



## Czech Economy Briefs

The new Czech government of Prime Minister Bohuslav Sobotka (Social Democrats, CSSD) wants to comply with euro adoption criteria, above all with the 3 percent limit on the public finance deficit, for the entire term it will be in office, the cabinet has said in its policy statement. Finance Minister Andrej Babis said that the adoption of the single European currency will be possible in six years at the earliest. The new government will focus on support to businesses and labour market, the civil service functioning and the preservation of social peace. The new centre-left coalition government of Social Democrats, the ANO movement and Christian Democrats was appointed by President Milos Zeman on January 29.

The **Czech National Bank** (CNB) in its new forecast improved GDP estimate for this year and 2015. It expects a 2.2 percent GDP growth in 2014 and a 2.8 percent GDP growth in 2015. On the other hand, the CNB expects a worse figure for last year for which it has worsened its estimate from a 0.9 percent GDP fall to a 1.3 percent GDP fall.

Czech exporters delivered a strong performance in 2013 with the **trade surplus continuing to rise**. But a more detailed look at the goods being traded and bilateral relations show familiar strengths and weaknesses. The surplus over the year climbed to 350.8 bln CZK (19,5 bln AUD), a 45.1 bln CZK (2,5 bln AUD) jump on the 2012 figure. Overall, exports rose 2.8% with imports trailing behind with an increase of 1.4%. Altogether, the China trade deficit runs at a level which almost cancels out the Czech trade surplus with its single biggest trading partner, Germany. Trade relations with the EU, accounting for around 80% of Czech two-way trade, have been stable over the past two years. Czech exports to Turkey climbed by 30.3 percent, to Australia by 29 percent and to Japan by almost 21 percent. Double digit export rises were also recorded with Hungary, China, Denmark, Spain, the United Arab Emirates, and Romania.

In December 2013, **unemployment** reached 8.2 percent compared to 9.4 percent a year earlier. An economic recovery should slowly lead to gradual creation of jobs and stronger demand for new employees, especially in the second half of the year according to the analysts.

The average **interest rate on mortgage loans** in the Czech Republic fell to 3.06 percent in December from 3.09 percent in November, while in June 2013 it was at 2.95 percent, the lowest level since the start of the monitoring.

There were nearly 23 thousand **new companies** established last year in the Czech Republic. In total there is 391 thousand companies registered (7 pct up y/y). Higher interest stems from better economic indicators and new projects attracting investors.

## Business Briefs

**Czech Airlines** has decided to discontinue its Prague – Abu Dhabi regular scheduled service after almost three years of operations. Operating Asia in the future, the carrier intends to focus on co-operation with its strategic partner, Korean Air, and enhance its new service to Seoul. Czech Airlines will increase the number of return frequencies operated between Prague and Seoul to four weekly, from the start of the summer timetable effect. Korean Air is a strategic partner and shareholder of Czech Airlines.

**Capital Partners** has signed a binding agreement on its investment into the Czech anti-virus SW company **Avast Software**. The investment, will help the company expand its presence in the US and facilitate further expansion in the mobile security sector. Avast Software is the most profitable Czech IT company, its registered profit was more than 1 bln CZK (55 mil. AUD).

A Czech company **SEV Litovel**, European and most probably the world leading producer of gramophones in HI-FI quality is planning to rise the production by a quarter to the record 90 - 100 000 units this year. Last year the production already went up thanks to higher international demand and the new retro wave. The company exports via an Austrian distributor (under the mark Pro-Ject) to some 60 countries, mostly to the US, France, Germany and the UK. Higher demand is being registered from Canada and Australia. There are two types of gramophones produced, cheaper one sold for 150 AUD and other one in the HI-FI Quality can cost more than 11 000 AUD.

Czech software company **Socialbakers** has received 26 mil. USD from two Silicon Valley investors for further expansion. The Prague society that delivers tools for the monitoring, analysis and work with the social media has doubled its size in one year to 300 employees and opened new branches in Paris, New York, Munich and Singapore. The value of the company is estimated at 200 mil. USD.

**Czech trams** are now running on the streets of Washington DC, USA. Passengers are not on board quite yet, but the trams are running in tests to get drivers used to the equipment and traffic and the gridlocked capital is getting a taste of its transport future. Altogether three Czech trams should be running commercially on what will eventually be 37 miles of tram lines in the city district. The Washington deal was part of a 24 mil. USD contract landed by **Inekon Group**, whose tram construction division is based in the eastern city of Ostrava, Czech Republic.

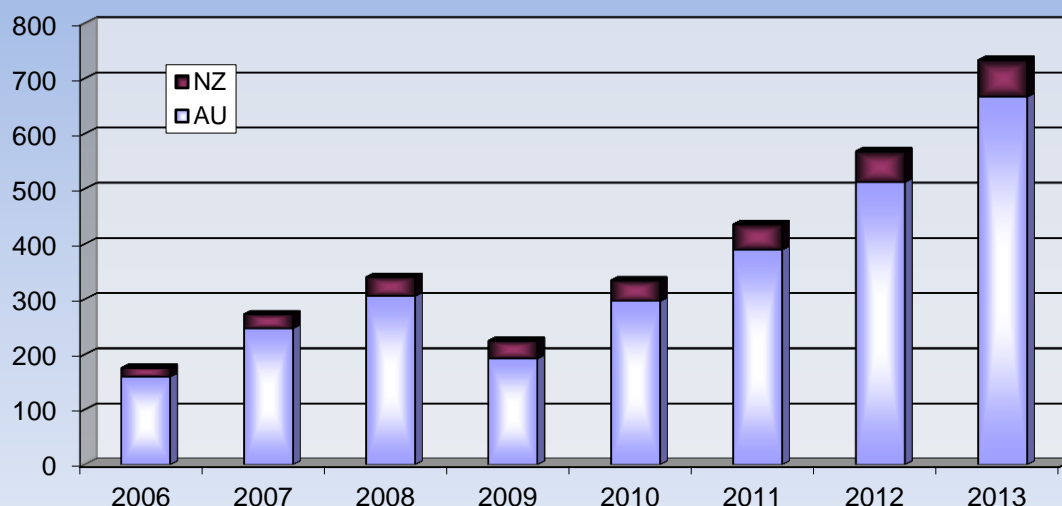
In late January 2014, Czech video game society **Warhorse** launched a Kickstarter campaign for the open-world RPG (role playing game). The developer asked for £300,000 (about \$499,950). At closing, it had earned £1,106,371 from 35,384 backers. *Kingdom Come: Deliverance* (inspired by the Czech mediaval Hussites) is among the 30 most-funded Kickstarter projects of all time and in the top 15 of video game projects.

A German car maker **Volkswagen** will choose next month between Škoda Auto's Kvasiny plant and Spanish car maker SEAT's Martorell plant in Barcelona over a 10 bln CZK (550 mil. AUD) investment to build a new sport utility vehicle starting in 2016 or 2017. The new car will be sold as part of both the Škoda Auto and SEAT ranges irrespective of the decision about the location. South Korea tyre producer **Nexen** is also looking to make such an investment and hire around 2,000 workers in Europe with Ostrava seeking to court the Koreans. Established Czech manufacturers, such as rival tyre producer **Continental Barum**, screw producer **Kamax**, and car parts producer **Johnson Controls**, are also expanding locally with investments ranging from around 1 bln to 2.5 bln CZK (55 to 140 mil. AUD)

## Czech exports to Australia and New Zealand

According to the latest export data of the Czech Statistical Office for the year 2013, exports from the Czech Republic to Australia have reached 666 mil. USD and exports to New Zealand 66 mil. USD. Export figures confirm strong trade performance posting again new record export volumes to both countries. Combined Czech exports to both countries in the 2013 increased by 29%, compared to 2012, continuing the growing trend of Czech exports in the territory.

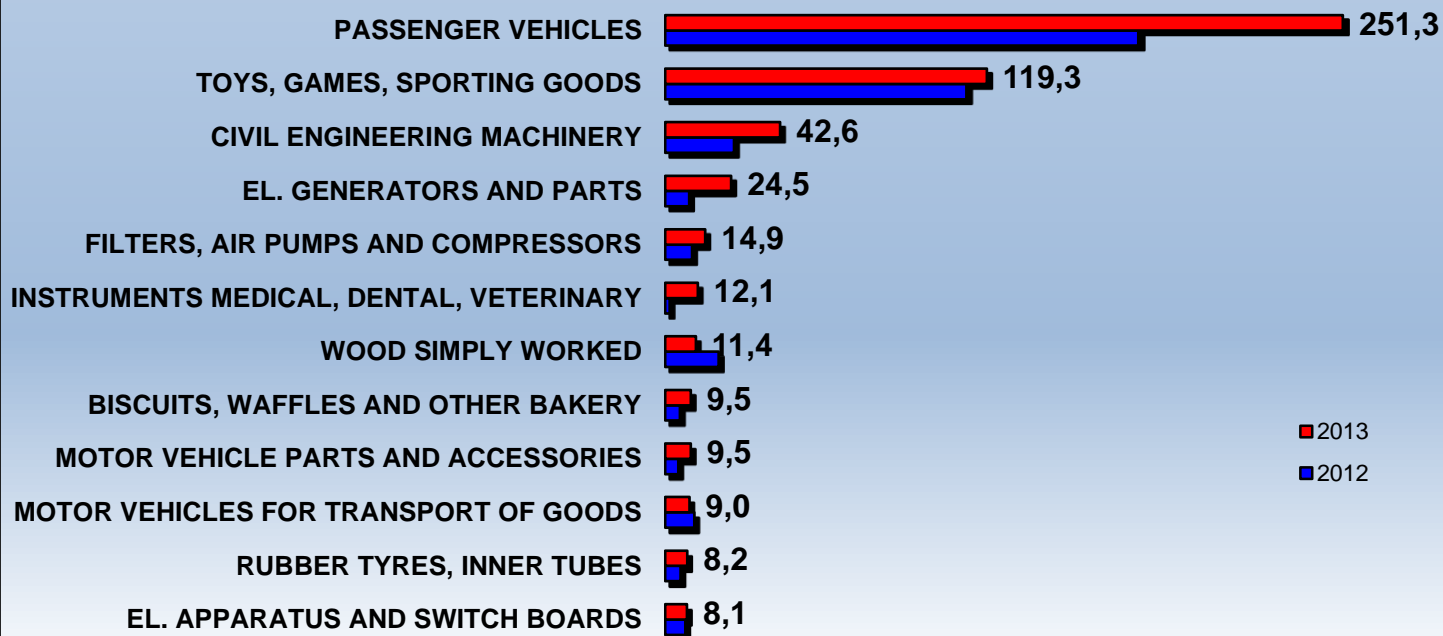
### CZECH EXPORTS TO AUSTRALIA AND NEW ZEALAND (mil. USD)



Passenger vehicles and toys continue to be the leading export articles to Australia and New Zealand in 2013, with growing dominance of Škoda cars.

Following graph displays the dynamics of major commodity exports in 2012 and 2013 in Australia:

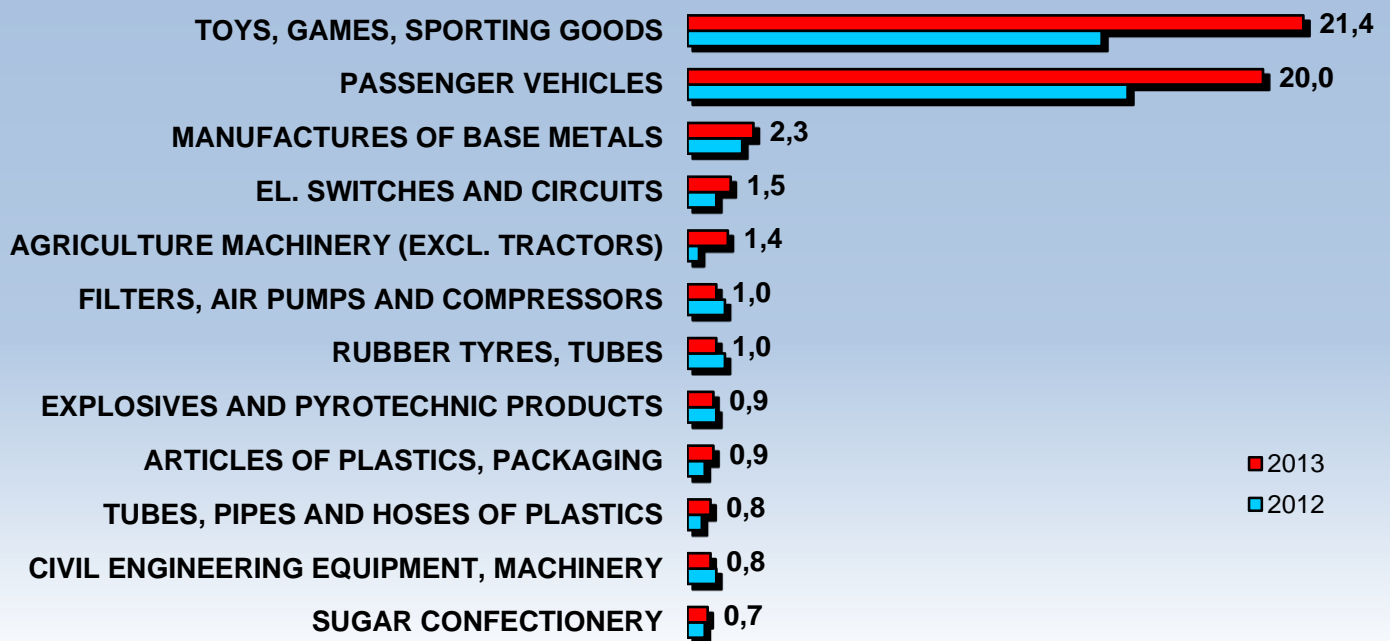
### TOP CZECH EXPORTS TO AUSTRALIA (mil. USD)



High value added items such as motor vehicles and parts, civil engineering machinery, el. generators and medical instruments remain the driving force of the increased export volumes in 2013. In particular, segment of passenger vehicles increased its export by 43% in 2013, as in late 2013, the Hyundai SUV made in the Czech Republic were exported to Australia alongside with Škoda.

Following graph displays the dynamics of major commodity exports in 2012 and 2013 in New Zealand:

## TOP CZECH EXPORTS TO NEW ZEALAND (mil. USD)



In New Zealand, the most notable increase in export volume in 2013 is by toys manufacturer LEGO (export increase of 48%) and Škoda cars (export increase of 31%). Export increase of agricultural machinery also reflects sound condition of New Zealand agriculture.

Interesting new Czech export items in 2013 in the territory became biscuits and sugar confectionery accounting for more than 10mil. USD. Relatively large volume for a non traditional export article. Gradual decrease of simply worked wood exports to Australia continued also in 2013.

## Czech companies seeking for Australian and New Zealand partners

**FILTREX s.r.o.** - Since 1964 we have been producing highly dependable and powerful filters. All types of pressure filters are delivered according to customer's requirements and fitted with pumps. Currently, we supply filters for winemaking, brewing beer, and production of spirits, beverages, food, pharmaceuticals, biotechnologies, cosmetics and oils. Design solutions have been developed by us. We offer products with high reliability and time-proven quality. The filters are available in three power ranges. D18 - frame size 200 x 200 mm, D11 - frame size 400 x 400 mm, D12 - frame size 600 x 600mm. We also supply consumables with the filters - filter plates or filter cloth. Most of the production is exported to Germany, Slovakia, Lithuania, Estonia, United Kingdom, Ethiopia, Mongolia, Austria, Spain, Poland.

For more information about distribution cooperation in Australia and New Zealand, please contact:

**Contact:** Mr. Bohumil KOPECNY, Head of Sales

**Telephone:** +420 777 134 829

**Fax:** +420 461 535 186

**E-mail:** info@filtrex.cz

**Web:** www.filtrex.cz

**ReSpimask®** - At Redspare&Co., we've developed revolutionary face mask to offer better protection against contagious diseases caused by viruses, bacteria and other airborne threats to health. The uniqueness of ReSpimask® is given by Czech innovative nanofiber fabric RESPILON™ which provides high filtration efficiency against all pathogens and small solid airborne particles > 25 nm in size. RESPILON™ was developed after years of research at the Czech Department of Nonwoven Textiles, Nanoscience Centre, Faculty of Textile Engineering, Technical University of Liberec in the Czech Republic. ReSpimask® is a time-proven face mask model easy to handle, comfortable to wear and convenient to carry, giving the opportunity to capitalize on the latest technology.

Redspare&Co. is looking for sales representative for Australia and New Zealand.

**Contact:** Mr. Roman Zima

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**Web:** www.respimask.com

**INVEA-TECH** - is an international vendor of network and security solutions specialized in flow monitoring (NetFlow/IPFIX), Network Behavior Analysis (NBA), FPGA acceleration, IP Data Retention and IP Lawful Interception.

Our clients T-Mobile, Siemens or Konica Minolta use our products to know and secure their networks. We analyze network traffic, report on traffic structure and alert on threats which are not detectable by standard signature based approaches.

INVEA-TECH is the leader in the flow monitoring & NBA market which is considered by Gartner as the next generation network security trend complementing and enhancing legacy security products such as firewall and IDS/IPS.

Based on Deloitte's Technology Fast 50 Central Europe 2013, INVEA-TECH Corp. is one of the fastest growing Tech companies in CEE region.

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**ALCOMA a. s.** is a leading Czech designer and producer of point to point microwave and millimeter wave radio relay links. The history of the company dates back to its foundation on 28 October 1993.

Since that time it has delivered tens of thousands links to 48 countries in Europe, Asia, Africa and America, first of all to the Czech Republic, South Africa, United Kingdom, United States, Germany, Italy and states of the CIS.

Today the company produces Ethernet/PDH/SDH point to point microwave radio relay links for 4 – 80 GHz frequency bands, including 5, 17, 24 and 80 GHz freebands both in split and all outdoor design for transmission capacity from 5 Mbps to 1,5 Gbps full duplex. Antennas of its own production are delivered too.

ALCOMA links successfully work in many telecommunication networks for data and voice transmission. They are used not only by telecommunication operators and internet providers but they also connect large firms, TV studios and a large number of small and medium-sized companies. We are looking for new partners in Australia and other territories where we are not present at the moment.

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**Web:** www.alcoma.cz

**HORMEN CE a.s.** is a manufacturer of lights and lighting systems and a leading supplier of applications for offices, hotels, commercial property, public buildings and outdoor applications. The company was founded in 2004 and underwent dynamic development. Our top-class team focuses on product development, innovative engineering solutions and sales activities. The company is headquartered in Prague. Further commercial and technical centers are located in Brno, Ostrava and Bratislava.

For more information about distribution cooperation in Australia and New Zealand, please contact:

**Contact:** Mr. Marek Fišer  
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**Web:** www.hormen.cz

**KOVOBEL** is currently the largest manufacturer of demountable containers (about 5.500 pcs a year ) in Europe for storage of different goods and also one of the largest suppliers of equipment for poultry keeping in the Czech Republic. The company was established in 1966. Traditional technology and first class handicraft skills guarantee that our products are of the highest quality recognized both locally and internationally. KOVOBEL has about 80 employees with considerable experience in mechanical engineering. A large majority of our company's output is exported, mainly to 20 European countries and to Canada, Mexico and South Africa.

KOVOBEL containers are usually used as equipment of self-storage facilities. Our containers are made of galvanized steel sheets with wooden or steel bottoms or banded floors. The assembly and dismantling of the containers are very simple and with no special tools.

We are looking for an Australian distributor.

**Contact:** Mr. Emil Beber  
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**E-mail:** Kovobel@kovobel.cz  
**www.kovobel.cz**

## Introducing: ŠKODA New Zealand

The history of ŠKODA in New Zealand goes back to the year 2003, when European Motor Distributors, a fully owned subsidiary of Giltrap Group Holdings Limited, agreed with ŠKODA AUTO a.s. to commence distribution in New Zealand.

Ten years after this milestone, the Auckland based ŠKODA New Zealand importer (today European Distributors Ltd) has experienced a solid growth in the market and is continuing to grow.

### Dealer Network

The ŠKODA dealer network comprises seven full sales and service dealers around New Zealand and a range of parts and service dealers in a further eleven locations.

### Product Range

The current product range comprises of six models: The newcomer subcompact Citigo; the Fabia in its hatch, wagon and RS version; and the new ŠKODA Rapid liftback which entered the market in August 2013 – a hatchback version of this model is expected to arrive early 2014.

Also part of the range is the recently arrived all-new ŠKODA Octavia and at the same time flagship of the sales mix in New Zealand (approx. 35% sales

volume). The Octavia range is made up of liftback, wagon and RS versions with a number of engine types available.

The last two models which form the range are the Yeti, which is expecting its facelifted version early 2014 in New Zealand, and the new facelift Superb which has arrived on our shores.

### Market Update

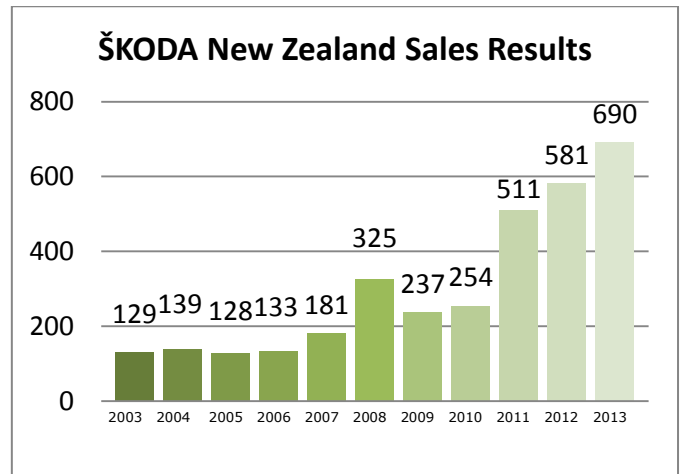
The year 2013 has closed on 690 vehicles registered. This result represents an increase of 18.7% on 2012 which is a very positive result. It was as well ahead of the market average which was around 7.4%. The market closed on over 82,000 Passenger vehicles, being the biggest year since 1984.

**ŠKODA**



Within the range though some models did experience larger percentage growth over 2012, especially Yeti and Octavia Liftback. Yeti volume increased by 29% last year, however Octavia Liftback increase a whopping 67% with the launch of the new Octavia.

The national Private Passenger market grew the most with an increase of 15% over 2012, while the Corporate market grew only 4%. Govt/Local body purchases were down 18%.



### Be informed with ŠKODA

- Subscribe to the newsletter [here](#) and we will send you all the latest news via e-mail.
- You can also join us on social networks such as [Facebook](#) if you want to find the latest model news, pictures and videos, or [LinkedIn](#) to learn more about our business, brand, product and services.

For more information about ŠKODA New Zealand, please do not hesitate to contact us at [info@skoda.co.nz](mailto:info@skoda.co.nz).

## Expressive, dynamic and emotional



The highlight of ŠKODA's appearance at the **Geneva Motor Show 2014** will be to present the spectacular '**ŠKODA VisionC**' design study.

The design language of the **dynamic and elegant five-door coupé** is taking the leading role in the next evolutionary steps: ŠKODA's design is becoming more expressive, dynamic and emotional. At the same time, the five-door coupé study shows the possibility of innovative body concepts.

ŠKODA's dynamic model & design development of the last few years moves into the next stage. The next evolutionary step of ŠKODA's design language underpins the dawn of the brand. During the course of the most comprehensive model campaign in corporate history, ŠKODA is renewing and broadening the entire range of models. The design of ŠKODA cars is playing an ever more important role and shows the brand's emotional vibrancy and power.

### Tradeshows, Exhibitions, Events

#### CeBIT 2014

**May 5 – 7,  
2014, Sydney  
Olympic  
Park**

Czech ICT companies will present their products in Sydney at a major Australian Pacific event in the information and communication sector.

#### Fine Food Australia 2014

**September  
15 – 18,  
Melbourne**

Czech companies are cordially invited to the leading Australian event in Food Industry being held this year in Melbourne from the 15<sup>th</sup> of September until the 18<sup>th</sup> of September. Over 1000 exhibitors will be showcasing the latest products and equipment. Traditionally, Czech products will be present at the show.

#### 20th ISSS symposium

**August 30 –  
September 2,  
2014, Prague**

The jubilee **20th International Symposium on Separation Sciences** will cover recent advances in the theory, instrumentation and methodology of all types of separation techniques, including new types of stationary phases, particulate, monolithic and miniaturized capillary and chip-based fluidic separation media, hyphenated and multi-dimensional separations. The goal of the 20th ISSS symposium will be advancing the knowledge of separation sciences and promoting exchange of new ideas on the academic and the industry level, providing new forum for collaboration and networking.

More details are on [www.isss2014.cz](http://www.isss2014.cz)

## INDC 2014

September 2-5, 2014,  
Prague

**The 14<sup>th</sup> International Nutrition & Diagnostics Conference 2014 (INDC 2014)** Keynote lectures will be presented by leading academic and industrial scientists from around the world including Mirek Macka (University of Tasmania, Australia) or Helena Tlaskalová-Hogenová (Charles University, Czech Republic). A range of topics includes: advances in probiotics and human health; separation sciences in clinical diagnosis and nutrition; aging and nutrition; functional foods; antioxidants; food microbiology; pediatric aspects of nutrition; beer and health and biomarkers. INDC 2014 will include an industrial exhibition and a business meeting which will give the opportunity to delegates to meet potential partners. [www.indc.cz](http://www.indc.cz).

## Business and Trade Websites and Links

CzechTrade [www.czechtrade.cz](http://www.czechtrade.cz)  
CzechInvest [www.czechinvest.org](http://www.czechinvest.org)

General Information [www.czech.cz](http://www.czech.cz)  
Czech Supplier [www.supplier.cz](http://www.supplier.cz)

Tradeshows [www.veletrhyavystavy.cz](http://www.veletrhyavystavy.cz)

Doing Business in the Czech Republic  
[www.doingbusiness.cz](http://www.doingbusiness.cz)

### Czech-Australian Chamber of Commerce in Sydney



<http://czechchambersydney.com/>

### Czech-New Zealand Business Association in Auckland



<http://www.cnzba.co.nz/>

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