2000. Exports of cars and car components totalled Kc270bn in 2004, up 21 pct year-on-year. As soon as the TPCA car plant in Kolin, Central Bohemia begins to operate at full capacity, the Czech Republic will join Belgium as Europe's leading car maker

by per capita output. This year, the Czech Republic will have an annual production capacity of 800,000 cars, of which Skoda Auto 500,000 and TPCA 300,000 units. The expected sales should raise by Kc20 billion to Kc460 billion.

**Raiffeisenbank saw its first-quarter net profit fall** by Kc69.4m to Kc53.2m (\$2.1m), and total assets were Kc6.8bn higher year-on-year at Kc70bn. The growth in total assets was the result of positive developments in the loan area.

**Textile maker Larisa declared bankrupt**

Czech textile company Larisa had been unable to repay debts to creditors and the Regional Court in Usti nad Labem sent it into bankruptcy on May 11. Larisa's production was taken over by the company Fabona in February. Larisa had been grappling with problems due to recession in the textile industry, firming crown and cheap textiles imported from Asia which have cost the company a lot of customers.

**Bivideon unit JTR to get Ceske radiokomunikace assets**

Management, a unit of Bivideon, will take over all assets, activities and staff of Czech telco and transmission company Ceske radiokomunikace, controlled by Bivideon. Bivideon, a vehicle of Deutsche Bank, bought a 51 per cent majority in CRa from the Czech government in 2001. It has gradually raised its share to more than 94 per cent.

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## CZECH-AMERICAN BUSINESS COOPERATION

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### **New Hampshire Governor plans to lead a trade mission to the Czech Republic**

The New Hampshire's Department of Resources and Economic Development ([www.globalnh.com](http://www.globalnh.com)) is organizing a trade mission of the New Hampshire governor, Mr. John Lynch, to the Czech Republic, Germany and Ukraine. Mr. Lynch will be the first New Hampshire governor to visit the Czech Republic. The mission will take place in October, 2005, visiting Prague October 12<sup>th</sup>-16<sup>th</sup>.

### **Governor Jim Doyle of Wisconsin to lead a trade mission to Prague, Warsaw and Tunisia**

Jim Doyle, the Governor of Wisconsin, is about to lead a trade mission to the Czech Republic, Poland and Tunisia in November, 2005. The governor will stay in Prague November 8<sup>th</sup>-13<sup>th</sup> and will meet with the representatives of the U.S. Embassy, the American Chamber of Commerce, and various members of the Czech business community. More information is available at: <http://commerce.wi.gov>.

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## ECONOMIC POLICY

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**The cabinet approved a proposal for reducing paperwork for businesses,** as proposed by Deputy Premier Martin Jahn. Government agencies will be required to conduct an analysis by year's end of how their rules burden businesses.

All new legislation will also include an analysis of the impact on businesses.

**President Klaus signed an amendment to the commercial code** that includes a "squeeze-out" provision for allowing

90% owners to force remaining shareholders to sell their stakes. Small-shareholder groups intend to continue to oppose the measure. The amendment signed also speeds up entries in the

commercial registry. It gives officials five days to make the entries.

**The Czech Finance Ministry is preparing tough measures that should secure higher protection of clients of domestic banks.** The ministry proposes e.g. cancellation of fees related to a change of banks, launch of portability of bank account numbers, drafting regulations on provision of information about types of fees and their sizes and also that selected payments of the state be exempt from fees.

**Zdenek Tuma, governor of the Czech National Bank (CNB),** has said it is impossible to predict how the CNB will behave in the next few months in regard to interest rates. The rates were last reduced in March in response to the strengthening crown.

Justice Minister Pavel Nemeč and Deputy Premier for Economy Martin Jahn have reached agreement on a **new bankruptcy bill that should speed up and facilitate bankruptcy proceedings** and increase the powers of creditors. Under the current law bankruptcy proceedings take years and creditors on average only receive about 17 percent of their claims.

#### **Govt OKs ceiling on social, health insurance**

The Czech government agreed to put a lid on social and health insurance as of 2007. The ceiling will reach five times the average wage in 2007, four times in 2008 and three times in 2009. This means people earning more than Kc100,000 (\$4 thousand) a month, which is roughly five times the expected average wage in 2007, will calculate their contributions only from Kc100,000 a month.

#### **EU border controls to be lifted for Czechs in 2007**

Checks on borders with neighbouring countries should be lifted for Czechs in end-2007 when the European Union should extend the Schengen area to embrace the new member countries, Interior Minister Frantisek Bublan said. Bublan attended a meeting of his counterparts from the European Union, Norway, Iceland and Switzerland.

#### **Senate approves bill on tax default cooperation with EU bodies**

Czech Senate approved a new bill that will allow for parallel checks of high-risk companies in all the EU member states where the company operates. The bill deals with direct taxes, such as

income tax, real estate tax, and other forms of direct taxation.

#### **Govt decides on payment of e-toll, employers' tax relief**

Electronic toll will start to be collected for lorries on 970 kilometres of motorways and expressways, and only later will it be extended to 2,100 kilometres of roads. The toll will start to be paid in 2007 and its expected revenue is about Kc5bn.

**The cabinet passed a draft construction law** that would make it possible to build houses of up to 150 sqm and consisting of no more than three floors without a permit. Only notification of the project would have to be provided, unless the building office required more documentation within 30 days.

**The government approved the use of 700 million crowns for foreign aid** next year, which is 100 million crowns more than was spent this year. The aid will mainly go in the form of certain programs, including education programs, to Angola, Zambia, Vietnam, Mongolia, Yemen, Moldova, Bosnia and Herzegovina, Serbia and Montenegro and to Iraq and Afghanistan.

**Prices in Prague still lag behind average prices in European capitals by 26%,** a study compiled by German bank Dresdner Kleinwort Wass-erstein says.

President Vaclav Klaus signed an **amendment to the bill on investment incentives,** facilitating access to incentives for companies investing in municipalities with higher unemployment.

**The Czech cabinet passed a draft for transferring the responsibility for paying the first 14 days of sickness benefits to the employer.** Under the cabinet's approved version, employers would pay 30% of the assessment base for the first three days of illness, compared to the 25% currently paid by the state. From the fourth to 14th day, the employer would pay 69% of the base (the same amount now paid by the state). After the 14th day, the state would continue to pay 69% of the base.

**In 2007-2013, the CR could receive up to CZK 1 trillion** (roughly EUR 32.93bn; USD 44.48bn) **from EU funds** provided the country meets the required economic growth, submits good-quality grant proposals, and proves the ability to co-finance about 25% of projects.

**Dominant power producer CEZ said electricity prices** will likely increase and in four years could be 20-30 percent more expensive.

According to the most recent international comparison by World Times, **the Czech Republic is the fourth wealthiest developing economy in the world.** The main criteria are economic development, social level and development of an information society.

**The cabinet recently approved opening of new registration offices** aimed at streamlining the establishment of new businesses. Tax offices will operate a central register of sole traders and businesses that will be linked to the national business register and the population register.

#### **Several EU countries ready to allow free movement of Czech labor**

Portugal, Greece and Italy, in addition to Spain, are reportedly prepared to allow the free movement of Czech labor after the two-year transition period expires next year. Germany will probably insist on the full use of the seven-year transitional period for the free movement of labor from the CR and other new EU members.

**The Czech Government wants to prepare an amendment to the tax laws,** which is expected to simplify the country's tax system in a significant manner. Finance Minister Bohuslav Sobotka has set up a national discussion group, which should submit proposals on the basis of talks with entrepreneurs. The Government also wants to remove bureaucratic obstacles for entrepreneurs and the self-employed, cutting the number of offices and authorities they have to visit.

**The CR has been evaluated as posting the second best e-government website** in Central Europe ([www.portal.gov.cz](http://www.portal.gov.cz)), a report by the Economist Intelligence Unit agency says.

**Czech new car prices are the lowest in Europe,** standing eight per cent below the European average owing to lower interest in new cars, a study by PricewaterhouseCoopers has shown. After last year's accession to the EU, experts predicted prices would grow as differences between prices in the EU were expected to narrow.

**Demand for investment incentives has grown significantly** in the last few

months as investors are afraid that they could be cancelled should the opposition Civic Democratic Party win next year's general election, Labour and Social Affairs Minister Zdenek Skromach said. The Czech cabinet will next week discuss the earmarking of another Kc700m to cope with the higher demand.

#### **OECD says number of poor in CR world's lowest**

Only 4 percent of Czechs live below the official poverty threshold, which ranks the Czech Republic as the country with the lowest number of the poor in the world, according to the latest OECD study. The welfare state in the Czech Republic is the most efficient in the world, showing the same results as the social systems in Scandinavia but on much lower expenditures.

#### **MPs approve amended law on collective bargaining**

Collective agreements signed by the associations of trade unions and of

employers will be binding even for companies which did not take part in the bargaining, according to an amendment to the law on collective bargaining signed by the Chamber of Deputies. The amendment counts on higher collective agreements to be binding also for companies employing more than 20 people and having no trade union organisation.

President Klaus signed a law for requiring **retailers and restaurants to be equipped with fiscal cash registers** as of Jan. 2007.

#### **EU to provide Kc1bn for nine Czech road projects**

The European Union will provide over Kc1 billion in non-repayable aid to nine Czech road projects from structural funds. The EU will cover 25-75 per cent of total costs of the individual projects.

**Food, petrol, gas and cigarette prices will grow** in the summer and they will pull inflation up from last month's low,

analysts told. Czech inflation fell to a 17-month low of 1.3 per cent year-on-year in May from 1.6 per cent in April, statisticians said today. In the coming months, it will get close to 2 per cent and may even exceed this level in the fourth quarter.

**A change to the rules of civil proceedings** that took effect on April 1 will require people to pay a Kc 50,000 (\$2 thousand) deposit when filing for a preliminary court injunction. In commercial cases, the deposit will be Kc 100,000.

#### **Russia sends first three Mi-171S helicopters as debt repayment**

The Czech military received three Mi-171S transport helicopters delivered by Russia aboard an An-124 Antonov cargo plane as part of the repayment of Russian debt. By the end of the year, the military should receive a total of 16 more Mi-171Ss and ten Mi-35 combat helicopters.

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## ACQUIRING REAL ESTATE PROPERTY IN THE CZECH REPUBLIC

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The possibilities for foreign businessmen to acquire real property in the Czech Republic is in principle stipulated by two Acts:

- a) Commercial Code (Act No. 513/1991 Coll.)
- b) The Foreign Currency Act (Act No. 219/1995 Coll.)

Both acts have been many times amended and modified.

The Commercial Code deals with this problem particularly from the broader aspects of foreign persons doing business in the Czech Republic. On the other hand, the Foreign Currency Act deals with these issues predominantly from the point of view of ownership, irrespective of whether the respective persons are businessmen or not.

*According to the Commercial Code foreign persons may do business in the Czech Republic to the same extent as Czech nationals, provided that they obtain the Trade License and are incorporated into the Companies Register. When fulfilling these obligations they can do business as Czech legal persons and acquire real property by the following methods or within the framework of partnership in already existing companies:*

- by participating in the foundation of a Czech legal person,
- by participating as partners or members of an already existing Czech legal person,
- by an independent foundation of a Czech legal person, or
- by becoming the sole partner of a Czech legal person, provided that it is permitted by law.

They may do business in the legally approved forms, namely in the public corporations, in the special partnerships, limited liability companies, joint-stock companies or co-operatives.

In accordance with these rules and within the framework of their entrepreneurial activities they may acquire or participate in the construction of a new real property or participate in existing property to the extent of their right of disposal and enjoy the same protection and support as Czech businessmen. In these cases the Acts do not distinguish whether the foreign person acquired the real property directly from the previous owner by a contract of purchase or by purchase of shares on the stock market.

According to the Foreign Currency Act the possibilities of acquiring real property by foreign persons is somewhat restricted. These restrictions do not involve those foreign persons (defined in the Foreign Currency Act as "foreigners") who are Czech citizens. For foreign nationals there are certain restrictions concerning the transfer of ownership of land, stipulated by the Act on Land.

*The Foreign Currency Act provides for the acquisition of real property by foreign nationals (foreigners) in the Czech Republic in the following cases:*

- a) by inheritance, when only the real property's ownership is being transferred. In these cases the transfer of other real properties poses no problem,
- b) acquiring the real property for the purpose of diplomatic missions of other states on the basis of reciprocity,
- c) in the case of undivided property of spouses, one of whom is a foreign national, or in such case where the foreign national is to acquire real property from his/her spouse, parents, or grandparents,
- d) by exchanging domestic real property owned by a foreign person for another domestic real property, the price of which does not exceed the usual price of the original real property. Under the term "usual price" the Property Evaluation Act understands a price that has been achieved in the sale of the same or similar property or paid for the same or similar service in common commercial dealing on the date of evaluation,
- e) in such case where the foreign person has right of pre-emption as co-owner of the real property,
- f) in the case of a building which the foreign national has built on his own land,
- g) in some other way explicitly stipulated by a special law.

The possibilities mentioned above on acquiring real property by foreign nationals should be based on a contract between the contracting parties. Real property inheritance is an exception as the ownership of real property (or any other item) by inheritance is acquired by the death of the deceased person and, according to the law, in the inheritance proceedings all heirs have the same right to acquire the real property concerned.

Real property may also be acquired by purchase of shares on the capital market. According to the Czech legislation the purchaser's share in the real property is equal to his share in the total shareholders' equity provided that his share is registered in the Land Register as both Czech and foreign persons acquire the ownership to the real property and become its legitimate owners only after their ownership rights have been effectively registered in the Land Register at the territorially appropriate cadastral office.

Individuals of other EU member states who obtain a "certificate of residence (permit) for citizens of an EU member state" ("Temporary Residence Permit") are allowed to acquire Czech real estate effective from May 1, 2004.

For other foreign individuals who wish to acquire a "secondary residence" in the Czech Republic, the restriction will continue to apply for a transitional period of a maximum of five years. Furthermore, a transitional period of a maximum of seven years will apply to the acquisition of Czech forestry and agricultural lands, with the possibility of a further extension for a maximum of 3 years.

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## CZECH COMPANIES LOOKING FOR REPRESENTATIVES, IMPORTERS, DISTRIBUTORS

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### BUSINESS COOPERATION & JOINT VENTURE

#### **Pavel Truksa**

Tel.: (+420) 541 225 482  
Cell: (+420) 603 476 316  
E-mail: [ptruksa@chello.cz](mailto:ptruksa@chello.cz)  
Contact person: Mr. Pavel Truksa

Mr. Truksa has developed a system of demountable living containers. The containers are easily operable and can be put together as a multistoried building. They are used primarily for military purposes. Mr. Truksa is looking for a manufacturer who would be able to produce large amount of these containers in top quality.

#### **Pavol Floris**

Levobrezni ul. 8  
190 00 Praha 9  
Tel: (+420) 226 066 708  
Cell: (+420) 724 201 698

Fax: (+420) 233 542 494  
E-mail: [cerpadlo@sasbrno.cz](mailto:cerpadlo@sasbrno.cz)  
Contact person: Mr. Pavol Floris

The company is looking for business cooperation in manufacturing of wind pumps, hand pumps and combined pumps.

### CONSUMER PRODUCTS

#### **KOVOBEL, vyrobní družstvo**

Cihlarska 503  
344 01 Domazlice  
Tel.: (+420) 379 724 441  
Fax: (+420) 379 722 552  
GSM: (+420) 606 688 256  
E-mail: [kovobel@kovobel.cz](mailto:kovobel@kovobel.cz)  
<http://www.kovobel.cz>

KOVOBEL is a manufacturer of demountable flatpack containers and carports, one of the largest manufacturers of these products in

Europe. The containers are made from zinc coated sheetings with wooden or plastic bottoms or banded floors. The company is very experienced exporter to EU and also Canada. If you are interested in more information, please contact CzechTrade Chicago at [chicago@czechtrade.cz](mailto:chicago@czechtrade.cz) for a catalog.

#### **F&B COMPANY, s.r.o.**

Sokolska 30  
772 00 Olomouc  
Tel.: (+420) 585 229 251  
Fax: (+420) 585 221 376  
GSM: (+420) 724 374 215  
E-mail: [antonicek@fbcom.cz](mailto:antonicek@fbcom.cz)  
<http://www.fbcom.cz>  
Contact person: Mr. Jiri Antonicek

F&B COMPANY is a manufacturer of GSM/GPS communication system called "PATRIOT". The firm would like to expand their activities in the U.S. and is looking for importers and distributors.

**AEC, spol. s r.o.**  
Bayerova 799/30  
602 00 Brno  
Tel.: (+420) 541 235 466-7  
Fax: (+420) 541 235 038  
Cell: (+420) 777 792 825  
E-mail: [ales.machacek@aec.cz](mailto:ales.machacek@aec.cz)  
<http://www.aec.cz>

AEC is an established provider of solutions and services for antivirus protection and data security. The company wants to offer their own complex security solutions product "TrustPort Phoenix Rebel" to U.S. customers.

**Glass Atelier Ivan Jiskra**  
Skalicka 733  
473 01 Novy Bor  
Tel.: (+420) 487 725 701  
E-mail: [jiskra@aqp.cz](mailto:jiskra@aqp.cz)  
<http://www.aqp.cz/jiskra>  
Contact person: Mr. Ivan Jiskra

Glass Atelier Ivan Jiskra produces ground glass pictures and objects, is looking for U.S. importers and retailers (only in Czech).

SERVICES FOR U.S. COMPANIES

**Prumyslove stavitelstvi Brno, a.s.**  
Cechyńska 419/14a  
602 00 Brno  
Tel.: (+420) 222 244 420  
Cell: (+420) 602 781 439  
E-mail: [mvesela@prsb.cz](mailto:mvesela@prsb.cz)  
<http://www.prsb.cz>  
Contact person: Ms. Marketa Vesela

Prumyslove stavitelstvi Brno provides complex services in the field of building industry (construction engineering, trade, etc.). The company would like to assist U.S. companies planning to do business in the Czech Republic, Russia and Kazakhstan.

**The following companies are listed in the Book of Business Opportunities published by the American Chamber of Commerce in Prague:**

**CONSUMER PRODUCTS**

**Austin Detonator, s.r.o.**  
Jasenice 712  
755 01 Vsetin  
Tel.: (+420) 571 404 045  
Fax: (+420) 571 404 926  
E-mail:  
[otta.greben@austin.cz](mailto:otta.greben@austin.cz),  
[austin@austin.cz](mailto:austin@austin.cz)  
<http://www.austin.cz>,  
[www.austinpowder.com](http://www.austinpowder.com)  
Contact person:  
Mr. Otto Greben

Austin Detonator provides research, manufacture and sale of initiation accessories for blasting – electric and non-electric detonators for commercial use; blast work and blasting advisory services.

**Bilek Associates**  
Ceske druziny 17  
160 00 Praha 6  
Tel.: (+420) 222 221 492  
Fax: (+420) 222 220 503  
E-mail:  
[marcela@bilekassoc.cz](mailto:marcela@bilekassoc.cz)  
<http://www.bilekassoc.cz>  
Contact person:  
Ms. Marcela Bilkova

Bilek Associates provides complete architectural services, masterplanning, interiors, management, land planning and consulting.

**IT / DATA SOLUTIONS**

**Logos, a.s.**  
BB Centrum, budova Beta

Vyskocilova 1481/4  
140 00 Praha 4  
Tel.: (+420) 242 425 000  
Fax: (+420) 242 425 099  
E-mail:  
[david.dvorak@logos.cz](mailto:david.dvorak@logos.cz)  
<http://www.logos.cz>  
Contact person:  
Mr. David Dvorak

Logos is a leading Czech provider of IT services. The company offers consultancy services, software solutions, enterprise mobile applications and quality management including testing.

**DCIT, s.r.o.**  
Kodanska Office Center  
Kodanska 46  
100 10 Praha 10  
Tel.: (+420) 603 519 999  
Fax: (+420) 234 066 112  
E-mail: [pavelka@dcit.cz](mailto:pavelka@dcit.cz)  
<http://www.dcit.cz>  
Contact person:  
Mr. Jan Pavelka

DCIT provides deployment and support of the PROVYS TVoffice channel management system for TV stations (own product), information security consulting and audits, ISO 9001 consulting and certification.

**BCH TeleCommunications, s.r.o.**  
Americka 15  
120 00 Praha 2  
Tel.: (+420) 222 518 377

Fax: (+420) 222 516 037  
E-mail:  
[ivana.svobodova@bch.cz](mailto:ivana.svobodova@bch.cz)  
<http://www.bch.cz>  
Contact person:  
Ms. Ivana Svobodova

BCH TeleCommunications provides a full range of telecommunications services/solutions (structural cabling, PBX & other phone systems, hardware), supplies internet/data services.

SERVICES FOR U.S. COMPANIES

**Czipin & Proudfoot Consulting, s.r.o.**  
Plzenska 113/155  
150 00 Praha 5  
Tel.: (+420) 255 739 606  
Fax: (+420) 255 739 806  
E-mail:  
[ectrnacta@proudfootconsulting.com](mailto:ectrnacta@proudfootconsulting.com)  
<http://www.proudfootconsulting.com>  
Contact person:  
Ms. Eva Ctrnacta

Czipin & Proudfoot Consulting specializes in enhancement of processes to improve sales and productivity and elimination ineffective cost spending.

**Cushman & Wakefield Healey & Baker, s.r.o.**  
Na Prikope 1  
110 00 Praha 1  
Tel.: (+420) 234 603 603  
Fax: (+420) 234 603 604

E-mail:  
[ferdinand.hlobil@eur.cushmanwakefield.com](mailto:ferdinand.hlobil@eur.cushmanwakefield.com)  
<http://www.cushmanwakefield.com>  
Contact person:  
Mr. Ferdinand Hlobil

Company provides sales and acquisition, retail agency & shopping center consultancy, business space agency, office agency, industrial agency, development consultancies and appraisals, research, valuation, and property management.

**CoLin, s.r.o.**  
Freyova 12  
190 00 Praha 9  
Tel.: (+420) 603 463 906  
Fax: (+420) 283 109 011  
E-mail:  
[jana.kuliskova@colin.cz](mailto:jana.kuliskova@colin.cz)  
<http://www.colin.cz>  
Contact person:  
Ms. Jana Kuliskova

CoLin provides strategic communication services, public relations advisory, and market research.

**BAX Global, spol. s r.o.**  
Laglerove 4/1075  
P.O. Box 95  
160 08 Praha 6  
Tel.: (+420) 220 115 051  
Fax: (+420) 220 115 052  
E-mail:  
[pnovak@baxglobal.com](mailto:pnovak@baxglobal.com)  
<http://www.baxglobal.com>  
Contact person:  
Mr. Pavel Novak

BAX Global provides global logistics and transportation services.

**Balcarek & Rekova, spol. s r.o.**

Narodni 6  
110 00 Praha 1  
Tel.: (+420) 224 931 362  
Fax: (+420) 224 931 368  
E-mail: [balcarek@balcarek-rekova.com](mailto:balcarek@balcarek-rekova.com)  
<http://www.balcarek-rekova.com>

Contact person:  
Ms. Catherine Balcarek

Balcarek & Rekova is an executive search firm for middle to top management levels, can deliver qualified professionals to companies outside the Czech Republic.

**Advanced Risk Management, s.r.o.**

Parikova 3  
190 00 Praha 9  
Tel.: (+420) 257 290 252  
Fax: (+420) 257 290 473  
E-mail: [arm@arm.cz](mailto:arm@arm.cz)  
<http://www.arm.cz>

Contact person:  
Ms. Katerina Neveceralova

Advanced Risk Management provides consulting and training services in the areas of identification, assessment and management of financial risks and risk management audit. The company would like to extend its activities to

the U.S., is looking for a long term business partner.

**CUNNINGHAM & MATAS**

U Invalidovny 7  
186 00 Praha 8  
Tel.: (+420) 224 816 480  
Fax: (+420) 224 816 480  
E-mail: [pesanpetr@seznam.cz](mailto:pesanpetr@seznam.cz)  
<http://www.cunningham-matas.com>

Contact person:  
JUDr. Petr Pesan

CUNNINGHAM & MATAS is a law firm which provides services in the following categories: Foundation, modification, merger, separation and liquidation of companies; Contract Law (incl. international law); Real estate Law; Labor Law; International Arbitration.

**Atoz Marketing Services, spol. s r.o.**

Holeckova 657/29  
150 00 Praha 5  
Tel.: (+420) 603 786 746  
Fax: (+420) 257 322 755  
E-mail: [josterroth@atos.cz](mailto:josterroth@atos.cz)  
<http://www.atoz.cz>

Contact person:  
Mr. Jeffrey Osterroth

Atoz Marketing Services provides advertising and editorial space in trade publications (retail, cosmetics, logistics, hospitality), helps companies who enter the Czech market

to find distributors or sellers for their products and services.

**ATS Consulting**

Praha City Center  
Klimentska 46  
110 02 Praha 1  
Tel.: (+420) 222 191 400  
Fax: (+420) 222 191 200

E-mail:  
[zdenek.vitek@atsco.cz](mailto:zdenek.vitek@atsco.cz)  
<http://www.atsco.cz>

Contact person:  
Mr. Zdenek Vitek

ATS Consulting provides executive search in information technologies and telecommunications, with a specialization on the Czech Republic.

**Czech – In, s.r.o.**

Prague Congress Center  
5. kvetna 65  
140 21 Praha 4  
Tel.: (+420) 777 777 098,  
777 791 166  
Fax: (+420) 261 174 307

E-mail:  
[alexandra.chroma@czech-in.cz](mailto:alexandra.chroma@czech-in.cz),  
[rita.juklova@czech-in.cz](mailto:rita.juklova@czech-in.cz)  
<http://www.czech-in.cz>

Contact person:  
Ms. Alexandra Chroma,  
Ms. Rita Juklova

Czech-in will organize any kind of your company event, conference or congress in the Czech Republic.

**CI5 Agency**

Jenstejska 2  
120 00 Praha 2  
Tel.: (+420) 603 570 401  
Fax: (+420) 326 981 446  
E-mail: [dfulinova@ci5.cz](mailto:dfulinova@ci5.cz)  
<http://www.ci5.cz>  
Contact person:  
Ms. Dana Fulinova

CI5 Agency organizes different kinds of military-related events (celebrations, parades (also historical), ceremonial openings), specializes in cooperation with Czech army and Czechoslovak Society of Legions Members.

**EDUCATION**

**CMC Graduate School of Business o.p.s.**

Namesti 5. kvetna 2  
250 88 Celakovice  
Tel.: (+420) 326 999 131  
Cell: (+420) 602 352 927  
Fax: (+420) 326 992 150

E-mail:  
[KMontfortova@mail.cmc.cz](mailto:KMontfortova@mail.cmc.cz),  
[jmuska@cmc.cz](mailto:jmuska@cmc.cz)  
<http://www.cmc.cz>

Contact person:  
Ms. Kristina Montfortova,  
Mr. Jan Muska

CMC Graduate School of Business is one of the leading business schools in the Czech Republic offering top-ranked MBA programs and prestigious Executive Education programs.

For more information about these companies please go to the following web site:  
<http://www.amcham.cz/downloads/BusinessOpportunitiesBookDec04.pdf>

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**TRADESHOWS AND EXHIBITIONS / SUMMER 2005**

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**Prague Exhibition Grounds / [www.incheba.cz](http://www.incheba.cz)**

July 14 – 17  
△RETRO PRAGUE / Exhibition of Historic Cars and International Veteran Cars Competition

August 31 – September 2  
△MODA PRAHA / International Fashion Fair

September 8 – 10  
△PRAGOINTERIER - LIVING FAIR / International Fair of Interiors and Living

September 16 – 17  
△BEAUTY / International Cosmetic Trade Fair

September 16 – 18  
△COLLECTOR / International Fair for Stamps, Coins, Telephone cards, Minerals and Collecting

September 22 – 24  
△ANTIK / International Sales Exhibition of Antiquities and Art  
△WATCHES AND JEWELRY / International Exhibition of Clocks, Watches and Golden and Silver Jewelry



**Brno Exhibition Center / [www.bvv.cz](http://www.bvv.cz)**

July 1 – 3

△PROPET/ International Pet Supply and Horse Equipment Exhibition  
△Exhibition of Highbred Horses / International Horse Exhibition

July 2 – 3

△INTERCANIS / International Dog Show

August 23 – 25

△STYL / International Fashion Fair  
△KABO / International Fair of Footwear and Leatherware

September 13 – 16

△HOSPIMedica 2005 / International Fair for Medical Technology, Rehabilitation and Healthcare

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**CZECH COMMERCIAL OFFICES IN THE UNITED STATES**

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**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](mailto: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](mailto: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](mailto: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](mailto:chicago@czechtrade.cz)

**Czech Center New York**

Contact: Ms. Iva Raisinger, Phone: 212.288.0830 x.104,  
Fax: 212.288.0971, [raisinger@pop.net](mailto:raisinger@pop.net)

**CzechInvest – Chicago Office**

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