Czech Economy Briefs

The Bank Board of the **Czech National Bank** (CNB) decided to launch forex interventions earlier this month, for the first time since 2002, to weaken the crown and further ease monetary policy. The measure is to keep the crown near the CZK27/EUR benchmark. Interest rates are currently at a technical zero. Decision will support Czech proexport-oriented economy, however at the same time will raise the prices of imports.

According to preliminary estimates of the **Czech Statistical Office** (CSU), the Czech economy fell by 0.5 percent quarter-on-quarter in Q3, while in Q2 it had risen, getting out of the longest recession ever. Though there are signs of revival in the economy, they are driven primarily by manufacturing and proexport industries, not by domestic demand, vice governor of CNB Vladimír Tomšík said. This poses a huge risk of the crown's strengthening, which is one of the reasons why the CNB launched forex interventions.

The **CNB** further improved its outlook of Czech economic development for 2013 and in its latest forecast expects a 0.9 percent GDP fall, but it worsened the outlook for 2014 to a 1.5 percent growth. The **Finance Ministry** improved its estimate of economic development for this and next year. GDP is expected to fall by 1 percent this year and grow by 1.3 percent next year, according to the ministry's forecast.

The updated **state energy policy** of the Czech Republic still reckons with the construction of two new units of the nuclear power plant of Temelin, extending the lifespan of the four units of the Dukovany nuclear power plant to 60 years and with the construction of a fifth reactor at Dukovany around the year 2040. In addition, localities for further possible development of nuclear energy after 2040 should be defined.

The **leader of Czech Social Democratic Party** (CSSD) Bohuslav Sobotka has been appointed by the president Milos Zeman to create the new government after the October parliamentary elections. The new left-wing government will most probably consist of the coalition of CSSD, ANO and Christian Democrats and should be presented by the end of the year.

The **real estate market** in the region of central and Eastern Europe (including Russia) registered transactions in the value of EUR 4.5 bln some 60% up y/y, in the first half of 2013, according to the survey KPMG CEE Property Lending Barometer 2013. According to KPMG, the **Czech Republic has been the regional leader** of the Index of the Willingness to Finance Real Estate Projects for three years. The situation in the Czech Republic is stabilised and financial institutions are willing to refinance loans in completed projects and, to certain extent, finance also new constructions, according to KPMG.

Business Briefs

The **Czech Ministry of Industry and Trade** has launched a new Trade & Investment Office in Buenos Aires, Tel Aviv, Casablanca, Beijing and Sydney. The mission is to explore and develop mutual Australian - Czech opportunities in business, investments and R&D cooperation. One of the Trade Commissioner’s mission is to drive Czech investment and export opportunities to Australia and New Zealand. At the same time, it is going to assist Australian and New Zealand corporations with their expansion activities in the Czech Republic.

**Skoda** Australia will take a knife to its prices over the coming months as the brand looks to further differentiate itself from its sister company Volkswagen. The company has announced pricing for its new-generation **Octavia** mid-size model, which sees the brand undercut mainstream medium cars by thousands of dollars, with an entry point of just $21,690 plus on-road costs. Skoda’s top-selling model, the **Yeti** compact SUV, is due to be refreshed in the first half of 2014. The current run-out pricing is from $21,990 drive-away.
In early September 2013 the representatives of Biona Jersín visited Australia and New Zealand for a three-week trade mission, which was organised in cooperation with a New Zealand based export & import consultancy Businex NZ. Biona Jersín is the largest Czech manufacturer of technical bio lubricants and greases. Biona Jersín developed a new range of high performance bio-lubricants LUBECO™ specifically designed for New Zealand and Australia. LUBECO™ products were introduced at the wood processing and manufacturing trade fair WoodEXPO 2013, which was held in Albury, NSW, and in Rotorua, New Zealand.

Pardubice company Nanopharma is developing in cooperation with Australian company Ceramisphere functional biocompatible composite carriers using nanofibers. Nanopharma in the joint project focuses on coaxial nanofibers, formed by nanofibers with a core/shell structure. Ceramisphere is focused on encapsulation methods of active molecules by building a porous silica (glass) or ceramic oxide matrix around them. Jointly, both companies are aiming to commercialize nanotechnological products predominantly in medical and health sectors in Europe and Asia. The Czech company has received a CZK 5 million grant for the joint research as part of the Program to support international technological cooperation of CzechInvest.

Amazon Inc. will open two new distribution centers next year in the Czech Republic (close to Prague and Brno) to meet growing demand for its services across Europe. The company doesn't plan to close any of its existing distribution centers in EU. Amazon plans to create 2,000 permanent and 3,000 seasonal jobs at its two Czech centers, each with floor sizes equal to 13 soccer fields. The Czech Republic's location in central Europe with easy transportation links to key markets in the region and the availability of qualified workers have been decisive factors in attracting the new distribution centers.

Wheat beer Primator Weizenbier, produced by Czech brewery Pivovar Nachod, has been chosen the world's best beer for the year 2013 in the World Beer Awards held in Great Britain. Hundreds of beers from the entire world were registered in the contest which was held in the English town of Norwich in September. World Beer Awards has eight categories every year. Primator also won the award for the best beer in its category of wheat beers. Pivovar Nachod said it believes the award will help it boost export which accounts for about one-quarter of output now. This year, the brewery expects to produce 125,000 hectoliters of beer.

Czech Corporation ZEBR has recently installed its third manufacturing line producing exterior blinds in Australia. ZEBR s.r.o. is the only European producer dealing with interior and exterior shading equipment, and completely solving their design through its production program, know-how, software, and machine production. Thanks to its innovative products, ZEBR has become a world leader in the field of shading equipment machines. The company provides support for shading equipment manufacturers for all customers' needs: from simple small tools to complex technological lines with high-level automation, including provision of software, with Z-IP trade description, for production control, whether in individual workplaces or throughout the firm.

Czech Head 2013 award of the Ministry of Industry and Trade went to the Dvořák company and its product Spider, radio controlled slope lawn mower that is successfully exported to 50 countries including Australia and New Zealand. Thanks to the revolutionary design the product of the Dvořák company holds a very special position at the municipal equipment market. During the first year from the launch of serial production the company has won appreciation and respect of both consumers and specialist throughout Europe, USA and Japan.

Mondeléz International (former Kraft Foods) has announced plans to invest over $100 million in a state-of-the-art biscuit manufacturing plant at its Opava site in the Czech Republic. The investment will create 200 new roles making Oreo cookies and belVita breakfast biscuits. Since 2009, net revenues for Oreo and belVita have grown 25 percent and 18 percent respectively in Europe. The Czech made biscuits of the global company have been sold in the Australian supermarkets as well.

The grand-prize winner of the Czech academia-industry cooperation is Czech company TESCAN and the Faculty of Mechanical Engineering, Brno University of Technology with the Holographic microscope camera using 3D technology. Second place received První brněnská strojírna Velká Bítěš and Brno University of technology for project Flying Laboratory for Turboprop engine TP 100. Doosan Škoda Power a University of West Bohemia were awarded third place for Diagnostics of conditions of steam turbine. ICT Alliance special award goes to Phonexia and Brno University of Technology for Automated mining of information from speech for security and commercial applications. Award of Technology Agency won Kovosvit Mas and Czech Technical University in Prague. For more information and to watch videos go to http://www.spolupraceroku.cz/
According to the latest export data of the Czech Statistical Office for the first nine months of the 2013, exports from the Czech Republic to Australia have reached 507mil.USD and exports to New Zealand 46mil.USD. Export figures indicate strong trade performance for the year 2013, posting again new record export volumes to both countries. Combined Czech exports to both countries in the period increased by 35% compared with the same period last year, confirming the growing trend of Czech exports in the territory.

Passenger vehicles and toys remain the leading export articles to Australia and New Zealand in 2013.

Following graph displays the dynamics of major commodity exports in 2012 and first nine months of 2013 in Australia:
High value added items such as motor vehicles (Škoda, Tatra) and parts, civil engineering machinery, el. generators and medical instruments remain the driving force of the increased export volumes in 2013. In particular civil engineering machinery and el. generators are returning to the pre GFC export volumes. Sales of Škoda cars are growing with growing numbers of dealers across Australia and wider range of models introduced. Brand recognition is also improving supported by marketing activities as well as excellent reputation of Škoda brand in Europe.

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

Czech companies seeking Australian and New Zealand partners

DICOM - a technology company, developing and manufacturing highly dependable products for high-profile government entities in the field of military and law enforcement, aerospace and utilities. The company offers a complete range of VHF communications equipment for voice and data communications, precise time and frequency equipment and specialized avionics. Developed and produced in-house in the Czech Republic, in cooperation with world-renowned companies, our solutions boast of the excellent quality, reliability and robustness. So far, our globally evaluated solutions have been deployed in about 20 countries worldwide. DICOM’s contracting capability combines key in-depth skills in systems, enabling it to provide a one-stop shop capability and service provision for even the most demanding customers. DICOM is looking for sales representative in Australia and New Zealand.

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Web: www.dicom.cz

BIOPEKARNA ZEMANKA - We are a family organic bakery producing sweet organic biscuits and savoury organic crackers. All of our products are baked according to the original recipes of Hanka
Zemanová, the author of popular books Biokuchařka (Organic Cookbook) and BioAbecedář (Organic Alphabet Cookbook). Our range of organic food consists of organic sweet biscuits, organic savoury crackers, organic biscuits for children, and organic gluten-free biscuits. Biopekarna Zemanka is seeking importers and distributors in Australia and New Zealand.

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FRUKO SCHULTZ – is one of the largest Czech manufacturers of premium spirits and liqueurs. The history of the company dates back to 1898, when Moritz Schultz established the first factory specialized in dessert wines and liqueurs in Austria-Hungary. Company has a wide range of products such as absinths, cocktail liquors, bitters and vodkas. All products have superior quality, modern package design and competitive price. Fruko Schulz is one of the leaders of absinth production across the globe. The geography of export includes over 40 countries. Fruko Schulz products regularly receive awards in prestigious international and national tasting competitions and exhibitions for the excellent quality of the products. We are currently looking for a reliable distributor in Australia and New Zealand. Fruko Schulz company is ready to discuss the terms of cooperation, including the exclusive rights to distribute the products and marketing support.

**Contact:** Mr. Igor YUNKIN, Export Manager  
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**Web:** www.fruko.cz

KAMA – The Czech family company has been producing knitwear - hats and pullovers in bulk and delivering it for the last 23 years to 24 countries around the world. Kama has manufactured its products exclusively in the Czech Republic. Our portfolio offers over 100 types of hats, 35 types of pullovers and last but not least scarfs, face masks and gloves to complete the range. All is based on using top quality materials (like Windstopper and Goretx), skilful hand-made work and close inspection at the end. The brand Kama is defined by the originality, quality and functionality of its products. Only a product that really satisfies or even pleasantly surprise its user can guarantee its producer’s stable future. Kama is looking for a business partner in Australia and New Zealand.

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HEDVA, a.s. - is the manufacturer with long tradition of Jacquard furnishing fabrics, stylish brocades industrial fabrics, inside linings, mantle clothes, fabrics for sports and leisure activities etc. Special application fabrics include the categories of fancy leather goods, artificial flowers, technical fabrics for the super-clean plants, for the electrical industry, for the automotive industry and medicine and the parachute fabrics. The stylish brocade fabrics are suitable for the application in the church, for the restoration of unique historic monuments and furniture. Hedva is seeking importers and distributors in Australia and New Zealand.

**Contact:** Ms. Irena Conkova, Export Department  
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PRO-BIO - trading company Ltd. is the first Czech producer of organic food and one of the largest contemporary companies processing organic products in the Czech Republic. We offer more than 1,200 products in the organic quality in retail, wholesale or gastro packaging. We expand our offer by dozens of new products every year. When searching for new products to our range we always try to find the top in its category. We look for such partners on whom we can rely that their products will bring a consumer the best experience with an organic product and with whose products you can really see “the difference”. We guarantee an excellent quality and reliability of all our products thanks to careful selection of organic raw materials, regular checks and an own top-class laboratory. PRO-BIO is seeking supply opportunities to Australian and New Zealand chains.

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Introducing: Austin Detonator

Austin Detonator

is the European Largest Manufacturer of High Quality Industrial Detonators.

Austin Detonator is a part of corporation Austin Powder Company.

Austin Detonator is a traditional manufacturer of initiation systems for industrial blasting operations with a significant technological and research base for production and further development of initiation systems. Detonators have been manufactured in our plant since 1953.

Safety & Quality

Quality together with safety is our highest priority in relation to our employees, customers and partners. Strict quality inspection programs, testing of individual components of products during the entire production processes, and final testing ours sophisticated testing laboratories, ensure that the parameters of our products are at a world class level.

Environmental Protection

Austin Detonator is fully aware of the importance of environmental protection. We consistently respect and observe all legislative requirements relating the environment. The constant improvement of the applied technologies ensures the protection of the environment through efficient use of energy and resources in our production.

Austin Detonator is producing all the basic sort of initiation system.

Austin Detonator non-electric delay detonators are designed to provide the precise control and accuracy for blasting in surface mines, underground metal and non-metal mines and constructions sites.

Electronic detonators E*STAR are designed to provide the precise control necessary to produce accurate and consistent blasting results in a variety of blasting applications in the mining, quarrying and construction industries. E*Star initiation systems have a high safety and security standard - it is not possible to initiate the detonators without a special blasting machine.
Austin is also manufacturing electric detonators with precision delay to be used in quarries, open pits, underground mines, gaseous environments, tunnels and construction works. Between the special detonators Austin offers Seismic detonator designed to produce accurate seismic records, Permissible detonators for use in environments where the risk of ignition of the explosives air-methane and air-coal dust mixtures exists. Last type of special detonator is high temperature and high pressure resistant oil and gas detonators to be used in Oil and Gas industry.

Australia and New Zealand

Austin Detonator s.r.o. has started to supply Australian mining market with the initiation material in 2008. Since this year Austin products has found its position in the market and Austin detonators are successfully used all over the country.

Austin initiation system is imported and distributed in country by two companies – Blast-Tech Australia based in WA is distributing our Austin non-electric initiation system under the name Megadel and Interdet. Those products are helping with excavation of iron ore, gold and in other open pit mines.

The other company, which is using and distributing Austin detonator is Downer EDi Mining – Blasting Services, which has headquarter in Brisbane. Downer is using Austin non-electric detonators under the brand Indetshock/ Shockstar and electronic detonators E*star, which are used all over the country, but mostly in open pit coal mines in Bowen basin.

Austin Detonator s.r.o. has also entered the New Zealand market with non-electric detonators Indetshock/Shockstar and electronic system E*star. Austin cooperates with company Red Bull based in Auckland. Our detonators blasts mostly in gold mines, quarries and construction project in the country.

Austin detonators are well accepted in the market resulting in increasing number of used detonators in Australia and New Zealand every year. For more information please visit www.austin.cz.
**E*Star**

Electric detonator with electronic timing

E*Star electronic detonators are designed to provide the precise control necessary to produce accurate and consistent blasting results in a variety of blasting applications in the mining, quarrying and construction industries. The E*Star detonator may be programmed in 1-millisecond increments from 1 millisecond to 10,000 milliseconds using the dedicated DLG 1600-100 logger.

**BENEFITS**

- 720 mg PETN base charge ensures reliable initiation of all explosives used in the industry.
- Industries strongest aluminum shell reduces the possibility of water hammer effect.
- HDPE insulation for added protection from current leakage. 0.8 mm diameter copper wire.
- 100% control of the reliability of initiation network.
- Delays steps as little as 1 ms.
- Wide range of delays (1 - 10,000 ms).
- Traceability - each detonator comes with a unique ID.
- Up to 1600 units in one blast.
AusRAIL Plus 2013

November 26 – 28, 2013
Sydney

Several Czech representatives participated at the event including Škoda Transportation - traditional transport engineering manufacturer, producing low-floor trams, electric locomotives, subway trains, suburban train units and trolleybuses, as well as traction motors or complete driving gears for transport systems, Oltis Group and Chaps proposing software solutions for logistics and Czech Railway Research Institute.

CeBIT 2014

May 5 – 7, 2014, Sydney Olympic Park

The Consulate of the Czech Republic cordially invites the Czech ICT companies to Sydney for a major Australian Pacific event in the information and communication sector. Thanks to the Czech ICT Alliance bid, the eligible Czech companies can apply for the participation subsidy allowing them to significantly lower the costs. The application and rules are available at http://www.czechtrade.cz/sluzby-2013/projekty-eu-2/svv-2013-2014/

CzechTourism presentation in Sydney

October 28 - 29, 2013
Sydney

CzechTourism and other three Central European tourism boards (called European Quartet One Melody) presented for the first time the region rich of history, culture and architecture to the Australian market. A networking dinner Discover Central Europe was supported by the four national diplomatic missions. The annual Travel Pursuit event by TravelWeekly was held at Sydney's Grace Hotel and over three hours 200 travel agents participated.

October 18, 2013 Sydney, Bondi Pavilion

The Economic and Commercial Section of the Czech Consulate in Sydney organized presentation of some Czech brands active at the Australian market. We had four Škoda cars on display, Czech Airlines, Becherovka, Czech Absinth, Czech beer, the kick scooters Kostka, CzechTourism materials and excellent Tasmanian wine provided by Josef Chromy wines. All proceeds from the raffle were donated to the building fund of Museum of Skoda and Tatra in Oberon, Blue Mountains. Big thank you to all for your support.

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

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