



Czech Economy Briefs

The **Czech National Bank (CNB)** in its new forecast worsened a GDP estimate for this year to a 0.3 percent contraction from the previous estimate of a 0.2 percent expansion. The central bank improved its estimate of GDP growth for next year to 2.1 percent from 1.9 percent seen in November last year. Uncertainty exists about the extent and impacts of budget consolidation and household behaviour on consumption and savings. Overall inflation will be near the 2 percent inflation target despite significant impacts of tax changes. After the effect of the increase in VAT rates by 1 percentage point to 14 and 21 percent subsides the inflation rate will drop a touch below the target at the start of 2014.

The Bank Board of the CNB left **interest rates** unchanged at record-low levels at the beginning of February. The main two-week repo rate, from which interest on commercial loans is derived, stayed at 0.05 percent. This year, it is possible that the CNB will make forex interventions in an effort to further ease the monetary policy. But the CNB will resort to the

step in the second quarter of 2013 at the earliest, according to analysts' estimates.

The Czech Republic's **foreign trade** posted a Kc310.8bn (AUD16,3bn) surplus last year, a year-on-year improvement of Kc119.6bn, but in December 2012 alone the trade surplus dropped by Kc0.7bn on the year to Kc6.4bn, according to the Czech Statistical Office (CSU). In 2012, exports rose by 6.4 percent and imports grew by 2.4 percent compared with the year 2011. The foreign trade turnover grew by Kc248.5bn year-on-year to Kc5,814bn. The balance improved mainly in trade with machinery and transport equipment whose surplus grew by Kc74.5bn and in trade with miscellaneous manufactured articles whose surplus rose by Kc26.4bn compared with 2011. In contrast, deficit in trade with mineral fuels increased by Kc9.9bn.

Milos Zeman, who will be sworn-in as the new Czech president on March 8, will host the EU flag at Prague Castle, the presidential seat, unlike his outgoing predecessor, Eurosceptic Vaclav Klaus.

Business Briefs

A consortium led by Australian Macquarie Infrastructure and Real Assets (MIRA), part of the **Macquarie Group**, has agreed to acquire approximately 35 per cent in RWE Grid Holding, a.s. (RGH), an entity which will act as the holding company for four regional gas distribution networks in the Czech Republic. RGH will own and operate approximately 80 per cent of the Czech Republic's gas distribution network, with approximately 64,500 km of gas pipeline, over 2.3 million connection points and a regulated asset base in excess of €1.5 billion. Edward Beckley, European Head of MIRA, said: "This is a unique opportunity to create a high-quality, consolidated gas distribution business in one of Eastern Europe's strongest economies. RGH is an excellent match for the long-term investment objectives of our investors. MIRA has been an investor in the Czech Republic since 2010, when

Macquarie-managed funds acquired Ceske Radiokomunikace (Cra).

After its recently failed debut in the Czech Republic, the Australian-owned global franchise **Gloria Jean's Coffees** is attempting a comeback. Originally, the Aussie chain opened three stores in Prague and one in Brno but was forced to close down after the collapse of its franchise partner HAM Gastro Czech. Although the coffee industry is said to be "recession-proof," the timing for the Gloria Jean's relaunch will be challenging. The chain is currently looking for a new franchise partner with the aim to set up in the Czech Republic by December. Ultimately, the company is hoping to open five new stores each year.

ERA – leading Czech supplier of next-generation surveillance and flight tracking solutions for the air traffic management, military, security and airport operations markets - has been awarded a contract for the supply of the extension of its previous WAM (Wide Area Multilateration) system used at the Queenstown airport in New Zealand. ERA, the primary contractor for the Airways Corporation of New Zealand, has deployed its systems for Auckland and Queenstown airports in 2009, respectively 2010. The need to extend the system came about as the Queenstown airport has become busier as a result of fans of the film trilogy *The Lord of the Rings* who are visiting the area. ERA serves over 100 airport, air traffic management and military customers globally.

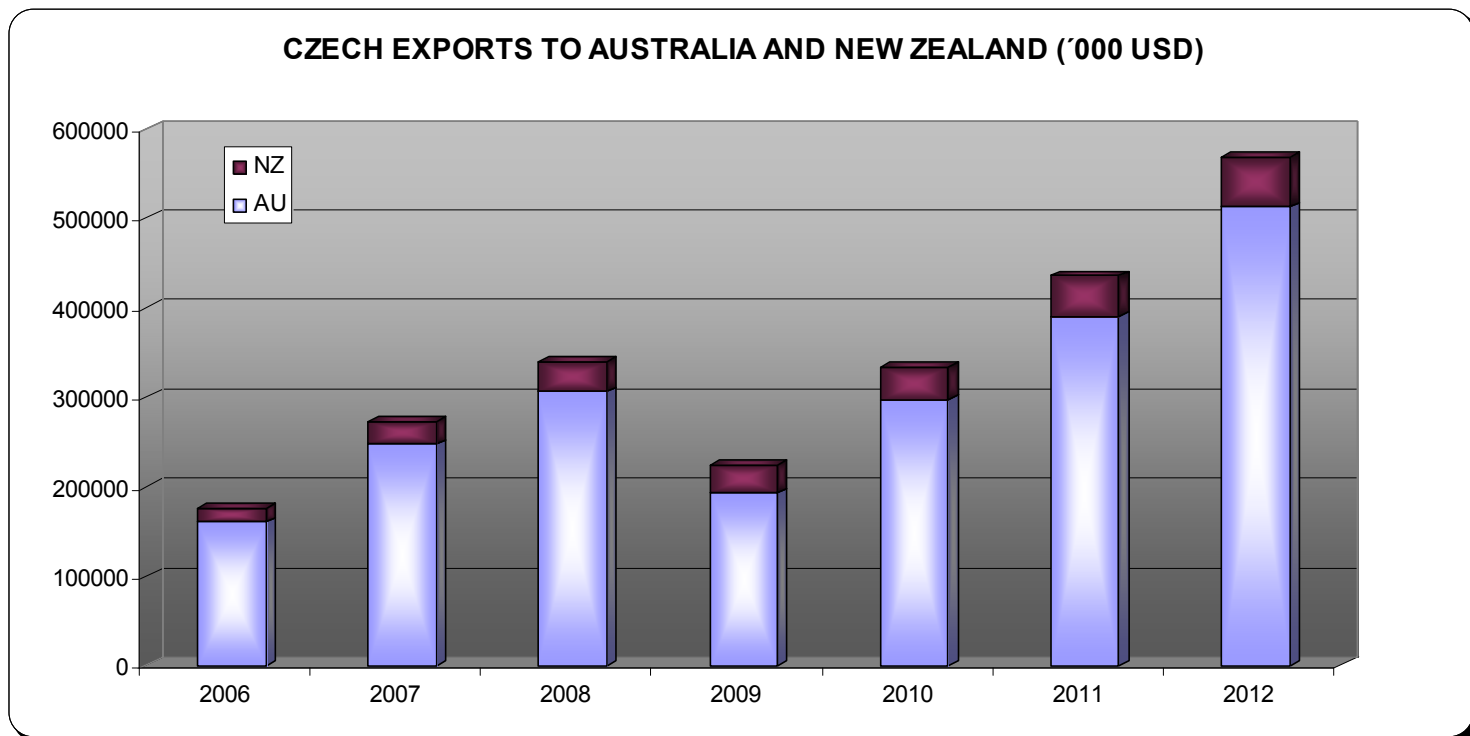
BUDĚJOVICKÝ BUDVAR - beer exports reach record high in 2012. State-owned Czech brewery Budejovicky Budvar says its 2012 exports rose by 1.1 percent to reach a record high 657,000 hectoliters of beer delivered to 58 countries (including Australia and New Zealand) last year, the best result in 117

years. Budvar's overall 2012 output reached 1.34 million hectoliters, almost 2 percent more than in 2010. Budvar has launched its own canning plant, investment for Kc110mil., that should help rise the export sales.

ŠKODA - A VOLKSWAGEN manager with five years' experience in Australia is set to fill the vacancy at the helm of Škoda Australia from March 1. German-born Michael Irmer, who was based in Australia with VW between 2004 and 2009, will return from the company's Wolfsburg headquarters to replace Matthew Wiesner as director of Skoda, which operates as a division of VW Group Australia. Škoda globally posts repeat sales record in 2012. Deliveries rose by 6.8 per cent to 939,200 cars in 2012. Its market share in Western Europe rose above three per cent, in China represents more than 7 per cent and in Russia 3.6 per cent. The first half of 2013 will be influenced by the beginning of production and sales of the new ŠKODA Octavia.

Czech exports to Australia and New Zealand

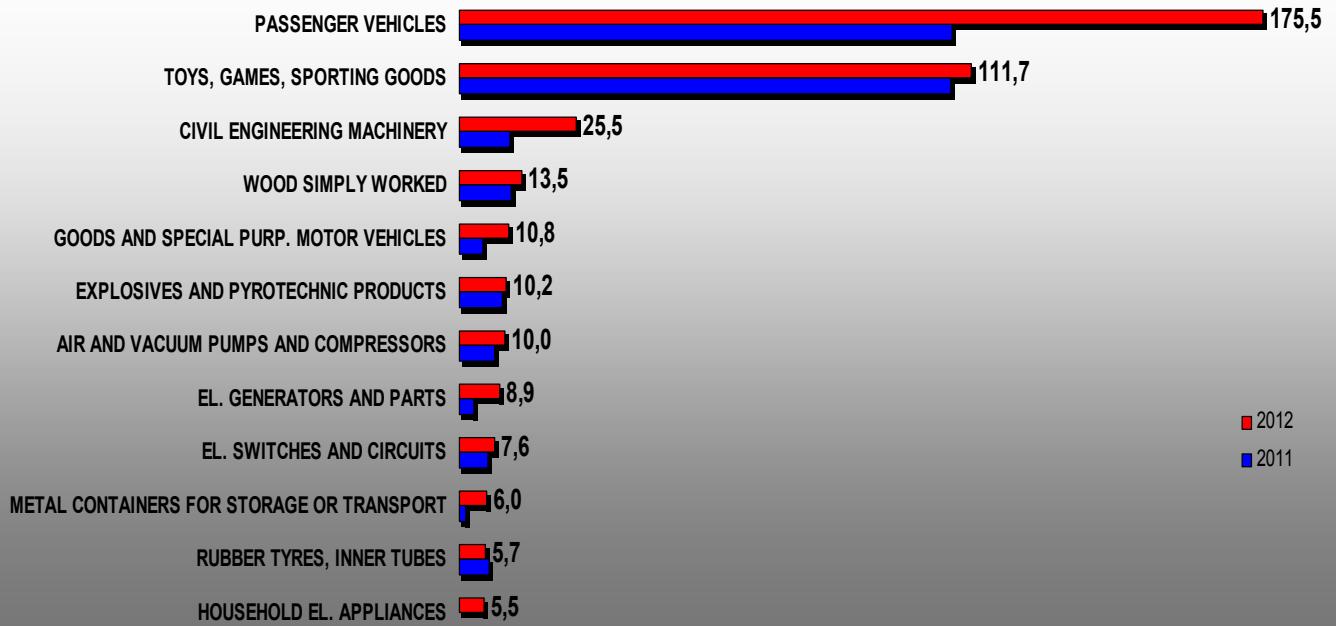
According to the latest export data of the Czech Statistical Office for the 2012 year, exports from the Czech Republic to Australia have reached 512 mil.USD and to New Zealand 55 mil.USD. Export figures indicate strong trade performance, posting again new record export volumes to both countries. Strong Australian dollar and weaker Czech crown contribute to the trend.



Passenger vehicles and toys remain the leading export articles to Australia and New Zealand in 2012.

Following graphs display the dynamics of major commodity exports in 2011 and 2012 in Australia:

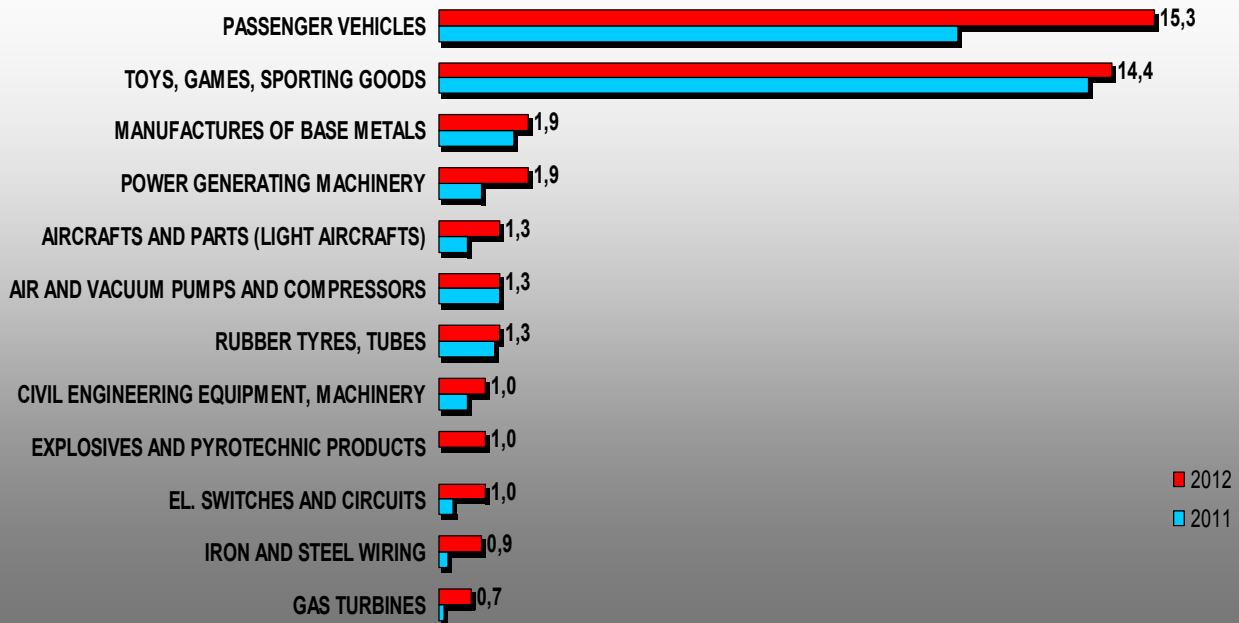
TOP CZECH EXPORTS TO AUSTRALIA (mil. USD)



Majority of traditional Czech export commodities post better export results in 2012 than in previous year. Most significant increase in total volume is provided by the leading ŠKODA AUTO, increasing the export in 2012 by 70% from the previous year. Total Czech exports to Australia increased from 390mil.USD in 2011 to 512mil.USD in 2012.

New Zealand:

TOP CZECH EXPORTS TO NEW ZEALAND (mil. USD)



Quite similarly in New Zealand, ŠKODA and LEGO are the leading export brands from the Czech Republic. Total Czech exports to New Zealand increased from 45mil.USD in 2011 to 55mil.USD in 2012.

AUSTIN DETONATOR - is the European greatest manufacturer of electric, non-electric and electronic detonators used for mining, quarries, constructions and tunneling. Detonators production is over 40 million pcs per year and 90% of total sales is made by export. Austin Detonator regularly exports to 35 countries worldwide. The main export territories currently are Australia, Germany, Saudi Arabia, Sweden, Norway, Finland, Japan. Currently we are cooperating with two distributors in Australia and one in New Zealand, who supply our products to final end users.

Austin Detonator is engaged in development, production and distribution of the following products:

- non-electric detonators
- electric detonators
- electronic detonators
- fuseheads and igniters
- blasting accessories

Austin Detonator is part of Corporate Austin Powder Company, Cleveland, Ohio, USA.

We are looking for new users in Australia and New Zealand. We will gladly answer any questions about our products, production or business terms.

Contact: Mr. Pavel HRBAC, Export manager

Telephone: +420 571 404 619,

Mobile: +420 739 343 737

E-mail: pavel.hrbac@austin.cz

Web: www.austin.cz

ZUBR BREWERY – Good beer has been brewed and enjoyed for nearly a thousand years in Přerov, as documented in the numerous sources of the history of this old city. Today in Přerov, beer is brewed under the name ZUBR. This beer is a high quality product with an irreplaceable, balanced flavor, which is highly valued by both experts and consumers alike. Use of the traditional technology of bottom fermenting places the ZUBR label product among the representatives of traditional Czech beers, which consumers have labeled as a “Czech type beer”.

In Australia and New Zealand we are looking for distributor/s to represent our beer.

Contact: Mr. Jan PONIZIL, Export Manager

Telephone: +420 581 270 713

Fax: +420 581 270 701

E-mail: ponizil@pivovary.cz

Web: www.pivovary.cz

DOZEP – We are offering high quality wind-powered, mobile and manual water pumps "FLORIS". The pumps we offer have long-term working life and are practically maintenance-free. When using mobile

pump you are avoiding animal's health problems resulting from the contamination of long-term standing water, especially in high temperature season. It's used for pumping drinking or nondrinking water with possibility of connection to store tank. The pump could be used for pumping drinking water for livestock or water supply for farming animals, for watering the gardens with option to connect to drop irrigation for reducing groundwater level. Pump can reach water up to 50mtrs under ground.

We are looking for sales representatives and customers in Australia and/or New Zealand.

Contact: Mr. Pavol FLORIS, Export Manager

Telephone: +420 724 840 937

E-mail: p.floris@centrum.cz

Web: <http://p.floris.sweb.cz/>

SNAILEX PLUS – snail delicatessen.

Czech family company founded in 1991, whose main activity is the production of delicacies, which come from original family recipes without preservatives. The biggest success in the international arena gained SNAILEX PLUS the international gastronomic fair in Dijon, France in 1995. Awarded the 1st prize for originality and innovation for “Escargot liver”. Product has been introduced by the company to the world market for the first time in history and the company as a sole producer in the world.

Contact: Mr. Richard VOJNA, Chief Executive Officer for Asia & the Pacific

Telephone: +421 907 588 333

E-mail: snailex-asia@seznam.cz

Web: www.snailex-delicatessen.com

MIRO ANTI-CUT PROTECTIVE GLOVES

The headquarter and production facilities of the company are located in Borova near the town Polička, in the centre of the Czech Republic. Since 1990 we are producing all types of anti-cut knitted gloves with significant market share in Europe. Our customers are mostly in the Automotive and Food Industry but also light and heavy industry. In 2006 we have developed and introduced our own cut-proof yarns using new materials and technologies under the brand AntiCut SharpkingR. The company has also created new facility for production of knitted gloves with sewn-in leather and in the 2013 will be opening new production centre for latex dipped gloves.

We are looking for distribution partner/s in Australia and New Zealand.

Contact: Mr. Jiri EHRENBARGER, Sales Manager
Mobile: +420 607 847 847
E-mail: sales@anticut.com
Web: www.anticut.com

NICOSTAR - spray containing nicotine, helps quitting smoking.

Product does not contain tar, carcinogens, carbon monoxide or any of the other 4,700 carcinogenic and toxic substances produced by burning tobacco; it does not burden the lungs or other organs with toxic bi-products of combustion. NICOSTAR is a registered trademark. Protected by patent rights and made in the Czech Republic.

Company is looking for sales representation in Australia and New Zealand. To learn more please visit our website or contact Mr. Petr BAUDYS directly.

Contact: Mr. Petr BAUDYS, Export Manager

Telephone: +00420 602 681 569

E-mail: pbaudys1@gmail.com

Web: <http://nicostar.cz>

ALBIXON – Czech-based company and the largest manufacturer of telescopic swimming pool enclosures in EU. “Today is the telescopic swimming pool enclosure an essential part of the pool experience. New technologies make the best use of the sun's energy, thus extending the swimming season and reducing operating costs.” Company is seeking for an INDEPENDENT DEALER and DISTRIBUTION in Australia and NZ.

Contact: Mr. Jan HLADIK, International Sales Manager

Telephone: +420 251 094 140, Fax: +420 251 094 051, Mobile: +420 777 478 849

E-mail: jan.hladik@albixon.com

Web: www.ALBIXON.com,

www.IDEALCOVER.com, www.BRILIX.com

Introducing: Josef Chromy Tasmania



JOSEF CHROMY
T A S M A N I A



Josef Chromy OAM has been instrumental to the Tasmanian food and wine industry having owned and developed some of Tasmania's leading wineries including Rochemombe (now Bay of Fires), Jansz, Heemskerk and Tamar Ridge. His wines from Relbia, a stonethrow from Launceston, are known to the winelovers in Japan, China, the UK, Sweden and soon in the Czech Republic.

At 76, when most people would be thinking about easing up, Joe launched Josef Chromy Wines in December 2007. In just over 4 short years, Josef Chromy Wines has made an impressive impact on the Australian Wine industry. Through the hard work of many, Josef Chromy Wines has built sales of 28000 cases in a profitable and sustainable manner. In a very short period Josef Chromy Wines has amassed over 14 trophies and 170 medals which makes it one of the most successful launches in the history of the Tasmanian Wine Industry.



Joe acknowledges Tasmania as the regional hero in this development. Josef Chromy Wines is the culmination of Joe's experience in the Tamar Valley and its unique vineyard site (60 hectares) and the location is delivering both exquisite table and sparkling wines and providing one of most memorable food and wine experiences in Tasmania. Josef's personal journey from penniless immigrant to successful food and wine entrepreneur has been an inspiration for many in Tasmania. "I came here with nothing but hope and ambition over 50 years ago. Tasmanians welcomed me and, with their help, I have been rewarded for the challenges and risks I have taken on in both the meat and wine industries". Over the next 40 years he used his skills as a Master Butcher and Smallgoods Maker to build his business, Blue Ribbon Meat Products, into one of Tasmania's leading brands.

In 1993 Blue Ribbon was floated on the Australian Stock Exchange, and Josef used the money to invest in Tasmania's fledgling wine industry. Since then Josef has owned and developed some of Tasmania's leading wineries. Josef is loyal to his adopted home, and all his property investments are in Tasmania. "Loyalty is a quality I value highly and this definitely affects my investment decisions. We do at times look elsewhere but so far there have been sufficient quality opportunities in this State that I love," Mr Chromy said.

www.josefchromy.com.au



Tradeshows, Exhibitions, Events

Holiday & Travel Show	Sydney Hordern Pavilion, Moore Park 9 - 10 March and Brisbane Convention Centre, Southbank 23 - 24 March	Czech Travel Specialist - Check Us Out Travel is Australia's only expert for travel to Prague and the Czech Republic. Next month will be representing the Czech Republic at the Holiday & Travel Shows in Sydney and Brisbane. There will be special deals for flights from Australia to Prague & Europe as well as special deals on European River Cruising, accommodation, tours, sightseeing and much more in Prague and the Czech Republic. Free entry.
AVALON 2013	February 26 – March 1, 2013, Avalon Airport	Czech SportCruiser distributed by Aerosport Aviation will be present at Avalon 2013. At the past exhibitions in 2011 and 2009, visitors have had the chance to inspect some other Czech aircrafts present in Australia, such as Bristell presented by Anderson Aviation or Savage Classic, awarded best Factory Built Aircraft at Australian International Airshow 2009. Czech production of Light Sport Aircrafts in Australia and New Zealand is well known to all enthusiasts of recreational flying. Some other Czech aircraft brands present in the region are Evektor, TL Ultralight and Fantasy Air Allegro. Czech Republic is the second largest manufacturer of ultralight planes in the world.
Toy Hobby and Nursery Fair	March 3 - 6, 2013, Melbourne	LEGO toys manufactured in the Czech Republic will be traditionally present at Melbourne's Toy Hobby and Nursery Fair in March.
Home and Giving Fair	February 23 – 26, 2013, Sydney	Australian distributor of several Czech glassworks Bohemia Crystal will present its best again at the Home and Giving Fair in Sydney.
Pacific Energy Summit	March 24 -27, 2013, Auckland	The New Zealand Government and the EU are co-hosting this Summit to provide an opportunity for Pacific island leaders to present their energy plans for reducing the use of fossil fuels through public and private sector investments in renewable electricity generation and energy efficiency (supply and demand side). Potential projects, including opportunities in solar energy (photovoltaic), wind energy, geothermal, hydro and bioenergy as well as energy efficiency will be presented at the Summit. This will highlight private sector opportunities for equipment and technology suppliers, energy consulting and contracting companies, providers of financial products and services, and potential independent power producers.

Business and Trade Websites and Links

General Information www.czech.cz
 Czech Supplier www.supplier.cz
 CzechTrade www.czechtrade.cz
 CzechInvest www.czechinvest.org
 Tradeshows www.veletrhyavystavy.cz
 Doing Business in the Czech Republic
www.doingbusiness.cz

Czech-Australian Chamber of Commerce in Sydney
<http://czechchambersydney.com/>

Czech-New Zealand Business Association in Auckland

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