

# Czech Trade Focus

*News from the Czech Commercial Offices in the United States / January 2008*

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## ECONOMIC BRIEFS

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**The number of Czech households which have a computer** has soared in the last fifteen years and while at end-1992 six out of 100 homes had a computer, now 40 percent of households do. The internet was completely inaccessible to Czech households in 1993 when the Czech Republic was established, while currently a third of the 4.5 million households has access to the web. Over a quarter of the households have high-speed Internet.

**Real agricultural income** per worker increased by 20.6 percent in the Czech Republic last year, the second largest growth among the 27 members of the European Union.

**The number of self-employed people** in the Czech Republic increased by 14,000 to 918,000 in 2007 after several years of decline.

**Prague's Ruzyně airport** cleared a record 12.44 million passengers in 2007, up 7.5 percent year-on-year.

**Czech customs officers** caught 30,322 drivers who avoided to pay toll on Czech motorways and dual carriage ways, and fined them nearly 34 million CZK (\$2 million) in 2007. Still, the number of toll evaders is small, 83 on average a day, compared to the number of 30,000 to 40,000 lorries paying toll daily.

**Production of passenger and small utility vehicles** in the Czech Republic increased by a tenth to a record 932,016 units in 2007. Since the fall of communism in 1989, Czech car makers

have manufactured over eight million motor vehicles.

**The hourly wage** in the Czech Republic has increased the fastest among other EU newcomer states since the country's accession to the EU in 2004, from 5.47 EURO (\$7.4/130 CZK) to 7.14 EURO (\$10/182 CZK) in 2006, a rise of 30.5 percent.

**In Q3 2007, the average gross monthly nominal wage** was 21,470 CZK (\$1,220) which is by 7.6% more in the year-on-year comparison, the real wage grew by 5.0%. In the business sphere, the average wage rose by 7.6%, in the non-business sphere by 7.5%. In Q1-Q3 2007, the average wage increased by 7.6 % and reached 21,119 CZK (\$1,200), the real wage went up by 5.3%.

**Czech vegetable growers** raised market production to 249,299 tonnes in 2007, an increase of some 12,500 tonnes against 2006.

**Czech government debt** increased by 89.9 billion CZK (\$5 billion) to 892.3 billion CZK (\$51 billion) in 2007. Analysts say the country's current public debt is relatively low and stable compared to the situation in neighbouring countries.

**Hundreds of foreigners** - 862 - have joined the Czech Labour Ministry's project aimed at attracting foreign specialists to the Czech Republic, with Ukrainians making up the largest part. In the 2002-2006 period the Czech government allotted 21.3 million CZK (\$1.2 million) for the project. More

information on the project is on [www.imigracecz.org](http://www.imigracecz.org).

**Czechs spend billions of crowns annually on furniture**, and the three largest retail chains selling it, namely Ikea, Asko Nabytek and Sconto, generated combined sales worth 8.2 billion CZK (\$470 million) in 2006, up from 7.8 billion CZK (\$447 million) in 2005. The country has some 4,500 furniture producing companies employing 45,000 staff.

**The state's application to register the term Ceske pivo (Czech beer)** as a protected geographical designation is moving forward. For the first time, the application appeared in the official journal of the EU, meaning it fulfills all the requirements mandated for approval. The proposal can now only be halted by a third-party complaint.

**The share of renewable sources** used to generate electricity fell to 4.7 percent last year from 4.9 percent in 2006. According to recently proposed standards from the European Union, the Czech Republic will have to raise this share to 13 percent by 2020.

**The Czech Republic** ranks eighth among the ten countries with the lowest-paid IT managers according to research conducted by Mercer. Of the ten countries with the highest-paid IT managers, six are in Western Europe, along with the US, Canada, Hong Kong and Australia.

**Flights to London, Moscow, Amsterdam and Brussels** shall begin operating out of Ostrava's Leos Janacek Airport in March of 2008.

Preparations for the tender to choose airlines, which will operate the flights with the help of subsidies totalling 709 million CZK (\$40 million) from the Moravia-Silesia region, are currently underway.

**Czech farmers** will earn 7.2 percent more on average in 2008 than in 2007, in line with the collective agreement signed by representatives of farmers' unions and the associations of entrepreneurs in agriculture.

**Spas** saw their profits drop to 4.4 percent of revenues in 2006, from 9 percent in 2004. One spa said it was expecting its electricity costs alone to rise 13 percent this year. Hardest hit have been spas tailored to domestic clients, rather than spas favored by Germans or Russians.

**Air traffic** over the Czech Republic's territory has more than doubled since the year 2000 when 308,000 planes flew over the country, while 635,000 planes were expected to fly over the Czech lands by the end of 2007.

**Czech building societies** granted loans worth record 74 billion CZK (\$4 billion) in 2007, a record-high amount and a growth of 40 percent year-on-year.

**Electricity prices are expected to continue rising** at least 10 percent for the next three to six years.

**Large retail chains** on the Czech market further consolidated their positions in 2007, and the 200 biggest firms generated sales worth a record 516 billion CZK (\$29 billion) between October 2006 and September 2007.

**Czech Internet servers** registered a record-high 5.9 million visitors in December last year. The Seznam.cz portal was the most frequently visited server.

**A special treaty** allowing for Czech firms and scientists to take part in the U.S. missile defence project might be reached by the end of June. The United States would like to build a radar base in the Brdy military district, some 90 km southwest of Prague, that together with a base for ten defence missiles in Poland would be part of the U.S. missile shield project.

**The new Nouzka II industrial zone** has opened in Vyskov. Companies are expected to build facilities there and employ several hundred people.

**Czech jobless rate** increased to 6 percent in December and the number of job seekers ready to work immediately increased to 331,696 people.

**Bontonfilm** estimated its losses from a theft at 5.5 million CZK (\$317,000) done by a teenager, who videotaped *The Simpsons Movie* and illegally posted a copy of it on the internet. Bontonfilm is the movie's local distributor. A settlement was reached with the 19-year old, who agreed to pay a 150,000 CZK (\$9,000) fine and publicly apologized.

**The Biotechnology and Biomedical Centre (BIOCEV)** has been established near Prague, Czech Republic. It is a joint project of the Academy of Sciences and Charles University in Vestec. It wishes to attract top scientists from the Czech Republic and abroad in hopes of establishing a comprehensive Central European biotechnology park.

**The country's inflation rate** continued its growth, with consumer prices rising 0.5 percent from November to December. The overall inflation rate now sits at 5.4 percent. The rise is largely due to rapid growth in food prices.

**Czech natural gas consumption** decreased by 11 percent to 8.645 billion cubic metres in 2007. The main reason behind the decline was the warm weather which reduced supplies to households.

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## BRIEF INVESTMENT REVIEW OF 2007

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A record of 182 investment projects worth nearly 71 billion CZK (\$4 billion) were mediated by the Czech government agency for the support of business and investment, CzechInvest. The investors promised to create 30,598 new jobs in the Czech Republic.

For the first time, Czech companies were the most active investors last year promising investments worth 15 billion CZK (\$852 million) within 55 projects. German investors came second with 27 projects worth 11.5 billion CZK (\$653 million).

However, the overall volume of last year's investments was lower compared with 2006 when CzechInvest participated in 176 projects worth 114.6 billion CZK (\$7 billion). The reason is that among the projects was the new plant of Korean car maker Hyundai with construction costs planned at roughly 30 billion CZK (\$2 billion).

Most of the investors targeted south Moravia in 2007, with 3,900 people to find jobs there in 40 new businesses worth 13 million CZK (\$739,000).

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## INVESTMENT BRIEFS

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**Hyundai, IBM and Visteon-Autopal** are companies which made the greatest contributions to the development of the Czech economy in 2006 and, hence, won the Investor of the Year 2006 competition. The competition included

all companies that invested in the Czech Republic in 2006. Hyundai Motor Manufacturing Czech brought the greatest economic benefit in the manufacturing industry for its automobile plant in Nosovice with an

investment amount worth 30 billion CZK (\$2 billion) and creation of 3,000 new jobs. IBM Global Services Delivery Center Czech Republic won the business support services category for its center for outsourcing

infomation technologies in Brno with the investment amount of 102.7 million CZK (\$6 million) and creation of 821 new jobs. Visteon-Autopal won the investment with the greatest innovation potential category for its center for the development of lighting, air-conditioning and cooling technology for the automotive industry in Novy Jicin with an investment amount of 16.82 million CZK (\$966,000) and creation of 62 new jobs.

**Ray Service**, a Czech company providing comprehensive services in the area of cable products and supplying cable components to customers in various fields, was recognized as the Supplier of the Year 2006 for substantial improvement in the Supplier Development Programme for gaining new orders.

**Centers of excellence** or locations that focus on cutting edge research should be created in five locations in the Czech Republic. They will partially be paid for from the European Science and Research for Innovation Fund. International commissions will select individual locations this fall. They could, for example, be created in Vestec near Prague, Brno, Ostrava, and Pardubice. They will focus on biotechnology, energy, informatics, and material research.

**The Japanese automaker Toyota** shall build its new headquarters for the Czech Republic in Prague's Stodulky quarter. Toyota Motor Czech, the authorized importer of Toyota and Lexus vehicles to the Czech and Slovak markets, Toyota Financial Services Czech, and a technical training center will move into the new administrative building worth 256 million CZK (\$15 million). It should be ready in March 2009.

**The city of Svitavy** has found an investor for the Paprsek industrial zone, where Armaturka Vranova Lhota will build a new plant. Approximately 150 people primarily from the

engineering fields shall be employed there. At the end of next year, it shall begin production of components for nuclear and conventional plants. The company is currently in negotiations with the Svitavy Secondary Vocational School.

**Faurecia**, a French manufacturer of automotove components, has opened a production plant in Pisek. The plant, which is located in the local industrial zone, is comprised of three production halls in which 1,050 workers are currently employed. An additional 500 employees are to be hired by the end of 2008. The company has so far invested nearly 1.5 billion CZK (\$85 million) in southern Bohemia. This plant manufactures door panels, car seat frames and exhausts for leading global carmakers. The company operates enterprises in five different locations in the Czech Republic and employs almost 3,400 people.

**The German automaker Volkswagen** is considering building a factory in Vrchlabi, north Bohemia, for production of its new Up! minicar. Volkswagen, the parent company of Skoda Auto, has high hopes for the car, which measures only 11.3 feet (3.4 meters) in length and will likely be sold under the Volkswagen, Skoda and Seat brands.

**One of Procter & Gamble's most important European technology centres** has opened at the company's local subsidiary, Rakona in Rakovník. At least 30 specialists, mainly in the areas of chemical technology, mechanical engineering and electronics, in the Rakovník centre will develop new technologies, production processes and equipment which the company will then use directly in its other plants' production, primarily in Central and Eastern Europe. The development centre at Rakona in Rakovník is the company's first such centre in Central and Eastern Europe. According to the investor's plans, the development centre should be fully

operational within three years. Procter & Gamble is investing more than CZK 10 million (\$576,000) in the centre.

**The company Energy 21** has launched a solar power plant in Jaroslavice in the Znojmo region of the Czech Republic. Its output of 0.9 megawatt should satisfy the needs of approximately 300 households. The company has invested 110 million CZK (\$6 million) in the power plant and is planning further expansion.

**The engineering firms Skoda Praha and Skoda Power** are in talks with Slovakia's SES Tlmace to build a massive heating plant in Vietnam. Negotiations on the plant, which would total 3,000 megawatts in production, are well under way.

**The Russian engineering and steel group OMZ**, owner of the Czech company Pilsen Steel, shall invest more than 8 billion CZK (\$455 million) in modernizing production and building new capacities.

**Mann & Hummel** has established its sixth European development center in Brno in the Czech Republic. 70 specialists, mostly of improvements to automotive filtration technology, shall be employed there. This is the company's eleventh such facility in the world. The company plans to cooperate with the universities in Brno.

**The Austrian concern Head** is planning to build a new production and storage hall in the Krumlovsko district in the Czech Republic. Head already manufactures skis in Ceske Budejovice, Czech Republic.

**The company WEB Vetrna energie** wants to build a wind farm worth roughly half a billion crowns in Bantice, near Znojmo within a couple of years. Seven 100 meter wind turbines could be set up. Construction on the first generator has begun. The company already operates a wind farm near Brezan in the Znojmo region.

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## BROWNFIELD REGENERATION IN THE CZECH REPUBLIC

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CzechInvest, the Investment and Business Development Agency of the Czech Republic, launched a database website, [www.brownfieldy.org](http://www.brownfieldy.org), to attract new investments to abandoned industrial sites as part of the National Brownfield Regeneration Strategy. The database consists of a list of sold industrial sites along with their detailed information and photographs. This is an especially interesting and valuable resource for potential investors as abandoned industrial sites come with developed infrastructure and are located in strategic areas. Moreover, European funds may be obtained for the financing of the sites' revitalization.

According to a 2007 research study to locate the brownfields, there are currently 2,355 brownfields covering roughly 11,000 hectares in the Czech Republic. This is not the final number, however. The study analyzed data from all regions with the exception of Prague, took into account brownfields from a certain minimum size and did not include brownfields that resulted from mining activities.

A brownfield is defined as a property – land, structure, complex – which is not sufficiently utilized, is neglected and possibly contaminated, cannot be effectively utilized without undergoing regeneration, and arose as the result of industrial, agricultural, residential, military or other activities.

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## NANOFIBER TECHNOLOGY

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Elmarco, a Liberec- based company has received the prestigious Nano 50 Award from Nanotech Briefs, a NASA publication, for their design of Nanospider, a surgical facemask produced with nanofibers, providing more effective protection. They have developed this product with the help of Oldrich Jirsak, a professor at the Technical University of Liberec whose research is largely subsidized by Elmarco. He found that electrospinning, through which polymers are forced through a syringe and needle and exposed to a high-voltage electrical current, could be made more accessible for use in industry if the needle and syringe were replaced by a rolling cylinder, half immersed in polymer. This innovation makes large-scale production of fibers composed of polymer strands possible, rather than the previously labor intensive process.

The surgical facemasks engineered by Elmarco are composed of two layers of nanofibers, one that sanitizes, and a second that blocks viruses. It is the company's first consumer product. Among the features of Nanospider are a high production capacity, easy maintenance and energy efficient production, and the development of high quality nanofibrous layers. This technology can create a web of nanofibers with diameters of 50-300 nanometers, which provide a surface area approximately 150 times greater than that of commonly used cellulose fibers. These nanofiber materials will become a part of everyday life in the future. This gateway has been forged through Elmarco's production of Nanospider.

Elmarco has signed agreements with several countries since the design of this technology was published. It launched a Japanese subsidiary to find a buyer for the surgical facemasks, created a Czech-based joint venture with an Irish pharmaceutical firm, Alltracel, and in January entered into a cooperative agreement with U.S. based Cummins Filtration.

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## COMPANIES AND BUSINESSES

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**The Siemens Elektromotry** plant in Mohelnice has become the biggest producer of asynchronous electric motors in Europe. In fiscal year 2006/2007, the Mohelnice plant produced more than 1.631 million units. An absolute record in growth with year on year growth amounting to 15.6%. The company hired 350 new employees and brought the number to a record 2,350 workers.

**Czech energy group CEZ** submitted a bid in the tender for a strategic partner in the planned construction of a new power station in Borzesti, Romania.

**Czech railway transport operator Ceske drahy** started to operate its cargo division as an independent joint-stock company called CD Cargo. Cargo transport on railways in the Czech Republic comprises about 20 percent of all cargo transported — one of the highest amounts by rail in the European Union. Some 90 million tons of rail cargo were carried by Ceske drahy trains in 2006 out of the 97

million tons of cargo transported by rail.

**Raiffeisenbank and eBanka** will fully integrate their products and services by the third quarter of 2008. The merger, which has not yet been approved by the Anti-Monopoly Office, will be the final step in Raiffeisenbank's acquisition of eBanka, begun in October 2006.

**The British technology concern APV** will oversee its technologies for the food and chemical industries in Central and Eastern Europe from Brno, where the company recently opened its fourth engineering center. The new centre will focus on remote support for regional sales and service. About 60 workers shall be employed there. APV produces complete technologies for the food, pharmaceutical, biotechnology, chemical and healthcare industries. The company's customers include Nestle, Coca Cola, Pepsi, Danone, and so on.

**Czech car maker Skoda Auto** raised sales on all its global markets by 14.5 percent year-on-year to a record 630,032 cars in 2007. The best-selling model was the Octavia, with 237,422 sold. Skoda registered the biggest sales in Western Europe where it supplied 327,222 cars, raising its market share to 2.2 percent. Skoda Auto is one of the largest Czech firms. The company employs around 28,000 staff in its three plants in Mlada Boleslav, Kvasiny and Vrchlabi. Skoda also assembles its cars in Ukraine, Bosnia, Kazakhstan, India, China and Russia. It is a unit of the Volkswagen group.

**One the country's largest banks, Ceska Sporitelna (CS)**, will be tightening its conditions for approving mortgage loans. The bank is most concerned about loans that cover more than 80 percent of a home's value.

**Skoda of Mlada Boleslav** began selling the first Octavia cars able to run on a fuel mixture containing 85% ethanol. The first ten of these ecologically friendly cars were

exported to the Swedish market. However this is not the first eco-friendly car that Skoda has manufactured. Skoda also has a prototype Octavia fuelled with compressed natural gas (CNG).

**The joint-venture Generali PPF Holding** has received final approval from market regulators and has begun operations. The venture merges the Italian insurer Generali and Ceska Pojistovna (CP), the largest domestic insurer. The merger will not affect CP's local operations.

**Banka Mezinarodni Spoluprace** (Bank of International Cooperation) will be the first Russian bank to enter the Czech Republic. The bank is owned by the First Czech-Russian Bank (FCRB), which has previously been denied a license to operate in the country.

**Ceske Drahy (CD) trains** last year carried 181.9 million passengers, one million more year-on-year.

**Energy giant CEZ** has finalized its deal to purchase 7 percent of MOL, the Hungarian oil and gas company. In the deal, MOL sold 7.68 million shares to CEZ at 30,000 forints (\$171) each, which should help the Hungarian company fend off a hostile takeover attempt by Austria's OMV. CEZ and MOL have announced plans to collaborate on future power plant construction.

**Germany's Tengelmann** has decided to sell its 146 Czech outlets of the discount chain Plus. Among the

bidders for the stores are Tesco, Rewe, Schwarz, Aldi and Spar.

**Czech car maker Skoda Auto** won the Exporter of the Year award again in 2007, as the company with the country's biggest exports for 1993-2006. Skoda exported goods worth 164.2 billion CZK (\$9 billion) last year, 7.7 percent of total Czech exports. The firm's sales in western Europe grew by 5.4 percent to 120.4 billion CZK (\$7 billion), and in eastern Europe rose by 46 percent to 19.9 billion CZK (\$1 billion). Skoda generated sales worth 25.6 billion CZK (\$2 billion) on the domestic market, a growth of 2.6 percent year-on-year.

**The CKD Group** is manufacturing components for a special testing reactor for the Academy of Sciences of the Czech Republic, which will test the generation of electricity via termonuclear fusion.

**A special beer vending machine from Plzensky Prazdroj**, which enables the sale of canned beer on the basis of identification utilizing a personal ID card, has been invented.

**Electricity producer CEZ** was the most successful Czech company in 2006 by economic value added (EVA), that is, the wealth the company creates for its shareholders, shows a ladder compiled by CE Capital and the CEKIA agency, which assessed more than 2,200 Czech firms.

**Czech energy group CEZ** wants to build a power plant with installed output up to 400 megawatts on the

premises of U. S. Steel Kosice in eastern Slovakia. The companies signed a memorandum of understanding.

**Czech carmaker Skoda Auto AS**, a unit of German manufacturer Volkswagen AG, had its 2007 sales rise by 15 percent. Skoda Auto delivered a record of 630,032 cars in 2007, up from 549,667 cars sold the previous year.

**Vienna Insurance Group CR (VIG)**, which consists of Kooperativa and Ceska Podnikatelska Pojistovna, increased before-tax profit in the Czech Republic by 26 percent to a preliminary 1.6 billion CZK (114 million) last year. Vienna Insurance Group, one of Europe's largest insurance companies also announced that it wants to enter the Prague bourse.

**South Korean car maker Hyundai's Nosovice plant** in northern Moravia, which now employs some 600 people, plans to hire another 1,600 this year, and raise staff numbers to 3,500 by the year 2010. Trial operation of the plant is expected to be launched in September 2008 and serial production in March 2009. According to gross estimates of CzechInvest and the Industry and Trade Ministry, Hyundai will add 2 percent to the Czech gross domestic product.

**Czech railway company Ceske Drahy** plans to buy 100 used railway carriages for some 1.2 billion CZK (\$68 million) to 1.4 billion CZK (\$80 million) this year.

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## NEWSTIN

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## CZECH METAL PRODUCTION

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One of the more traditional branches of the manufacturing industry of the Czech Republic is the manufacture of metal structures and fabricated metal products. This industry accounted for 8.79% of the total revenue of the manufacturing industry from the sale of products in constant prices in 2006. Approximately 13.8% of the total number of employees were employed in the manufacturing industry.

Metal industry producers may be found in all regions of the Czech Republic. The size of the products and companies ranges broadly. Many of the firms have up to 49 employees. The largest partners of the Czech Republic in both exports and imports of products are the EU countries, particularly the country's closest neighbors, Germany, Austria, and Slovakia.

The Czech Constructional Steelwork Association ([www.caok.cz](http://www.caok.cz)) has more than 50 members, manufacturers of metallurgical material, steel traders, construction firms and companies which deal with joining, welding and dividing of steel structures and surface protection and firms specializing in manipulation equipment, assembly, software and the like. It is a member of the European Convention for Constructional Steelwork (ECCS).

Impressingly, steel structures made by Czech manufacturers have been receiving notable awards in competitions in the Czech Republic and the rest of Europe. For example, the European Convention for Constructional Steelwork (ECCS) ranked the SAZKA ARENA structure among the best steel structures in Europe in 2005. The entire areana and the steel structure of the roof highlighted the use of steel in the building industry as a progressive element with clear architectural and economic advantages. Another example is the footpath in front of the D8 motorway known as "Cat's Eyes," which ranken among the best structures by the ECCS in 2007.

#### Survey of Successful Companies Operating in the Czech Metal Production Industry

**ZDAS, a.s.:** For more than 55 years, the ZDAS joint-stock company has been manufacturing equipment for rolling mills, material processing from rolls, bar and pipe straightening, open die and die forging, bulk and sheet metal forming, and metal scrap processing. It also manufactures casting from cast steel and nodular cast iron, ingots, smith forgings, and patterns and tools for the automobile industry, transfer forming and the consumer industry. [www.zdas.cz](http://www.zdas.cz)

**Jakl Karvina, a.s.:** The company has been on the market since 1918. It is a traditional exporter of steel thin-walled welded tubes and sections and spen sections. It is renowned for the quality and broad range of products, and good technical support to its clients. The company has a dominant position on the Czech market. [www.jakl.cz](http://www.jakl.cz)

**Jihomoravska armaturka spol., s.r.o.:** The company is a traditional manufacturer and seller of water-supply and industrial fixtures-above ground and underground hydrants, gate and other valves, filters, and suction striners- and castings from grey and nodular cast iron. [www.jmahod.cz](http://www.jmahod.cz)

**Kovona system, a.s.:** The company was established in 2000. It primarily turns out custom-made large series of metal products including sub-deliveries and surface treatment. Century-old continuity of metalworking skills gave the company a unique opportunity to establish co-operation with globally-oriented distribution partners. A new factory, built in Cesky Tesin at the turn of 2003/2004, is equipped with automated technology for large series manufacture of folding chairs, which went into operation in 2004. [www.kovona.cz](http://www.kovona.cz)

#### Upcoming Exhibitions and Trade Fairs in the Metalworking Sector in the Czech Republic in 2008

##### **Fond-EX**

12th International Foundry Fair  
May 13-16, 2008  
Veletrhy, Brno, a.s.  
e-mail: [fond-ex@bvvcz](mailto:fond-ex@bvvcz)  
[www.bvvcz](http://www.bvvcz)

##### **MSV**

International Engineering Fair  
September 15-19, 2008  
Veletrhy, Brno, a.s.  
e-mail: [msv@bvvcz](mailto:msv@bvvcz)  
[www.bvvcz](http://www.bvvcz)

##### **Tooltec**

14th Specialized Exhibition of  
Machines, Tools,  
Implements and Iron Monger's Goods  
October 23-25, 2008  
INCHEBA EXPO PRAHA  
e-mail: [pragolinqa@incheba.cz](mailto:pragolinqa@incheba.cz)

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## ECONOMIC POLICY BRIEF

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**The Czech Republic became a member of the so-called Schengen zone** at midnight on the 20th of December 2007. The border posts which divided the country from its neighbours are now a thing of the past. Czech Republic abolished passport checks at its land borders, and at international airports these should also disappear by March 30, 2008. After this date only passengers arriving from or travelling to countries outside the Schengen zone will go through passport checks. At the international airports at Prague-Ruzyně, Brno-Turany, Ostrava-Mosnov, Pardubice and Carlsbad building work has been carried out which divides passengers from Schengen countries from those

from outside the zone. Along with the Czech Republic, Estonia, Lithuania, Latvia, Poland, Hungary, Malta, Slovakia and Slovenia have also joined the previous 15 Schengen zone members.

**The current government does not plan to raise the lower value-added tax rate** that increased from five to nine percent as of January this year. The cabinet only counts on changes to the single income tax rate for individuals, which equals 15 percent as of January 1 and should decrease to 12.5 percent from January 2009. The increase in the lower VAT rate should bring an extra 26.5 billion (\$2 billion) to the state budget in 2008.

**President Vaclav Klaus signed into law an amendment outlining tougher rules regarding cross-border waste transfers.** The measures are designed to help protect the country against illegal trading in waste, the consequences of which the Czech Republic experienced at the beginning of last year. Furthermore, the bill obligates the marking of lorries that transport waste. Companies will also have to inform their drivers of what kind of cargo they are transporting.

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## CZECH COMPANIES LOOKING FOR REPRESENTATIVES, IMPORTERS, DISTRIBUTORS

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[mzelinkova@bvvcz](mailto:mzelinkova@bvvcz)  
[www. Bvv.cz/scholanova-gb](http://www.Bvv.cz/scholanova-gb)

**TECHAGRO**

**6.4 - 10.4.2008**

International Fair of Agricultural  
Technology  
Veletřhy Brno, a.s.  
Vystaviste 1, 647 00 Brno  
Czech Republic  
Tel.: +420 541 152 834  
Fax: +420 541 153 068  
E-mail: [techagro@bvvcz](mailto:techagro@bvvcz)  
<http://www.bvv.cz/techagro-gb>

**ANIMAL VETEX**

**6.4 - 10.4.2008**

International Veterinary Fair  
Veletřhy Brno, a.s.  
Vystaviste 1, 647 00 Brno  
Czech Republic  
Tel.: +420 541 152 834  
Fax: +420 541 153 068  
E-mail: [animal-vetex@bvvcz](mailto:animal-vetex@bvvcz)  
<http://www.bvv.cz/vetex-gb>

**SILVA REGINA**

**6.4 - 10.4.2008**

International Forestry and Hunting Fair  
Veletřhy Brno, a.s.  
Vystaviste 1, 647 00 Brno  
Czech Republic  
Tel.: +420 541 152 834  
Fax: +420 541 153 068  
E-mail: [silva-regina@bvvcz](mailto:silva-regina@bvvcz)  
<http://www.bvv.cz/silva-regina-gb>

**IBF**

**22.4 - 26.4.2008**

International Building Fair  
Trade Fairs Brno a.s.,  
Vystaviste 1, 647 00 Brno  
+420 541 152 888 (project team),  
+420 541 151 111 (company  
headquarters)  
+420 541 152 889 (project team)  
[ibf@bvvcz](mailto:ibf@bvvcz), [shk@bvvcz](mailto:shk@bvvcz)

[www.stavebniveletrhybrno.cz](http://www.stavebniveletrhybrno.cz),

[www.ecologicalfairs.com](http://www.ecologicalfairs.com)

**SHK BRNO**

**22.4 - 26.4.2008**

International Trade Fair for Sanitation,  
Heating, Airconditioning and Building  
Automation  
Trade Fairs Brno a.s.,  
Vystaviste 1, 647 00 Brno  
+420 541 152 888 (project team),  
+420 541 151 111 (company  
headquarters)  
+420 541 152 889 (project team)  
[ibf@bvvcz](mailto:ibf@bvvcz), [shk@bvvcz](mailto:shk@bvvcz)  
[www.stavebniveletrhybrno.cz](http://www.stavebniveletrhybrno.cz),  
[www.ecologicalfairs.com](http://www.ecologicalfairs.com)

**URBIS INVEST**

**22.4 - 26.4.2008**

International Fair for Investments,  
Finances, Real Estate and  
Technologies for Towns and  
Communities  
Trade Fairs Brno a.s.,  
Vystaviste 1, 647 00 Brno  
+420 541 152 888 (project team),  
+420 541 151 111 (company  
headquarters)  
+420 541 152 889 (project team)  
[urbis@bvvcz](mailto:urbis@bvvcz)  
[www.urbisinvest.cz](http://www.urbisinvest.cz)

**PYROS/SET**

**13.05 - 16.05.2008**

International Fair for Fire Fighting  
Equipment, Security Technology and  
Services  
Veletřhy Brno, a. s.  
Vystaviste 1, CZ - 647 00 Brno  
Dagmar Darmopilova  
phone: +420 541 152 944  
fax: +420 541 153 054  
e-mail: [ddarmopilova@bvvcz](mailto:ddarmopilova@bvvcz)

**INTERPROTEC**

**13.05 - 16.05.2008**

International Fair of Personal  
Protective Equipment, Health and  
Safety at Work  
Veletřhy Brno, a. s.  
Vystaviste 1, CZ - 647 00 Brno  
Petr Dusek  
phone: +420 541 152 820  
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e-mail: [pdusek@bvvcz](mailto:pdusek@bvvcz)  
<http://www.bvv.cz/interprotec-gb>

**PLASTEX**

**13.5 - 16.5.2008**

International Plastics, Rubber and  
Composites Fair  
Veletřhy Brno, a. s.  
Vystaviste 1, CZ - 647 00 Brno  
fax: +420 541 153 044  
e-mail: [plastex@bvvcz](mailto:plastex@bvvcz)  
Karin Brouckova  
tel.: +420 541 152 936  
fax: +420 541 153 044  
e-mail: [kbrouckova@bvvcz](mailto:kbrouckova@bvvcz)  
<http://www.bvv.cz/plastex-gb>

**PROFINTECH**

**13.5 - 16.5.2008**

International Surface Technology Fair  
Veletřhy Brno, a. s.  
Vystaviste 1, CZ - 647 00 Brno  
fax: +420 541 153 044  
e-mail: [profintech@bvvcz](mailto:profintech@bvvcz)  
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e-mail: [pmalinak@bvvcz](mailto:pmalinak@bvvcz)  
<http://www.bvv.cz/fintech-gb>

**WELDING**

**13.5 - 16.5.2008**

International Welding Engineering Fair  
Veletřhy Brno, a. s.  
Vystaviste 1, CZ - 647 00 Brno  
Jiri Rousek  
phone: +420 541 152 960  
fax: +420 541 153 044  
e-mail: [welding@bvvcz](mailto:welding@bvvcz)  
<http://www.bvv.cz/welding-gb>

**VODOVODY-KANALIZACE**

**20.5 - 22.5.2008**

International Water Management  
Exhibition  
Trade Fairs Brno a.s.,  
Vystaviste 1, 647 00 Brno  
+420 541 152 888 (project team), +420  
541 151 111 (company headquarters)  
+420 541 152 889 (project team)  
[vodka@bvvcz](mailto:vodka@bvvcz)  
[www.bvv.cz/vodka](http://www.bvv.cz/vodka)

**ENVIBRNO**

**20.5 - 22.5.2008**

International Environmental Fair  
Trade Fairs Brno a.s.,  
Vystaviste 1, 647 00 Brno  
+420 541 152 888 (project team), +420  
541 151 111 (company headquarters)  
+420 541 152 889 (project team)  
[jostra@bvvcz](mailto:jostra@bvvcz)  
<http://www.bvv.cz/envibrno-gb>

**NO-DIG BRNO 2008**

**19.5 - 20.5.2008**

Conference on Trenchless Technologies  
+420 541 152 888 (project team),  
+420 541 151 111 (company headquarters)  
+420 541 152 889 (project team)  
[jostra@bvvcz](mailto:jostra@bvvcz)  
<http://www.bvv.cz/envibrno-gb>

**AUTOTEC**

**4.6 - 8.6.2008**

International Fair of Utility Vehicles, Parts, Accessories and Garage Equipment  
(June 3 – Expert and Press Day)  
Veletrhy Brno, a. s.  
Vystaviste 1, CZ - 647 00 Brno  
Jiri Cíkl  
phone: +420 541 152 915  
fax: +420 541 153 042  
e-mail: [autosalon@bvvcz](mailto:autosalon@bvvcz)  
<http://www.bvv.cz/autotec-gb>

**INTERCANIS**

**28.6 - 29.6.2008**

International Dog Show  
Veletrhy Brno, a. s.  
Vystaviste 1, CZ - 647 00 Brno  
Eva Tomaskova  
phone: +420 541 152 168  
fax: +420 541 153 068  
e-mail: [etomaskova@bvvcz](mailto:etomaskova@bvvcz)  
<http://www.bvv.cz/propet-gb>

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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, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Ohio, Oklahoma, South Carolina, Texas, Tennessee, Virginia, West Virginia.  
Contact: Mrs. Andrea Krejci, Phone: 202.274.9104  
Fax: 202.244.2147, [eco\\_washington@embassy.mzv.cz](mailto:eco_washington@embassy.mzv.cz)

**Consulate General in New York:** Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.  
Contact: Mr. Tomas Hart, Phone: 212.717.5643  
Fax: 212.717.5064, [consulate.newyork@embassy.mzv.cz](mailto:consulate.newyork@embassy.mzv.cz)

**Consulate General in Chicago:** Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota a Wisconsin.  
Phone: 312.861.1037, Fax: 312.861.1944,  
Contact: Mr. Borek Lizec  
[chicago@embassy.mzv.cz](mailto:chicago@embassy.mzv.cz)

**CzechTrade - Chicago Office** (Czech producers & Opportunities)  
Contact: Mr. Pavel Lacina, Phone: 312.644.1790, Fax: 312.527.5544, [chicago@czechtrade.cz](mailto:chicago@czechtrade.cz)

**Czech Center New York**  
Contact: Ms. Monika Koblerova, Phone: 212.288.0830 x.103,  
Fax: 212.288.0971, [koblerova@czechcenter.com](mailto:koblerova@czechcenter.com)

**Consulate General in Los Angeles:** Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.  
Contact: Ms. Ludmila Kunderatova, Phone: 310.473.0889 x.229  
Fax: 310.473.9813, [losangeles@embassy.mzv.cz](mailto:losangeles@embassy.mzv.cz)

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

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**BUSINESS AND TRADE WEBSITES**

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