SO FAR, SO GOOD

OLOMOUC REGION

US SUCCESS OF CZECH SCIENTISTS’ INVENTION

PARALYMPICS WINNER AND WORLD CYCLING CHAMPION JIŘÍ JEŽEK

LOGISTICS OF CZECH BUSINESS AT TIME OF ECONOMIC RECESSION

THE CZECH REPUBLIC PRESIDING OVER THE COUNCIL OF THE EU IN THE FIRST HALF OF 2009
MASARYK UNIVERSITY

(MU) RANKS AMONG THE EDUCATIONAL AND RESEARCH INSTITUTIONS IN EUROPE WHICH ARE DEVELOPING MOST RAPIDLY. IT IS GRADUALLY BECOMING A CENTRE OF EUROPEAN RESEARCH, ESPECIALLY IN THE INTER-BRANCH FIELDS OF LIFE SCIENCE, INFORMATICS, AND SOCIAL SCIENCE. IN THE STAGE OF PREPARATIONS ARE CENTRES OF EXCELLENT SCIENCE SUCH AS THE AMBITIOUS PROJECT OF THE CENTRAL EUROPEAN INSTITUTE OF TECHNOLOGY (CEITEC, WWW.CEITEC.EU), WHICH IS FOCUSED ON BASIC RESEARCH, AS WELL AS IMPORTANT REGIONAL CENTRES OF APPLIED RESEARCH (INCLUDING CETOCOEN AND CERIT).

A boost to the dynamic development of MU was given by the unique project of a university campus built on an area of 20 hectares in Brno-Bohunice at the cost of approximately EUR 200 million between 2005 and 2009. It is comprised of two dozen pavilions for Life Science and includes an incubator of biomedical technologies for newly established firms.

The MU place of contact for co-operation with partners is the Technology Transfer Office, which protects the MU intellectual property and secures the transfer of technologies and knowledge. More information is available at www.muni.cz, www.ctt.muni.cz (direct contact: Jan Slovák, Director of the MU Technology Transfer Office, slovak@ctt.muni.cz).
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- Slump in Foreign Trade, but Largest Surplus in Balance

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- CzechInvest Starts a New Incubator

**REGION**

- Olomouc Region

**PRESENTATION OF FIRMS**

- Bottcher ČR, k.s.; GOLF BRNO a.s.; KAREKA, spol. s r.o.; Masarykova univerzita; Řetězárna a.s.; Technologické inovační centrum s.r.o.; Ústav makromolekulární chemie AV ČR, v.v.i.

**JIŘÍ JEŽEK AND HIS UNIQUE DURATEC BIKE**

Paralympics winner and World Cycling Champion, Jiří Ježek, followed up his achievements at the 2008 Beijing Paralympic Games by giving an excellent performance at the Manchester Velodrome track Cycling World Championships in 2009. He captured the title of World Champion in the prestigious 4-km pursuit race and scored other two successes — winning the Bronze Medal in the 1 km standing start race with a personal record for him and, together with Tomáš Kvasnička and Jiří Bouška, winning the Silver Medal in the team sprint, which was the best result of any Czech team in the history of this event for handicapped cyclists. More about Jiří Ježek and his unique Duratec bike on pages 10-11.
INTRODUCTION

Questions of the Month for Jan Kohout, Minister of Foreign Affairs

What are the current priorities of Czech foreign policy?
First of all, I would like to point out that Czech diplomacy will continue to follow primarily two maxims: defending Czech interests and spreading the good name of the Czech Republic throughout Europe and the world, and providing services for Czech citizens finding themselves in difficulty on visits to foreign countries. The first maxim focuses especially on fostering good neighbourly relations, strengthening the position of the Czech Republic in the EU, invigorating transatlantic ties, supporting the efficient functioning of economic diplomacy, co-operating with developing countries, and strengthening democracy and defending human rights throughout the world.

The second maxim, no less important, concerns the provision of state services to citizens, protecting them and increasing their comfort on visits to foreign countries, during which they often encounter various types of problems. In future, I want to pay utmost attention to both these pillars of foreign service at the head of my Ministry.

How do you see our future participation in European structures?
As in the past, the Ministry of Foreign Affairs will place emphasis on good work within the framework of the European Union. The EU is the best platform for pursuing Czech foreign policy interests, providing a unique opportunity to participate in shaping attitudes to essential global subjects. Utilising this potential is, after all, a challenge for every government.

By its efforts, this government has continued the work of its predecessor and successfully wound up the Czech Presidency of the EU. I feel a great responsibility for projects initiated during its term, especially regarding the EU eastern partnership, which will provide help to six eastern EU neighbours – Belarus, the Ukraine, Moldova, Georgia, Armenia, and Azerbaijan, on their way towards strengthening democratic principles and economic stability. The realisation and implementation of the eastern partnership is a high profile priority of today’s leading officials in the Ministry of Foreign Affairs.

Will the Czech Republic support the further enlargement of the EU?
In accordance with the Czech Republic’s long-term interests, our Ministry will continue supporting the enlargement of the EU and the building of a common European energy policy. I will pay special attention to the Western Balkan States, which, from my point of view, have no other alternative in the European context. As a follow-up to the ratification of the Lisbon Treaty, the Ministry of Foreign Affairs will participate actively in putting the new EU institutional architecture into practice. The main assets of the Treaty, in our opinion, are greater democratic control of EU institutions, greater efficiency of their functioning and strengthened solidarity in key issues, such as energetics. We shall make every effort to take the maximum advantage of this potential of the new Treaty.

In the security area, the Czech Republic will also continue to maintain its position as a reliable partner and loyal ally. It is our intention to ensure the Czech Republic’s active participation in debates on the new strategic concept of NATO and, not least of all, I will put emphasis on co-operation in the anti-rocket defence alliance project.

Czech foreign policy wants to pursue “a three C’s” principal: continuity, creativity and credibility. In all these “C’s”, Czech diplomacy is in a position to prove its undeniable role.
So Far, So Good

At the time this material was being written (October 2009) my message to foreign businessmen, potential investors, and business partners was the following: The Czech Republic is not in a crisis, it is in recession. The worst is not yet behind us – but that is true of the entire world, is it not?

According to the Czech Statistical Office, GDP dropped year-on-year by 5.5% in the second quarter, the most in the history of the Czech Republic. On the other hand, it is necessary to note that in comparison to the previous quarter GDP grew by 0.1%. However, this single GDP figure is not among the most important parameters. In the first place there is always employment, industrial production, revenue from sales, household income plus the indicator representing the recession catalyst - at present real-estate prices. Let us say $\Delta HDP$ is the economic growth of the Czech Republic. $\Delta C$ is the contribution of household consumption to GDP, $\Delta G$ is the contribution of government expenditure with added value, $\Delta I$ the contribution of business investment and $\Delta NX$ is exports minus imports. In the national economy the following applies: $\Delta HDP = \Delta C + \Delta G + \Delta I + \Delta NX$. In words, what counts is that the gross domestic product (GDP) = household consumption + government expenditure + investment + foreign trade. In 2007 the following applied in the Czech Republic: 6.1% = 2.3 + 0.2 + 2.5 + 1.1. In 2008: 2.6% = 1.6 + 0.3 – 0.7 + 1.4, in the first quarter of 2009: -4.5% = 0.9 + 0.8 – 4.5 – 1.7 and in the second quarter: -5.5% = 0.8 + 0.5 – 6.1 – 0.7.

The calculation clearly shows that economic activity in the first quarter of 2009 was choked by investment and foreign trade, whilst household consumption on the other hand was keeping the Czech Republic afloat. The regional outlook of the International Monetary Fund for Europe dating from May 2009, co-written by Czech economist Martin Čihák, suggests that household consumption in the Czech Republic is most connected to the development of wages and expectations concerning unemployment. It is in no great way influenced by the rate of consumer credits. To put it simply, the decision whether to save money or rather spend more is based on whether employers increase wages and on whether employees need to worry about losing their job or not.

OPTIMISTIC FORECAST

The International Monetary Fund is pretty optimistic on the Czech Republic. At the beginning of October 2009, the IMF markedly improved the GDP growth forecast for 2010. It predicts Czech GDP will increase by 1.3% (initially just 0.1%). The IMF has already listed the Czech Republic and Slovakia among developed countries, i.e. in the same category as for instance the United States of America, Germany, South Korea, or Hong Kong. On the contrary, Hungary and Poland have been left in the category of ‘emerging markets’, alongside Turkey, the Baltic countries, and the Balkans. Personally I am somewhat more cautious – let us not put all our hopes in one single GDP forecast figure right now. Instead, let us look primarily at export markets and domestic household consumption. Uncertainty remains high.

BANKING SECTOR

And how is the Czech banking sector doing? Up till the present (October 2009) the Czech banking sector has not needed a single penny of aid from the state budget to deal with the current world financial calamity. A great stabilising factor is the fact that the volume of deposits in the banking sector as a whole exceed the volume of loans. What speaks of the calmness of the situation on the Czech money market is the zero interest of banks in October 2009 in a supply facility – cash – from the Czech National Bank. The banking sector has maintained relatively high capital adequacy – overall capital adequacy reached 13.9% in July 2009, adequacy according to Tier1 equalled 12.9%. Loans in foreign currency make up 0.1% of total household credits in the Czech Republic, which is a very positive indicator in comparison with other countries.
Now imagine you manage a bank in the Czech Republic. Your clients have deposited their money with you and you are searching for a new investment opportunity. The economy is in recession. Businesses are struggling to cope with a drop in contracts – as elsewhere throughout the world. Investors are probing opportunities. Pragmatically, there are good and bad clients among them. Some of them face bankruptcy. They ask you for credit … The conclusion is that as a banker, you will not be too eager to grant business loans in such a situation. It is nonsense to assert that banks in the Czech Republic do not grant credits. They are, however, more particular about whom they choose as their client and focus increasingly on quality. For this reason a boom in credit lending is highly unlikely. Banks will not want to lose good clients. They will fight for them more than ever before. The same is true of good foreign investors, entrepreneurs, business partners – banks will pamper them, court them. Reason opts for a more cautious approach right now. That is roughly what the Czech banking policy will look like in the coming months. The same course of action should be followed by the banking market in every country that wishes to pull through the recession naturally and wishes to lay the grounds for healthy growth … Personally I would choose the Czech Republic as a target country for investment, I believe in it. Yes, we have our fair share of problems; however these are no worse than those you are familiar with in the economy of the United States, the UK, or Germany. I have discussed the risks. The opportunities for growth in the Czech Republic remain manifold.

Aleš Michl
Analyst
Raiffeisenbank
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We Expect Low Inflation and Interest Rates

After a year of fairly high inflation caused by vast administrative adjustments of regulated prices and indirect taxes, the Czech Republic is again a country with long-term low inflation. The year-on-year inflation monitored by the Czech National Bank dropped to 0.2% in August 2009.

A very slight increase in inflation is expected in 2010, again due to administrative changes, but its annual average will probably not exceed 1.5%. In the long turn, the favourable development of inflation benefits restrained development in wages, and this allows Czech firms to maintain stable competitiveness on foreign markets. Likewise, low inflation ranks among the important reasons why interest rates in the Czech Republic are one of the lowest in Europe. This is reflected in the costs of funding the domestic business sector.

INFLATION IN 2008
In 2008, inflation increased to an average of 6.3%, but two-thirds of the rise was due to centrally regulated prices and tax adjustments, which have influence limited in time. This applied mainly to higher costs of housing (rents and energy), increase in the lower VAT rate from 5% to 9%, and introduction of fees in health care. The influence of higher prices of agricultural and energy commodities was still receding. Inflation jumped to 7.5% at the beginning of 2008, but very soon began to decline to the year-on-year 3.6% at the end of the year. The reason was a very favourable effect of the decline in the prices of agricultural commodities and crude oil on world markets. Consequently, for example, food prices were 6.1% lower in August than they had been in the same month of the previous year. The fall of propellant fuel prices was similarly rapid.

INFLATION AT THE MINIMUM IN 2009
Inflation continued to decline in 2009, while administrative adjustments were not by far as extensive as in the previous years. Moreover, the prices of gas for households were reduced several times, and decreases in market rents commenced as interest was lower. And so inflation could drop very rapidly below 3%, which is the target of the central bank. The recession, which the small
Czech economy dependent on exports to the EU countries is inevitably experiencing, is also “helping” the rapid decline in inflation. The reduced domestic demand, caused by the consumers’ low confidence influenced by the worsened situation on the labour market and economic prospects, is pushing down the retail prices of consumer goods. Another reason is the strengthening CZK which reduces the prices of products imported to the Czech market.

**RECORD LOW INTEREST RATES IN 2010**

Low inflation can also be expected next year. The difference compared with 2009 will be slight despite the influence of increased VAT rates (by one percentage point of both) and higher excises on tobacco products, alcohol, and propellant fuels. Since the inflation is lower both in the Czech Republic and the whole European Union, retail prices are influenced mainly by low demand, administrative steps in the form of indirect taxes, and especially volatile prices of energy raw materials. Average inflation, which is fundamental in wage negotiations, cost indexes, pension valorisation etc., will not exceed 1% in 2009, and could rise to some 1.5% next year due to higher indirect taxes. The central bank does not and will not have a problem in reaching the inflation target set at 3% for 2009 and 2% as of 2010. For this reason, it is probable that the period of record low interest rates will continue next year. Furthermore, it cannot be excluded that the main interest rate of the central bank will drop again in the near future.

**WAGES ARE DECLINING – COMPARATIVE ADVANTAGE**

Low inflation is one of the prerequisites for moderate development in wages in the Czech Republic. After two years in which the growth in real wages exceeded 4%, the rise was under 2% in 2008. The economic recession is slowing down wage increases also in 2009. Wage statistics in this period are distorted by rapid dismissal mainly of workers with low qualification, which somewhat improves the statistics of earnings. Anyway, the present recession is clear proof of the flexibility of the Czech labour market, from the view of lower wage demands as the maintenance of jobs comes first, as well as the reduction of jobs in enterprises.
In the first half of 2009, foreign trade 1) showed the largest fall in the history of the independent Czech Republic. Due to a marked year-on-year decline in exports and especially imports, the foreign trade turnover dropped by 26.0% compared with the first half of 2008 (in the first half of 2008, it was 19.4% larger than in the first half of 2007). The balance of trade in the first half of 2009 ended with the highest surplus since 2005, when the independent Czech Republic recorded its first foreign trade surplus, which continued in the following years.

A double-digit decline in both exports and imports was recorded in the first half of 2009 against the first half of 2008 when there had been a year-on-year growth of 21.1% in exports and 19.3% in imports. The decline in both imports and exports commenced in the 4th quarter of 2008, when a year-on-year drop of 7.9% was recorded in exports and 2.8% in imports. The foreign trade turnover in the first half of 2009 was down by EUR 26.2 billion against the first half of 2008 due to the decline of 49.4% in exports and 50.6% in imports. Since CZK noticeably weakened against EUR, the decline in exports and imports was slighter when expressed in CZK.

In the year-on-year comparison, the foreign trade surplus rose by EUR 0.3 billion to EUR 2.9 billion (the coverage of imports by exports was 108.0% against 105.2% in the first half of 2008). The trade balance surplus was primarily influenced by a decline in imports due to lower prices of the imported raw materials and fuels (crude in particular) and lower demand of firms and households.

**LARGER DECLINE IN TRADE WITH EU COUNTRIES**

Exports to all territorial groups were lower – by 25.6% (EUR 11.3 billion) to the EU countries and 21.8% (EUR 1.6 billion) to non-EU countries. A decline was recorded in exports to all EU countries. The largest absolute drop was recorded in exports to Germany (EUR 3.1 billion) followed by Slovakia (EUR 1.2 billion), Poland (EUR 1.1 billion), and Italy (EUR 0.8 billion). As regards non-EU countries, lower exports went, for example, to Russia, the United States, China, and Japan.

With the exception of EFTA countries, imports were lower from all territorial groups – from the EU countries by 29.5% (EUR 9.9 billion) and non-EU countries by 21.5% (EUR 3.3 billion). Imports were lower from all EU countries (except Latvia and Malta). A large decline was recorded in imports from Germany (EUR 4.2 billion), followed by Slovakia (EUR 0.8 billion), Italy (EUR 0.7 billion), Poland (EUR 0.7 billion), France (EUR 0.6 billion), and Hungary (EUR 0.6 billion). As regards non-EU countries, the largest decline was recorded in imports from Russia (EUR 1.2 billion), followed by Japan, China, and the United States. In the territorial structure of exports and imports, the larger drop in trade with the EU countries than with countries outside the EU weakened the position of the EU countries to the benefit of non-EU countries. The share of the EFTA countries, other developed market economies, developing economies, and other countries 2) in total exports and imports increased.

**LOWER SURPLUS WITH EU COUNTRIES**

The surplus in the balance of trade with the EU countries was EUR 9.2 billion, which was EUR 1.4 billion less than in the previous year. The respective figures in the surplus in trade with non-EU countries were EUR 6.3 billion and EUR 1.7 billion. The decline was caused by a deficit in trade with other countries (EUR 3.3 billion), other developed market economies (EUR 1.2 billion), the Commonwealth of Independent States (EUR 1.1 billion), and the developing economies (EUR 0.9 billion). The surplus in the balance of trade with European transition economies and the EFTA countries cushioned the deficit in trade with non-EU countries.

The balance of trade with the different territorial groups reflected the trade balance with the main partner countries. The total surplus in trade with the EU countries was primarily influenced by the surplus (EUR 7.2 billion) in trade with the mentioned five EU countries.
countries. Of the total deficit in trade with non-EU countries, EUR 6.1 billion was the share of the five mentioned countries.

**Commodity Structure of Foreign Trade**

Changes in the commodity structure of foreign trade in the first half of 2009 compared with the first half of 2008 were marked by a decline in both exports and imports of the overwhelming majority of SITC sections (with the exception of the imports of beverages and tobacco, and animal and vegetable oils and fats). The overall drop in foreign trade was highly influenced by the decline in exports (EUR 7.5 billion) and imports (EUR 5.9 billion) of machinery and transport equipment, which was the largest among all sections. In the commodity structure, the surplus in the trade in semi-finished products and materials increased, and declined in the case of miscellaneous manufactured articles, and mainly of machinery and transport equipment (EUR 1.6 billion). The deficit in foreign trade in crude materials, inedible and mineral fuels was reduced by EUR 1.4 billion (due to lower fuel prices), and in chemical products, but the deficit rose in trade in agricultural and food raw materials and products.

The share of machinery and transport equipment and of semi-finished products and materials in total exports declined, and the share of agricultural and food crude materials and products, chemical products, crude materials, inedible and mineral fuels, and miscellaneous manufactured articles increased. The share of machinery and transport equipment, semi-finished products and materials, and crude materials, inedible and mineral fuels in total imports declined, and the share of agricultural and food crude materials and products, chemical products, and miscellaneous manufactured articles increased.

**Foreign Trade was Influenced by:**

- A slump in industrial production, which hit all sectors of the manufacturing industry. The development in the manufacturing industry had an adverse effect on total exports, in which the products of these sectors have the decisive share (95.2% in the first half of 2009). The major role in exports of the manufacturing industry was played by machinery and transport equipment, and of these the road vehicles. These products accounted for 16.9% of total exports in the first half of 2009 (17.0% in the first half of 2008), of which motor cars for 9.2% (8.2%), and parts and accessories for motor vehicles for 6.7% (7.4%). The surplus in trade in road vehicles remained the highest of all SITC sections in the first half of 2009 (EUR 3.7 billion), but showed a year-on-year drop of EUR 0.7 billion (motor cars from EUR 3.0 billion in the first half of 2008 to EUR 2.7 billion in the first half of 2009, and parts and accessories for motor vehicles from EUR 1.7 billion to EUR 1.0 billion over the same period);
- Favourable development of terms of trade, as export prices rose by an average of 3.2%, and import prices dropped by an average of 0.6%. Terms of trade reached the value of 103.8 and thus had a good effect on the balance of trade in current prices. The movement of prices in foreign trade was influenced by the development of prices on the world market and the movement of CZK against EUR and USD. CZK weakened by an average of 7.2% against EUR and 19.2% against USD in the January to June period of 2009 as compared with the same period of 2008; large decline in external demand due to the world financial and economic crisis. The economic recession in the EU countries and consequent decline in their demand had an adverse effect on the foreign trade of the Czech Republic. The GDP of the EU countries was down by a total of almost 5% in the first half of 2009 against the first half of 2008. The development was influenced most of all by the slump in the German economy (year-on-year more than 6%), which is the main recipient of Czech exports. Exports to Germany in the first half of 2009 showed a year-on-year decline of 19.4%.

The decline in the foreign trade of the Czech Republic was larger in comparison with the other EU countries, as documented by Eurostat data of 17 September 2009. In the first half of 2009, the year-on-year decline in the total exports of the EU countries was 23%, and their total imports dropped by 24%. The Czech Republic and nine other EU countries recorded a surplus in their balance of trade in the first half of 2009. Of the new EU countries they also included Hungary.

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1) All data are in current prices. Data until 2008 are final, data for the 1st half of 2009 are preliminary according to the statement of 28 August 2009.
2) China, Democratic People’s Republic of Korea, Cuba, Laos, Mongolia and Vietnam.
DURATEC manufactures frames and bicycles for almost all cycling events. The purely Czech company with its own development and manual custom-made production is winning its spurs on the domestic market and expanding abroad. Irrespective of the worldwide economic crisis, company sales are on the rise especially in neighbouring countries – Poland, Slovakia, Austria, and Germany – and in the United Kingdom. It is returning to the days when the work of Czech hands was appreciated. With its innovative approach to the manufacture of bicycle frames, DURATEC holds a top position among world brands of the branch and is ahead of them in many respects.

We asked Ms Kateřina Duchková, the company manager, what she sees behind the company’s success, and if she will let us have a look at its new development centre.

Can you introduce your company?

DURATEC has been on the market since 1997. We have only 12 employees, but we can boast of the annual custom-made manufacture of some 1 000 hand-made bicycle frames of aluminium alloys and composite materials for almost all cycling events. We manufacture bike frames for road cycling, MTB, trekking, cyclocross, track and time-trial specials, frames for acrobatic cycling and bicycle polo, BMX and other modifications of standard models adapted for specific events according to the client’s requirement. Moreover, the geometry is fixed for a concrete build and the seat is in the best position.

What does your company regard as cardinal in its business and development?
The construction style and design. The technical style and ideas come mainly from the company’s secretary Milan Duchek, and its own development centre has a share in the origin of new technologies and products. This allows us to be a step ahead of our competitors, which is doubly important when they are multinational companies that have moved their manufacture to the Asian countries. Their development capacity is larger, and the number of their employees exceeds ours, but we are holding out well. Operations are firmly based on the experience and creative approach of the whole team. We are finding new solutions in all high-tech branches, and trying to apply the latest knowledge, for example in aviation and the automobile industry. We are also developing our own technologies of manufacture, and every year introduce an innovative model series on the market. In 2009, for example, DURATEC introduced the full-carbon frame Cult CR3. The new accurately fitted continuous fibre (AFCF) technology allows maximum use of the properties of the carbon fibre.

Are you using financial support from the EU?
In the 2007-2009 period, the company has been scoring success in gaining EU support, which came for two DURATEC marketing projects, and its development team gained backing from the Potential Programme of the Operation Programme Business and Innovation provided by the Ministry of Industry and Trade. We gained support for the DURATEC Development Centre project.

How is the present economic crisis reflected in your results?
Despite the worldwide economic crisis, we expect the company to have higher sales. Economic reports for 2009 confirm this. Our mark is seeking new markets and developing new products of composite materials.

How do you compare yourself to rivals?
Comparison of our company with rivals is very difficult if not unrealistic. We are now ranked among the world’s best in our branch. We want to attract the client with innovations in manual manufacture, high-quality materials, and precisely worked details, and in case of need adapt geometry to measure. I do not know many similar firms with the same orientation on the world market.

Well known is your co-operation with Jiří Ježek, at present the most successful handicapped cyclist...
Co-operation with handicapped sportsmen in general is very important to our company. They are using our tandem racing frames. The development of tandem cycling is enormous in the world, and its increasing popularity outside the racing track is a pleasant change in the mentality of the European public.
CO-OPERATION WITH JIŘÍ JEŽEK, THE PARALYMPIC GAMES WINNER

Jiří Ježek is now regarded as one of the most successful handicapped sportsmen of the world. He lost one leg in his childhood, and as an adult became a professional cyclist. He has been winning the most important world races since 2000, and gained two gold medals at the Paralympic Games in Beijing in 2008. Jiří Ježek is rightly the face of the DURATEC company. The co-operation began at the very beginning of his racing career. He tests all innovations developed by the company and uses them in races.

Road Cycling World Championships of handicapped cyclists were held in Bogogno, Italy, in September 2009. The attention of rivals, fans, and the media was focused on Jiří Ježek, who was defending his achievements at the Beijing games, and held the world champion title. The Bogogno championships were very successful for our colours – Jiří won the bronze medal in the time race, and placed second in the road race, just hundredths of second behind the winner.

Jiří Ježek makes no secret of the fact that in addition to hard training, the quality of DURATEC bicycles has a share in his results. Jiří Ježek’s general partner is the D.A.S Legal Protection Insurance Company.

PRIM Watches – 60 Years of Czech Watchmaking Tradition

The purely Czech firm, ELTON hodinářská, a. s., is the manufacturer of traditionally Czech watches of the PRIM brand and at the same time the only continuator of the 60-year tradition of wristwatch making in the Czech Republic. Today’s production continues this rich tradition, and develops and enriches it through a brand-new approach towards the customer. ELTON hodinářská, a. s., now focuses mainly on mechanical watches, custom made, according to the wishes of each customer. Customers, as the future owners of the watches, have the greatest freedom to influence the final design of their watches. This concept of customer-producer relationship is quite unique in the watchmaking industry, not only in Europe, but worldwide.

NEW TECHNOLOGIES AND DESIGN

The main production programme is supplemented by the manufacture of watches designed and developed for the corporate and institutional clientele. Collections of designer watches have been made, especially for important Czech companies – ŠKODA Auto and ČEZ, or for the Ministry of Industry and Trade. Even though the retro designs of PRIM watches are still popular, the company approached leading Czech designers with offers of cooperation this year. The result is the modern collection of clocks and wristwatches, ARTEU 2009, which has piqued the interest of visitors at prestigious design exhibitions both in the Czech Republic and abroad (Design week Milan, Designblok Praha, etc.). ELTON invested over CZK 60 million (EUR 2.5 million) in new technologies during the year of the 60th anniversary of the foundation of the watchmaking factory in Nové Město nad Metují. It has also started to produce entirely new mechanical clockworks, PRIM calibre 94 with manual winding and PRIM calibre 98 with automatic winding. The newly developed clockworks will be initially used in a limited edition of watches prepared for this important anniversary. ELTON hodinářská is one of the few watchmaking factories in the world that is capable of completely producing custom mechanical watches, be it single-piece work or a custom-designed series.

More at: www.prim.cz
US Success of Czech Scientists’ Invention

Less than two years after the introduction of the Hemagel® hydrophilic gel, a unique preparation for wound healing based on a patent by the Institute of Macromolecular Chemistry of the Academy of Sciences of the Czech Republic, the director of the institute, RNDr. František Rypáček, Csc., announced that this Czech product has been awarded a prestigious prize on the US market.

RNDr. František Rypáček, Csc. talked to us about the success of Hemagel®, current problems related to transfers of new technologies to practice, and about connecting basic research with the business sector.

When applying the results of research activities in the commercial sector, the important question is how fast a hopeful technology can be put into practice. What was the situation like in the case of the successful Hemagel®?

The time factor in transfer of technology into practice is especially important in the area of biomedical applications of polymers. Even with very favourable conditions, the period between a scientific result and its realisation in medical practice can hardly be shorter than about 10 years. This was also true about the commercially successful preparation for the support of wound healing, Hemagel®. Its story has begun in the 1990s with a preparation of a monomer unit functioning as a radical scavenger and continued with creation of a polymer gel-network, in which the radical scavenger was anchored. The basic research financed from public funds resulted in the filing of a patent application in 1997. Then there were clinical tests and the search for a dependable partner. It was only in 2006 that the present licence agreement was signed with a Czech pharmaceutical company which has, following an extensive marketing campaign, started to successfully produce and distribute Hemagel®, first on the Czech market and later abroad, including the United States, Canada, and the United Kingdom.

What is the position of Hemagel® today?

At the congress of the American Podiatric Medical Association, the preparation has been included in a list of 20 products allowed to use the recommendation badge of this prestigious organisation in the United States and Canada. The American Podiatric Medical Association (APMA) associates over 16 000 American doctors. The Czech hydrogel preparation for wound healing, which is marketed on the American market under the trade name Wound-Be-Gone®, is one of the first products of non-American provenance to acquire this recommendation from APMA.

Do you recall a cooperation with the private sector that proceeded according to your ideas?

Optimal organisation of a research project managed in cooperation with the private sector can be demonstrated on our project dealing with a new type of blood vessel stents. The project started in 1998, when a US pharmaceutical company turned to our institute with a problem concerning the development of a new polymer system for the application of their substances in cardiovascular therapy, for example, for a new generation of coronary stents. Although at that time it was an application within the realm of sci-fi, we designed a research project where the first phase was a feasibility study on model systems. On the basis of our findings, a technology was created on real coronary stents during the second phase and a verification of the results was performed.

The new technology was covered by patent applications worldwide. Currently, the third phase of the collaboration is under way that focuses on transferring the technology into production, which could result in clinical trials and a realisation of a new generation of stents in clinical practice.

Such projects tend to be very costly. Is this the case?

Yes, the current phase requires involvement of other partners capable of investments of hundreds of millions of dollars. This phase is more defined by economic conditions than scientific issues. The positive side of this project is the fact that while it was financed from private sources, during the entire time it was formulated and scientifically coordinated by our institute. The institute also remains the owner of the intellectual property which it licensed for use to the partner. The licence agreement will bring further revenue to the institute in case of a successful realisation. Another of the project’s considerable benefits is that it has opened access to cooperation with US laboratories which have no equivalent in the Czech Republic. It has also made it possible for us to work on issues which would have been out of reach for being too demanding financially.
Why are we here? “We want to be beautiful, but also useful,” professor Otto Wichterle, founder of the Institute of Macromolecular Chemistry, Academy of Sciences of the CR (IMC), said about the Institute’s mission. Meaning that we are here not only because of the beauty of the theoretical study of polymers, but also because of their use in medicine or industry. Thanks to the systematic study of exceptional scientists and their effort to translate discoveries into practice, today the Institute holds more than 1700 patents and patent applications.

IMC has won fame for itself due to its hydrogels, which are the basis of soft contact lenses. Their inventor, Otto Wichterle, had an exceptionally lucky hand in choosing them, as hydrogels are used increasingly for new applications, such as intraocular lenses and urological implants, while in chemically modified forms they are used as materials for the rapid healing of wounds (Hemagel®).

The Institute’s research is focused increasingly on the properties of “targeted” systems with unique functions. They include, for example, polymer drug carriers, which transfer active substances to the affected places and, in addition to being a new way of tumorous disease treatment, they represent a new method for the visualisation of the cardiovascular system or for carrying gene information into specific types of cells. Today, thanks to close co-operation with pharmaceutical companies, a new cytostatical polymer preparation formulated by the Institute’s team of scientists is awaiting clinical application.

An especially forward-looking programme is the preparation of bio-analogical polymers, which support and stimulate the growth of cells, thus helping the regeneration of tissue (skin, cartilages, and blood vessels). Covered by international patents are the Institute’s cardiovascular stents coated by a layer of bio-analogical polymer, from which the agent is released. The invention is currently at the stage of transferring the product into practical use.

IMC is a respected institution, which brings together researchers in the area of macromolecular sciences, whose aim it is to prepare new materials and discover the laws of their transformation. Polymer materials have become an integral part of modern civilisation, and will require concentrated attention also in future. This will necessarily bring new, surprising discoveries.
SERVICES

The situation of businesses in the present economic environment is quite difficult. However, it offers prepared companies the opportunity to gain a competitive advantage. Logistics is one of the last possibilities and opportunities for businesses to increase their efficiency – this statement by Peter F. Drucker, the renowned professor, is still valid.

PRESENT STATE OF LOGISTICS IN THE CZECH REPUBLIC
What is the current reality of businesses and their logistics in the Czech Republic? In the summer of 2009, the research team of the Faculty of Business Administration at the University of Economics in Prague evaluated a new round of a questionnaire survey carried out among businesses of the manufacturing industry in the Czech Republic.

The survey showed 34% of companies were affected by a year-on-year drop in production, 19% of which saw a drop of more than 10%. Furthermore, 45% of companies experienced a drop in sales and 42% saw a drop in profit (prior to tax), of which 23% of companies experience a fall of more than 10%.

Almost a quarter of businesses felt a threat to their existence. The decline in demand was, however, a more or less non-controllable trend, especially given that 79% of questioned companies export their production to EU countries, 58% to markets outside the EU, and 99% of companies sell their goods on the limited domestic market. Although conditions for penetrating new markets were considered insufficient by a mere 9% of companies, a deterioration of conditions was marked upon by 53% of companies, 14% of which recorded a substantial worsening.

BUSINESSES FACE DECISION
Under these circumstances, businesses were faced with the decision of whether to invest in logistics before the end of the recession and attempt to gain a radical head start ahead of their hesitating rival competitors or whether to map their logistics chains and rid themselves of irrational, i.e. costly and time-consuming logistics activities, that is optimise the process side of their logistics chain. In both cases, i.e. the aggressive strategy and the adaptive strategy, it was necessary to carefully tie in logistics support with the company development strategy and the company product portfolio. Only a minimum of companies planned to limit the product or services portfolio. According to the result of the questionnaire survey, 21% of companies did not plan and 5% certainly did not plan to launch new products or services.

The intention to keep the product and services portfolio harboured the effort to maintain margins, customers, and volumes in spite of lower yields caused by strong customer pressure on prices.

For 38% of participants to the LOG-IN conference (which took place in Prague in November 2008), the economic recession was an opportunity for market expansion. In the case of the EU market this was also linked to a switch to different suppliers. In the survey conducted by the University of Economics, the possibility to maintain current logistics partners was evaluated as good by 52% of respondents and as very good by 32%; 67% of respondents saw no change in the possibility to maintain logistics partners.
DANGER AT TIME OF RECESSION
The time of economic recession is linked to an extreme increase of risk. Even before the recession itself began, it was well-known that managers of Czech businesses saw the greatest risk in the fallout of suppliers (94% of respondents), in the fallout of production (78%), and in the fallout of information systems (65%). In a survey carried out by DHL Express and CzechTrade at the beginning of the recession (in October 2008) 40% of Czech exporters stated they expected their businesses to be affected by bankruptcy.

CZECH COMPANIES HESITATING SOMEWHAT
If we revert to the deciding point on logistics strategy at a time of recession, we must conclude that a radical and aggressive strategy is alien to Czech businesses: of the exporting businesses questioned in the survey by DHL Express and CzechTrade, just 11% intended to invest more in logistics, only 13% of which considered the period of lower turnover the most important time for fundamental change, and 10% wanted to prepare for the future better economic situation. On the contrary, 20% of companies had postponed or limited investment in logistics.

Among companies to some extent prepared to invest in logistics, there was a prevailing motivation to improve (optimise) existing logistics systems – 66% of investors among LOG-IN participants, or to reduce logistics costs – 48% of respondents to the DHL Express and CzechTrade survey. Typical behaviour included decisions not to invest in logistics capacities (logistics centres, warehouses) and to invest instead in logistics information systems. These decisions helped to improve the overview company management has of logistics costs.

ABANDON OUTSOURCING?
Even at the time prior to the recession, businesses generally outsourced external transport and warehousing. However, they underestimated efforts to improve efficiency of internal logistics. With the onset of the recession, certain companies meant to reduce logistics costs (and maintain jobs for their core staff) by reverting to insourcing of previously outsourced logistics activities. This is an economically questionable step and strategically incorrect one. On the contrary, according to the LOG-IN survey, 40% of companies see outsourcing as a way of reducing logistics costs. Only 19% of companies tended towards insourcing. The efforts of businesses to improve neglected processes aspects of logistics chains are welcome, however, only then if such efforts are managed from a system position and as such they are part of an overall optimisation of the logistics chain, which is hardly ever the case.

CORRECT DETERMINATION OF COMPETENCES
The difficulty hindering integration and follow-up optimisation processes was revealed by the previous research based on the first round of the questionnaire survey. It compares the state of Czech businesses with that of businesses in Germany. The difficulty lies in an inappropriate delimitation of competences and distribution of logistics tasks within the logistics departments of Czech businesses. The second difficulty is the fluctuation of logistics managers on higher positions, where the arrival of a new manager means the process begins from scratch.

RECOMMENDATIONS FOR TIMES OF RECESSION
At an international conference entitled Speed-Chain 2008 (December 2008), Stanley Chew of the USA expressed the following recommendations that extend (not only) to Czech companies on what to do in times of economic recession:

- Focus on survival, monitor, measure, and reduce costs in their entirety.
- Take competition by attack – do what others are not doing.
- You will not manage anything without information. An information system isolated from the customer is not enough.
- Change the company culture – the world of today is one of competing chains – and only the stronger one survives…
- The techniques and technologies we have at our disposal today are brilliant – replace old ones, they are not worth the maintenance, let alone repair. This relates to introduction of new procedures and new solutions.

Petr Pernica
University of Economics
(e-mail: pernica@vse.cz, www.vse.cz)
Development of Czech Industrial Market Slowed Down

The growth rate of completed industrial spaces in the Czech Republic decreased in the third quarter of 2009 compared to the second quarter. In total, 13,816 sq. m of modern industrial rental spaces were built between the beginning of July and the end of September, while in the second quarter of this year it was 166,583 sq. m. We asked Vit Šírek from Cushman & Wakefield for more details.

Are these results surprising?
The decrease is significant, new construction fell by 85% compared in the third quarter of 2009 to the same period in 2008 when it was 162,803 sq. m. The considerable fall in construction is caused mainly by the developers’ effort to lease current empty spaces, which is what we had partially expected.

What development can we expect in the future?
In the first half of 2010 construction can decrease to zero, or close to zero. In real numbers we are talking about almost CZK 30 billion which will not be invested in construction in the Central European region.

What is the situation with the currently vacant industrial spaces?
In comparison to the second quarter of 2009, the level of vacancy fell in the third quarter, settling at 16.14%, which represents a decrease of 4%. The largest amount of vacant spaces is currently in the Olomouc and Plzeň Regions, where the level of vacancy remains at approximately 33% and 26.4% respectively.

KASKADA**** HOTEL
Trainings, presentations, meetings, conferences, accommodation not only in time of trade fair exhibitions in tranquil and pleasant environment with possibilities of versatile relaxation. The hotel can be found 9km from Brno with easy accessibility to Brno and Brno Trade Fairs Centre.

www.hotelkaskada.cz

The hotel provides:

- Wellness centre – relaxation pool with counter-flow, Finnish sauna, steam bath, private whirlpool and expert massages
- Golf course, golf training centre, golf simulator
- Bowling
- Convention hall with capacity of 180 people
CZECHINVEST STARTS A NEW INCUBATOR

Thanks to CzechInvest Agency, promising entrepreneurial ideas have free use for three to six months of one of the world’s most renowned entrepreneurial incubators, California’s PlugandPlay TechCenter. At the beginning of October 2009, CzechInvest introduced the project of a Czech technological accelerator right in the Incubator centre, in Sunnyvale, California, where the Agency opened ceremonially its new foreign representation. “In the past twenty years, the Czech Republic has advanced unbelievably far,” macroeconomy analyst Tomáš Sedláček said at the presentation of the accelerator and on the occasion of the opening of the Agency’s foreign representation. “We certainly have much to learn from the local environment, but this also applies vice versa. For one thing, because the development, which in the United States has taken more than two hundred years, we had to master in twenty.”

Foreign Affairs and the Development Agency, is aimed at eliminating administrative barriers to companies participating in development projects,” Jan Hamáček, Chairman of the Parliamentary Foreign Affairs Committee, under whose aegis the seminar was held, pointed out. The Czech Republic has nearly CZK 200 million (approx. EUR 8 million) set apart for development co-operation. Currently, the platform of businessmen for foreign development co-operation associates about 50 companies with experience in development projects. Participation in a project in a developing country is an excellent beginning and reference not only for the company as a supplier, but also for the whole country, especially if that country participates in financing the project. Unlike private projects, development projects are always, at least in part, financed from public funds, which reduces suppliers’ risks.

Co-operation for Development

Although even after the twenty years of its existence, the private business sector in the Visegrad Four countries is still developing, a number of companies are already involved in programmes of assistance to developing countries. This was attested by a seminar called Financing of Business Projects with a Development Dimension, held in Prague in October 2009, where the Visegrad Four, for which the common priority developing countries are Serbia, Bosnia and Herzegovina, Mongolia, Kyrgyzstan, and Afghanistan, discussed possibilities of co-operation. The V-4 would welcome if their common activities could have institutional backing. Except for Poland, the Central European countries have their development agencies, and Czech development aid, too, is undergoing transformation. “The Development Co-operation Bill, which re-defines the roles of the Czech Ministry of Foreign Affairs and the Development Agency, is aimed at eliminating administrative barriers to companies participating in development projects,” Jan Hamáček, Chairman of the Parliamentary Foreign Affairs Committee, under whose aegis the seminar was held, pointed out. The Czech Republic has nearly CZK 200 million (approx. EUR 8 million) set apart for development co-operation. Currently, the platform of businessmen for foreign development co-operation associates about 50 companies with experience in development projects. Participation in a project in a developing country is an excellent beginning and reference not only for the company as a supplier, but also for the whole country, especially if that country participates in financing the project. Unlike private projects, development projects are always, at least in part, financed from public funds, which reduces suppliers’ risks.

Nearly One-Third of Czech Population Are Potential Investors

Seven Czechs in ten have their money deposited in current accounts. Another most-widely used bank product is the savings account. More than half of the Czech population have at least 51% of their savings deposited in those accounts. These estimates are supported by a survey conducted by STEM/MARK Agency. The survey also revealed that 28% of the population are potential investors or people inclined to investing. Only 6% of them say that the reason why they do not invest just now is their fear after the “financial crisis”. In the survey of their preferences, Czechs said they preferred higher yields to liquidity and deemed it reasonable to divide their savings into short-term accounts, with lower yields (e.g. savings accounts), and long-term ones, with higher yields (e.g. shares, funds). Their actual behaviour, however, shows that for most of them the principal factor is liquidity. Up to 28% of people have 80%-100% of their savings deposited in savings accounts. A full 56% have at least half of their savings in savings accounts.
Science-Technology Parks Flood Czech Republic

Over four dozens of science-technology parks have dotted the map of the Czech Republic in recent years. The parks offer perfect, financially advantageous bases for innovative entrepreneurs, and mostly cater not only to start-up small businesses, but to technology centres of the big ones, too.

The past five years have brought an unprecedented development of technology and innovation centres, also called science-technology parks, in the Czech Republic. There were 21 of them in operation in the Czech Republic in 2003. The number has doubled by 2009, thus enabling innovative entrepreneurs to choose from 42 such facilities.

The advantages are clear – rent lower than usual in commercial settings, outstanding technical facilities, broad range of services which make it easier for researchers to conduct business, and usually also the possibility to share laboratories with the best equipment, such that would not be affordable for start-up companies.

**UNION IS EVERYWHERE**
The massive development of science-technology parks in the Czech Republic has been kick-started by the Czech Republic’s accession to the European Union, and the related possibility to draw on grants from the Structural Funds of the EU. The grants that help to finance all aspects of innovation business have been made the responsibility of the CzechInvest Agency, which had previously been involved primarily in attempts to secure new investors.

Owing also to the fact that CzechInvest possessed valuable experience with assisting foreign companies to settle in the Czech Republic, a rapid development of infrastructure has been quickly started, which was needed not only for acquiring but mainly for the support of innovation business.

The Czech Republic joined the European Union in 2004, meaning it had to contend with two years of coasting towards the end of the otherwise seven-year EU grant period. During that time, the Prosperity programme, which was oriented at science-technology parks, helped to create and operate over 31 700 sq. m of science-technology parks and 30 000 sq. m of business incubators. This area will be occupied by over 530 innovative firms which are expected to create 2 200 new jobs.

**BROAD RANGE OF INDUSTRIES**
According to data from the Science and Technology Parks Association of the Czech Republic, the number of professionals working in the science-technology parks, i.e. the people employed by the parks directly, not by the companies in the parks, has grown along with the number of the parks. The number has reached a respectable 241 people.

Most of the science-technology parks in the CR are oriented at information technologies. Then there is new material research, life-sciences, biotechnologies, devices for the protection of natural environment, or monitoring and regulation equipment. There are, however, also experts oriented at more exotic professions, such as audiovision, which is the specialisation of choice in Zlín, known for its animation school.

**ATTRACTING INVESTORS**
The rapid growth in the number of science-technology parks has inevitably brought a broader offering of available space and services. This means fiercer competition between the parks – and lower prices and better services for the tenants.

The parks attract new investors to the Czech Republic by their mere existence and service offerings. Even more important may be the quality of companies, professionals, and the research and development itself supported by the parks.
Let’s innovate together...

The Innovation Portal of the Zlín Region provides information about grant programmes, innovations, science and research in the Czech Republic. You can find here a partner from the Zlín Region for the execution of your business plans or innovation projects.

Services of the Innovation Portal:
- Database of the Zlín regional innovative companies
- Offers/Requests for partnership for projects or cooperation, technology, and licence
- List of support regional organisations for innovation, research, certification, and testing
- Regional science and research capacity, industrial supply
- Information about grant programmes, industrial ownership, legislation
- Daily news reporting from the world of science, research, and innovation

The Portal is operated by Technology Innovation Centre Ltd.

The Technology Innovation Centre Ltd. is an important institution in the area of innovations in the Zlín Region. Its establishment is a joint project of the Tomas Bata University in Zlín and of the Zlín Regional Government.

www.bizinnovation.eu

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SCIENCE AND TECHNOLOGY PARKS IN THE CZECH REPUBLIC

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of STPs</th>
<th>Overall area of STPs</th>
<th>Number of STP employees</th>
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<tbody>
<tr>
<td>2000</td>
<td>16</td>
<td>163,953</td>
<td>70</td>
</tr>
<tr>
<td>2001</td>
<td>18</td>
<td>163,979</td>
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<td>2002</td>
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<td>168,229</td>
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<td>2003</td>
<td>21</td>
<td>169,468</td>
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<tr>
<td>2004</td>
<td>22</td>
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<td>2005</td>
<td>22</td>
<td>184,684</td>
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<tr>
<td>2006</td>
<td>26</td>
<td>175,578</td>
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</tr>
<tr>
<td>2007</td>
<td>34</td>
<td>194,197</td>
<td>147</td>
</tr>
<tr>
<td>2008</td>
<td>42</td>
<td>242,537</td>
<td>241</td>
</tr>
</tbody>
</table>

Source: Science and Technology Parks Association of the Czech Republic

It is the record of impressive research results that attracts prominent brands from the whole world to the Czech Republic. The Czech Republic is very strong in organic chemistry and information technologies, and there are also promising developments in biotechnology and nanotechnology. We cannot forget machine building and nuclear research – if only for the fact that the Czech Republic is one of the few countries in the world capable of building its own nuclear power plant.

EUROPEAN RESEARCH

The immediate future holds the promise of several excellent centres for research and development in the Czech Republic. They will be mostly oriented at biotechnology, physics, or information technologies. Two projects especially stand out. The first is the International Clinical Research Centre Brno, which is already being built in Brno, in cooperation with Mayo, possibly the most famous American clinic. The centre will be unrivalled in Europe and according to experts, it stands a clear chance of moving the research in the area of medicine forward by leaps and bounds.

Another key project of world research is the Extreme Light Infrastructure, perhaps better known by the acronym ELI. Its location within the European Union has not been decided yet but the Czech Republic holds a strong position among the other candidates, thanks to its outstanding history in nuclear research. ELI is, essentially, an extremely powerful laser working with extremely short bursts – nothing comparable has ever been built on Earth.

With its quality infrastructure, well prepared to embrace modern innovation projects, the Czech Republic is successfully moving towards a position of a regional leader in the area of innovation. The facilities it provides – both technical and in the area of quality local professionals – are, modesty aside, the best if compared to neighbouring countries.

Jiří Sochor, CzechInvest
E-mail: Jiri.Sochor@czechinvest.org
www.czechinvest.org
Essential Support for Innovation Businesses

The South Moravian Innovation Centre (JIC), which operates two technology and one biotechnology incubator, creates a complex infrastructure for the support of innovation businesses and provides support to innovative firms in Europe. The JIC supports innovative firms, students with original ideas, researchers, and inventors. Its many projects help to foster cooperation between innovative firms and research institutes.

**INCUBATORS HELP**

In order to be able to support businesses with high added value, the JIC needs to have quality facilities and infrastructure. The JIC operates the Technology incubator BUT and significant help has arrived in January of 2008 – Technology incubator 2 – with an area of 2,900 sq. m. It now houses the first Microsoft Innovation Centre in the Czech Republic which has opened its doors to firms with innovative ideas in ICT. A new Biotechnology Incubator INBIT with a further area of 3,000 sq. m has been started within the university campus in Brno, Bohunice, in the beginning of 2009.

“The Region of South Moravia, with the town of Brno and its surrounding areas at its head, has recently become a de facto technology and innovation centre of the Czech Republic. I believe that in the near future we will be among the fifty most innovative regions of the European Union,” said Michal Hašek, the Governor of the Region of South Moravia. “The key to further development of our region is innovation. If we wish to ensure the prosperity of our firms, we must provide them with access to the latest technologies and scientific and research knowledge. For this reason, we try to establish connections between commercial firms, universities, and the non-profit sector to support the development of firms that present innovative ideas,” added Petr Chládek, the manager of the Regional Innovation Strategy of the Region of South Moravia.

**BIOTECHNOLOGY INCUBATOR INBIT**

The construction of the biotechnology incubator INBIT started in April of 2008. The facility provides space for 25 companies. Overall costs exceeded EUR 6.46 million, of which approximately EUR 4.8 million came from European Union funding. The incubator provides companies with approx. 3,000 sq. m of laboratories, offices, and other space. It creates approx. 200 new jobs. “Biotechnology is one of the fields of interest to the JIC,” clarified Jiří Hudeček, Director of the South Moravian Innovation Centre. Upon the opening of the Biotechnology Incubator INBIT at the end of 2009, there will be over 7,000 sq. m of usable space available to promising starting entrepreneurs in Brno.

The JIC has joined a new initiative of the European Commission in January of 2008, the Enterprise Europe Network. The JIC participates in many international projects, e.g. SynBIOsis or CENTRIS-Centrope_tt.

www.jic.cz
Böttcher is a family company with roots going back to the year 1725. The company has 12 manufacturing plants, eight of which are outside Germany. In 1989, it set up a subsidiary in the Czech Republic, Böttcher ČR, k.s., which in 1996 started operating a new roller rubberising factory in Vyškov, Moravia. During its existence, the company has built a firm position for itself in the printing industry at home and abroad, and its products bearing the Böttcher trademark are known in all Europe, North and South America, Asia, Australia, and Africa. Our partners are important world companies (machinery manufacturers) and smaller dynamic firms.

In recent years we have expanded to new territories, such as Japan, the Ukraine, and other East European states.

The wide variety of our products from press rollers to technical rollers and roller rubberising, including pressroom chemicals and detergents for the printing industry, offset covers and the very successful production of sleeves, combined with the production background, are a guarantee for our customers of top quality and delivery assurance, supported by technical consultancy.

We rely on the network of our own sales organisations ensuring the complete service in the close vicinity of customers, who have easy access to the expertise of our specialists in solving their problems in different territories (Böttcher System+Print).

Technical consultancy, new items, and the great variety of products are a guarantee of complete services and assured quality, now and in the future.

The manufacture of flexographic sleeves for direct gravure has become another core product of our company in Vyškov in recent years.

The quality of our products, know-how, reliable services, and continuous improvement of technical standards is the highest interest of all the company’s workers, who can take advantage of the results of the company’s own research and development.

A very important aspect of our activities is environmental protection. The company efficiently supports the region in which we operate by sponsoring and making donations.

Ing. Jiří Volf, CSc., Company Director

Now, at the end of this year, we would like to thank all our customers, trade partners and friends for their cooperation and wish them the best of success in the year 2010.
The Olomouc Region – rich history, unique architecture and folklore, picturesque nature on the one hand, and all prerequisites for economic development on the other. Region with a surprise.

PREREQUISITES FOR THE REGION’S DEVELOPMENT

The Olomouc Region definitely has prerequisites for its further development. The main prerequisites are its strategically advantageous geographical position, transport availability, well-developed infrastructure, good supply of skilled labour and the presence of foreign investors. Since the realisation of long-term strategic plans the economic situation in the Olomouc Region has been improving and the upward trend is expected to continue also in coming years.

A Bit of Geography

The Olomouc Region is situated in the central part of Moravia, spilling over slightly into its northern part. From the administrative point of view, together with the Zlín Region it forms the Central Moravia territorial and administrative unit (NUTS 2). It is divided into five districts: Jeseník, Olomouc, Prostějov, Přerov, and Šumperk. In the north, the Olomouc Region borders on Poland along a line 104 km long, in the east its neighbour is the Moravia-Silesia Region, in the south the Zlín and the South Moravia Regions, and in the West the Pardubice Region.

Its northern part is mountainous, formed by the Jeseník range with the highest peak Praděd (1 492 m). The southern part of the Region is formed by the Haná lowlands. Meandering through the Region’s territory is the Morava River. On its surface near Kojetín in the Přerov District lies the Region’s lowest point (190 m). The Olomouc Region is rich in natural sights, which include the Jeseníky Protected Landscape Area with Moravia’s vastest peat moor, Rejvíz, and a 45-metre waterfall. Much visited by tourists is the Drlouhé straně water reservoir and power station at the top of a hill. Another attraction is the riverine forests in the Litovelské Pomoraví Protected Landscape Area and the Javoličko, Mladeč, and Zbrašov aragonite caves. In terms of pollution, the Region’s environment is qualified as less polluted, with pollution values below the country’s average. The mountainous and sub-mountain regions have an excellent quality of the air and are an important source of drinking water. The Region, with a population of approx. 642 000, covers 6.7% of the total surface of the Czech Republic. The regional centre is the statutory city of Olomouc.

Economic Conditions

From the economic point of view, the Olomouc Region is an industrial area with well-developed services. The economy of its Haná districts is more stable and variegated, while the Jeseník District and the northern part of the Šumperk District are economically less stable areas as a result of their geographical position, transport availability and impaired social and economic conditions.

The Region’s Territorial and Administrative Division

<table>
<thead>
<tr>
<th>NUTS</th>
<th>Surface (sq. km)*</th>
<th>Population*</th>
<th>Communities**</th>
<th>Population density/sq. km**</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAU 1 Olomouc</td>
<td>1 620</td>
<td>231 474</td>
<td>96</td>
<td>141</td>
</tr>
<tr>
<td>LAU 1 Jeseník</td>
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<td>110 212</td>
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<tr>
<td>LAU 1 Šumperk</td>
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<tr>
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<tr>
<td>NUTS 3 Olomouc Region</td>
<td>78 867</td>
<td>10 476 543</td>
<td>6 249</td>
<td>132</td>
</tr>
</tbody>
</table>

Source: Czech Statistical Office * data as at 30 June 2009, ** as at 2008.
economical life after World War II. The southern and central parts of the Region are among areas with the most fertile soil. Average yields of the crops — spring barley, winter wheat, rape, and technical sugar beet — are among the highest of all the CR. A number of traditional industrial enterprises are based in the Olomouc Region. Linking up with agricultural production are numerous food-processing plants. Other industries include textile and clothing production, engineering production, and optical instruments, apart from many other branches.

**Transport**

Transport services are provided by a system of railway lines 600 km long and a network of 3 568 km of roads, only 12.1% of which are first-category roads. Olomouc and nearby Přerov are important railway junctions. The dense railway network serves evenly the entire area of the Region. The road network is denser in the southern flatter part of the countryside. In the vicinity of Olomouc is an airport for small aircraft, which holds the international airport status.

**Human Resources, Education**

The Centre of the Region’s education is Palacký University in Olomouc, the second oldest university in the Czech Republic. More than 19,000 students are enrolled in its faculties of natural science, pedagogy, medicine, philosophy, law, theology, and physical culture.

**Tourism, Culture**

The Region provides wide-ranging tourist opportunities. Besides its attractive nature, there is a large number of historical sights – the castles of Bouzov, Helfštýn, and Šternberk and the chateaux of Úsov, Tovačov, Velké Losiny, Jánský vrch, and Náměšť na Hané, in addition to dozens of museums and art galleries. Much visited is the regional city of Olomouc with the country’s second largest urban historic reserve. Many of its historical buildings have been preserved on the original ground plan of the medieval city. The most important sight in Olomouc is the Baroque Holy Trinity Column in the central square, which in 2000 was included in the UNESCO World Heritage List. Olomouc prides itself on a number of ecclesiastical buildings; floral events and flower shows are held in the city’s vast parks, called Flora Olomouc. The famous place of pilgrimage with the monumental church of the Visitation of the Blessed Virgin Mary on Holy Hill near Olomouc attracts thousands of pilgrims from all of the Czech Republic. Dozens of ethnic song and dance ensembles take credit for the maintenance of folk customs in Haná, with folklore reviews and festivals held in Náměšť, Prostějov, Kojetín, and other places.

**Sport**

The Olomouc Region provides a variety of sporting opportunities. There are more than 1,500 km of cycling tracks, lakes, and modern swimming pools. Prostějov and Přerov are known for their tennis centres. Racing fans are attracted by the Ecce Homo regular car racing event in Šternberk, football and ice-hockey matches played on modern pitches and in winter stadiums scattered all over the Region are also a welcome entertainment for visitors. A number of downhill courses and ski tracks are prepared for skiers in the Jeseníky Mountains, in the famous resorts of Červenohorské sedlo, Petříkov, Ostružná, and Ramzová, among many others.

**Tučín: Village of the Year 2009**

The Olomouc Region prides itself on one of its villages, Tučín, in the District of Přerov, being chosen as the Czech Republic’s Village of the Year 2009. The award was made on 12 Sep-

**REFERENCES:**

- Official website of the Region: www.kr-olomoucky.cz
- Official tourist portals of the Region: www.ok-tourism.cz
- Representation of the Region in Brussels: www.olomoucregioninbrussels.eu
- Olomouc statutory city: www.olomouc.eu
- Economic Chamber of the Olomouc Region: www.khkok.cz
- Palacký University in Olomouc: www.upol.cz
- Eurocentrum Olomouc: www.euroskop.cz
- EuropeDirect Olomouc: www.olomouc.eu/europedirect
- Academia film Olomouc: www.afo.cz

**AVERAGE GROSS MONTHLY WAGES**

**January-June 2009**

- Employees in business enterprises of the Olomouc Region drew CZK 19,259 (EUR 772)
- National average CZK 22,605 (EUR 906)

In terms of average wages, the Olomouc Region placed 11th among the Czech Republic’s 14 regions. Lower wages were paid to employees in the Pardubice, Zlín, and Karlovy Vary Regions.

**Misleading Information in the Document:**

- **DISTANCES FROM OLOMOUC**
  - Prague: 275 km
  - Brno: 78 km
  - Ostrava: 93 km
  - Bratislava: 200 km
  - Vienna: 198 km
  - Warsaw: 474 km
  - Berlin: 500 km

- **MONTHLY WAGES**
  - National average CZK 22,605 (EUR 906)

- **UNIQUE**
  - **Baroque Column**
  - **Bouzov Castle**
  - **Timber Churches**
  - **Unique Baroque Column**
  - **Unique Czech Cheese**
  - **Museum of Paper in Velké Losiny**
  - **Dlouhé stráň**
Covering an area of more than five thousand square kilometres, the Olomouc Region offers endless opportunities for businessmen. One of the Region’s special advantages is its long industrial tradition, with a rich history of engineering production, optics, food processing, textile manufacture, and electrical engineering, in addition to construction. Proof of the popularity of those branches, linked with a sufficient supply of skilled labour, is the large number of important investment projects realised there in the past few years – for example the EPCOS project of the companies Siemens and Matsushita in Šumperk, the technological centre of Siemens elektromotory in Mohelnice, and Olympus’ repair centre in Přerov.

**MOTORWAY AND RAILWAY CORRIDOR**

In addition to the wide-ranging experience of companies operating in the industrial sectors mentioned above, a tremendous attraction for new investors is the Region’s excellent transport availability, especially in its southern tip, with the regional city of Olomouc in its centre, which is also the Region’s largest urban agglomeration. Olomouc is the country’s largest railway junction, with the main line running from Prague via Pardubice, Česká Třebová and Zábřeh na Moravě to Olomouc, and on to Ostrava and further to Slovakia and Poland. Passing through Olomouc is the country’s longest motorway – D1 – running from Prague to Brno and on to Olomouc and Kroměříž. Its new section, now under construction, leads to Ostrava, situated in the north-east of the Czech Republic. Highway R 35 links the regional city with Mohelnice north of Olomouc.

**OLOMOUC – A UNIVERSITY CITY**

Olomouc is not only the Region’s transport and administration centre. During the academic year, the city’s population of one hundred thousand is regularly augmented by one-fifth! That is why Olomouc is rightly denoted as a university city.

The University in Olomouc has eight faculties – theological, medical, philosophical, etc.

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**SURVEY OF SUCCESSFUL PROJECTS**

<table>
<thead>
<tr>
<th>Investor</th>
<th>Sector</th>
<th>Country of origin</th>
<th>Investment (mill. USD)</th>
<th>Jobs</th>
<th>Location</th>
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<tr>
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<td>biotechnological and medical devices</td>
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<td><a href="http://www.miele.cz">www.miele.cz</a></td>
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<td>MORA AEROSPACE</td>
<td>manufacture of transport equipment</td>
<td>USA</td>
<td>27.48</td>
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<td>Hlubočky</td>
<td><a href="http://www.honeywell.com">www.honeywell.com</a></td>
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<tr>
<td>Olympus</td>
<td>repair centre</td>
<td>Japan</td>
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<td>82</td>
<td>Přerov</td>
<td><a href="http://www.iolympus.cz">www.iolympus.cz</a></td>
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<tr>
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<td>electronics and electrical engineering</td>
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<td>43.20</td>
<td>510</td>
<td>Šumperk</td>
<td><a href="http://www.siemens.cz">www.siemens.cz</a></td>
</tr>
</tbody>
</table>

Source: CzechInvest
natural science, pedagogical, law, physical culture, and healthcare science faculties.

Part of Palacký University is its Scientific and Technical Park with a business incubator, which, in addition to science and research, also provides support to start-up companies, especially in the field of nano- and bio-technologies and information technologies, and to enterprises with unique ideas and orientation.

**REVITALISED BROWNFIELDS**

Advantageous geographical position, skilled labour, and educated population. These are just a few of the large number of opportunities open to investors who have chosen the Olomouc Region for their business activities.

Another asset is the Region’s sufficient supply of perfectly prepared surfaces for doing business and an endless number of opportunities for investment in facilities which in the past served business purposes and are now abandoned, waiting for new development. This is the case of brownfields, of which there are about seven hundred according to CzechInvest’s estimates. Thanks to their history, many brownfields are situated in very suitable localities, with an infrastructure ready to be utilised and with people used to commuting to work. Moreover, for brownfield revitalisation investors may obtain money from European as well as national funds. These are reasons why investing in brownfield revitalisation is more than a good alternative to greenfield investment.

*Lenka Gondová*

CzechInvest
Regional Office for the Olomouc Region
www.czechinvest.org/olomoucky-kraj
Palacký University in Olomouc is a university in the conventional sense of the word, so consequently no purely technical branches of study will be found there. In spite of this, for several years the University has co-operated actively with companies for which it provides not only consulting services, but also the possibility of using its modern instruments and know-how. The connecting link between the University and business companies is the Scientific and Technical Park of Palacký University.

The Scientific and Technical Park of Palacký University in Olomouc (VTP UP) rents offices and production areas. It also provides consulting services and the use of the University’s instruments and know-how. Its clients include novice companies and companies with unique ideas and orientation. The University offers 2 600 sq. m of production and office area for rent. At the end of 2009, it had 17 tenants, mainly companies concerned with research and development in the field of nano- and bio-technology and firms doing business in the area of information technology.

Part of VTP UP is the Business Incubator, where novice businessmen can rent offices and production areas under advantageous terms. Clients of the Business Incubator have a free use of the services of a personal consultant, who will advise them on the preparation of a business plan and on taking the first steps in business.

THE PARK ALSO PROVIDES CONSULTATION ON GRANT APPLICATIONS AND FINANCE

One of VTP UP’s specialisations is expert consultation to companies wishing to apply for grants. For novice businessmen who, for the time being, do not qualify to obtain a grant, the Park mediates contacts to Business Angel investors. Its most recent service is the mediation of research, measurement, and analyses for companies to special order. The tool for providing this service is the Instruments and Services Catalogue – a unique project focusing on co-operation between university workplaces and companies. The Catalogue comprises a database of the Palacký University instruments and know-how. These technologies and know-how are especially useful for companies operating in areas such as pharmacy, chemistry, bio- and nano-technology and optics. Several orders have been realised successfully with the help of the Instruments and Services Catalogue. Although no foreign company has taken advantage of this service so far, VTP UP is fully prepared for such clients. Many instruments and services which Palacký University offers are unique, not only in the framework of the Czech Republic, but also in the whole of Central Europe. Prospective tenants may expect additional space, especially for laboratory purposes. Some 1000 sq. m of newly reconstructed area will be available in 2011.

VTP UP is an active player in setting up clusters. Its consultants have helped with the establishment of three clusters. The Czech Nanotechnological Cluster and the MedChemBio cluster of Medicinal and Biological Chemistry are based in the Park.

Jiří Herinek
Director
Scientific and Technical Park of Palacký University in Olomouc
www.vtpup.cz

Bridge between the World of Science and the World of Business
In September 2009, the Olomouc Region hosted, for the third time, the scientific elite in the area of nanotechnology. The aim of this meeting was to present the latest results of research in this area, with special emphasis on their use in medicine. Pavel Horák, Deputy Head of the Olomouc Region, outlined the Region’s ambitions in this area: “Thanks to the Czech Nanotechnological Cluster and other institutions concerned with research and trade in the area of nanotechnology, which are based in the Olomouc Region, this Region has an excellent opportunity of becoming the Czech Republic’s nanotechnological centre.

**WHAT IS NANOTECHNOLOGY?**

Nanotechnology is a science concerned with the accurate manipulation of atoms and molecules in the creation of a new object. A brilliant future is augured for nanotechnologies, with expectations of their ever more frequent application in production processes. Quite surprisingly, nanotechnology has long been used, for example, in computer hard disks, suntan lotions, car tyres… The use of nanotechnologies in production will give rise to completely new products, the manufacture of which currently seems to be impossible. Do standard disinfectants involve the hazard of corrosion? Is resistance to antibiotics increasing on a global scale? Nanotechnologies offer a solution to just such problems. Among other new discoveries, the latest results of experiments with mineral oil emulsions with antimicrobial parachlormetaxylenol particles were presented at the above-mentioned meeting of scientists in Olomouc. Their practical use can better be understood by mentioning a recent case, which occurred at Prague’s Ruzyně Airport, where an aeroplane which had carried people from South-east Asia, feared to be infected by a new virus, was disinfected. According to Erich Pazdziora from the Ostrava Health Institute, the use of mineral oils excludes the much feared corrosion hazard. In their turn, nanoparticles with an antimicrobial effect deal with antibiotic resistance.

**SUCCESSFUL CO-OPERATION WITH FOREIGN COUNTRIES**

NanoTrade, s.r.o., is a Czech company established in Olomouc in 2004.

Due to its academic links and close cooperation with research workplaces and universities in the Czech Republic, Poland, Austria, Germany, and the United Kingdom, NanoTrade s.r.o. can carry out its own application research and development of samples of new materials, technologies and processes at all levels for various uses. To learn more about the company’s specific activities in the area of Science and Research, we addressed Jiří Oborný, from Nano Trade, s.r.o. and asked him a few questions.

**What are the most important achievements of your company?**

These are especially textile products such as socks, underwear, nightgowns, and sportswear with odour-suppressing properties and preventive and curative fungicidal effects. Our plan is also to use these properties in the manufacture of bed linen and working clothes.

Nano Trade concerns itself with technology transfer and the sale of its own licences for processes using specific material properties. This includes in particular applications used in polymers, textiles and clothing, surface protection and indoor cleaning. An interesting application is sports bottles with fungicidal effects made under our licence, which we developed thanks to a grant programme of the Ministry of Industry and Trade. Then there is a wide range of application uses of materials for surface protection in the construction, automotive and textile industries. Evidence of the success of these applications is a number of domestic and foreign references on buildings, facades, roads and bridge constructions, family houses, and in the textile and footwear industries.

**Have you realised projects with the participation of foreign partners?**

One of these is the realisation of verifying tests with the Envirox additive for internal combustion engines. In addition to the economic effects for their users, this additive is responsible for an important reduction in exhaust fume emissions. The product originates from the UK. Simultaneously, in 2009, verifying tests were carried out with the Fastex lubricant additive, which reduces friction force and temperature in the engine, thus lengthening service intervals, improving the operation of the engine and reducing operating costs by cutting energy losses during operation. We are testing this additive with a supplier from Singapore. In the same year, verifying tests were carried out on surface treatment with the help of a highly productive diffusion chamber, ensuring high values of hydrophobic properties and a significant improvement of the surface resistance of surfaces for a very long period during the service life of the product. The products thus treated include sanitary ceramics and windshields. This technology originates from the USA.
The Olomouc Region is one of the regions in the Czech Republic which have been especially successful in obtaining grants from EU structural funds. The following article is evidence of this.

**THE FIRST BILLION PAID OUT FROM THE CENTRAL MORAVIA REGIONAL OPERATIONAL PROGRAMME**

In mid-2009, the Office of the Central Moravia Regional Council posted more than CZK 1 billion (approx. EUR 40 million) from the Central Moravia Regional Operational Programme (ROP) to the accounts of towns, villages, and businessmen in the Olomouc and Zlín Regions.

By that date, 21 projects altogether from the Olomouc (12) and the neighbouring Zlín (9) Regions, worth CZK 228 million (approx. EUR 9.14 million), had been completed and the money for them paid from ROP funds. They include, for example, projects for the Reconstruction of the Bunč Forest Hotel, the Valaška Spa Sanatorium, reconstruction of a cultural landmark by architect Dušan Jurkovič in Luhacovice, cycling tracks in Šternberk and Uničov, and a bridge in Štěpánov.

From the applicants’ points of view, several essential changes have been made in comparison with the previous programme period, the most important of which is the possibility of continuous financing. In the contract, the grant recipient will determine, according to his own needs, the number of payment applications on the basis of which money from the Regional Operational Programme will be paid out (the only restriction being the minimum amount of the payment and the number of payments per year).

From the amount of CZK 17.6 billion (approx. EUR 706 million), which has been agreed with the European Union for the development of the Olomouc and Zlín Regions, this is a portion representing 6.2% of the total allocation for the 2007-2013 period. In comparison with other regions, the Olomouc and Zlín Regions obtained one of the largest allocations of financial means. This is a good promise for the years to come as well.

New invitations for the submission of projects were made in September and November 2009. In September, the projects included 1st- and 2nd-category roads, cycle tracks, and the construction of golf courses and congress centres.

**THE OLOMOUC REGION PASSES ON ITS EXPERIENCE OF EUROPEAN PROJECTS**

In June 2009, a three-day seminar was held in Novi Sad (the Republic of Serbia) on the Experience of the Olomouc Region of European projects. The seminar was prepared in cooperation with the Olomouc Region, the Rosiva Šumperk company, and the Department for International and Regional Co-operation of the Autonomous Province of Vojvodina. The event was part of the project, “Education and Development in the Vojvodina Autonomous Province”, the principal aim being to support the partner institutions of local administration and government bodies, and civic society organisations and institutions operating in the areas of culture, social welfare, health care, science, and research. The activities and the results of the projects are aimed at the transfer of know-how, sharing experience in economic and social transformation, strengthening the capacity for good governance, and at sharing the experience of the Czech Republic of its membership in the EU. The project is financed from the Olomouc Region’s budget and it was also supported from the funds of the Ministry of Foreign Affairs of the Czech Republic in the framework of the Foreign Development Cooperation Programme of the Czech Republic.

**EXAMPLES OF SUCCESSFUL PROJECTS IN THE REGION**

The Olomouc Region has a number of successful projects from different areas to its credit. The regions have themselves chosen the most interesting ones.

**Olomouc Business Incubator**

The purpose of setting up the Business Incubator was to create a favourable business environment, with a link to the scientific and research workplaces at Palacký University in Olomouc, to stimulate business, incite demand for new scientific and research work results and support the setting up of spin-off companies. Thanks to the project, the Scientific and Technical Park supplied the necessary equipment for the Incubator building and ensured its opening on 30 June 2008.

**Tourist Information Portal of the Olomouc Region**

The principal aim of the project was to ensure the spread of uniform information about the tourism opportunities of the Olomouc Region and to help to raise the marketing value and improve information services about tourism in the Region’s tourist area. The aim of the project was achieved when the Region opened its Internet tourist portal in cooperation with the service providers and the operators of tourist attractions. Due to the realisation of this project, in the framework of which the www.ok-tourism.cz website was created and put into operation, the public is now being informed about the Region’s tourist attractions and services. This has raised the awareness of the Region’s tourist potential and attracts visitors to the Region.

*Source: Regional Council of the Central Moravia Cohesion Region*
Jeseník District

The District of Jeseník lies in the north-east of the Czech Republic, bordering Poland. The District is one of the most mountainous ones in the whole country, with the second highest peak of the Czech Republic, Praděd Mountain (1490 m) in the Hrubý Jeseník Mountains, situated here.

Due to its character, the Jeseník District is an ideal destination for tourists. Almost a half of the District lies within the Jeseníky Protected Landscape Area, as well as there being some areas which have been proclaimed national Nature Reserves. In winter, the District of Jeseník is a favourite destination for skiers, while in summer, tourists can use the relatively dense network of cycle paths. Apart from its natural beauty and sporting activities, the District also has many significant cultural sites, such as Jánský vrch Chateau and the preserved folk architecture in Domašov. We must not forget the spa industry, which has a long history in the area, dating back to the times of the famous Vincenz Priessnitz in the first half of the 19th century.

SELECTED FIRMS

<table>
<thead>
<tr>
<th>Name</th>
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<th>Contact</th>
</tr>
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<tbody>
<tr>
<td>Plastkon product, s.r.o.</td>
<td>Mikulovice u Jeseníku 1</td>
<td>plastic products</td>
<td><a href="http://www.plastkon.cz">www.plastkon.cz</a></td>
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<td>Priessnitzovy léčebné lázně, a.s.</td>
<td>Jeseník 1</td>
<td>spa industry</td>
<td><a href="http://www.priessnitz.cz">www.priessnitz.cz</a></td>
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<tr>
<td>Řetězárna, a.s.</td>
<td>Česká Ves</td>
<td>production of chains</td>
<td><a href="http://www.retezarna.cz">www.retezarna.cz</a></td>
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<tr>
<td>Sanatorium Edel, s.r.o.</td>
<td>Zlaté Hory v Jeseníkách</td>
<td>health care</td>
<td><a href="http://www.speleoterapie.cz">www.speleoterapie.cz</a></td>
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<tr>
<td>Slezský kámen, a.s.</td>
<td>Jeseník 1</td>
<td>raw materials mining (+ stone trading)</td>
<td><a href="http://www.kamen.cz">www.kamen.cz</a></td>
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<td>Stomix, s.r.o.</td>
<td>Žulová</td>
<td>building industry - heat insulation cladding for buildings</td>
<td><a href="http://www.stomix.cz">www.stomix.cz</a></td>
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BRIEF STATISTICS

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<thead>
<tr>
<th>Indicator</th>
<th>District</th>
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<tr>
<td>Area (sq. km)</td>
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<td>Population</td>
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<td>Inhabitants/sq. km</td>
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<td>Number of registered economic entities</td>
<td>10 936</td>
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<tr>
<td>Unemployment rate (in %)</td>
<td>11.50</td>
<td>6.87</td>
</tr>
</tbody>
</table>

Source: Czech Statistical Office

Olomouc District

The largest part of its area consists of the fertile plain known as Haná. With respect to the current possibilities, the District is in a relatively good economic situation. It is an area with developed industry and quality services. Agriculture, textile, and clothing industries and engineering are the main sectors which thrive here. The industrial centre of the District is, of course, the district capital of Olomouc, one of the most colourful cities in the country (one finds here many companies and firms, as well as university life and a rich historical tradition). The Olomouc District is a significant area for tourism, cultural and social life. The above-mentioned city of Olomouc can definitely be considered the centre of the District; it boasts many historical sites – Přemyslid Palace, the Church of St Moritz and the Holy Trinity Column are listed by UNESCO. Olomouc is also a university city, with local Palacký University, the second oldest university in the country, enjoying very high prestige.

SELECTED FIRMS

<table>
<thead>
<tr>
<th>Name</th>
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<tr>
<td>INDUSTRIAL MACHINE SERVICE s.r.o.</td>
<td>Uničov - Brničko</td>
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<td>MORA AEROSPACE, a.s.</td>
<td>Hlubočky 3</td>
<td>aviation</td>
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<td>Mora Moravia, s. r. o.</td>
<td>Hlubočky 3</td>
<td>production of cooking appliances</td>
<td><a href="http://www.mora.cz">www.mora.cz</a></td>
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<td>Moravel, a.s.</td>
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<td>paper production and stationery, wholesale, retail</td>
<td><a href="http://www.moravel.cz">www.moravel.cz</a></td>
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<td>Moravské železárny, a.s.</td>
<td>Olomouc 9</td>
<td>engineering</td>
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<td>Olma, a.s.</td>
<td>Olomouc 9</td>
<td>food industry - milk, dairy products</td>
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BRIEF STATISTICS

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<td>Unemployment rate (in %)</td>
<td>5.82</td>
<td>6.87</td>
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Source: Czech Statistical Office
Prostějov District

The District of Prostějov lies in the very heart of Moravia. The area around the town of Prostějov is one of the most economically developed in the Region. The composition of local strong industrial sectors is influenced mainly by the character of the landscape. Due to the lowland character of the District, agricultural production prevails. Average harvests of grown crops – wheat, barley, industrial sugar beet and rape reach the highest levels in the whole of the Czech Republic. Among other sectors, we should mention engineering, the clothing, and food industries. The District is an area with many natural as well as cultural landmarks. There are many castles, chateaux, and churches, while the District is criss-crossed by little brooks and streams resulting in it being very picturesque. The cultural centre of the area is the town of Prostějov. Tourists can visit, for example, the Renaissance chateau and the Town Hall with its 66-metre-tall clock tower.

Přerov District

The Přerov District lies in Central Moravia, in the south-east of the Olomouc Region. It comprises 845 sq. km, with 134,722 inhabitants. A part of the District consists of the fertile plain of Haná, due to which 56% of the total area of the District is agricultural land. Haná gradually changes into the Oderské vrchy Hills, where forested areas are predominant. Forest covers almost 20% of the Přerov District.

### BRIEF STATISTICS

#### Prostějov District

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<td>Population</td>
<td>110,159</td>
<td>642,137</td>
</tr>
<tr>
<td>Inhabitants/sq. km</td>
<td>143.1</td>
<td>121.9</td>
</tr>
<tr>
<td>Number of registered economic entities</td>
<td>22,860</td>
<td>135,028</td>
</tr>
<tr>
<td>Unemployment rate (in %)</td>
<td>4.68</td>
<td>6.87</td>
</tr>
</tbody>
</table>

#### Přerov District

<table>
<thead>
<tr>
<th>Indicator</th>
<th>District</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (sq. km)</td>
<td>845</td>
<td>5,267</td>
</tr>
<tr>
<td>Population</td>
<td>134,722</td>
<td>642,137</td>
</tr>
<tr>
<td>Inhabitants/sq. km</td>
<td>159.4</td>
<td>121.9</td>
</tr>
<tr>
<td>Number of registered economic entities</td>
<td>26,000</td>
<td>135,028</td>
</tr>
<tr>
<td>Unemployment rate (in %)</td>
<td>7.96</td>
<td>6.87</td>
</tr>
</tbody>
</table>

### SELECTED FIRMS

**Prostějov**

- **Oděvní podnik, a.s. Prostějov**: clothes production. [www.op-profashion.cz](http://www.op-profashion.cz)
- **DT výhybkárna a mostárna, a.s. Prostějov**: engineering. [www.dtvm.cz](http://www.dtvm.cz)
- **Hanácké železárny a pěrovny, a.s. Prostějov**: engineering. [www.hzap.cz](http://www.hzap.cz)
- **Makovec, a.s. Prostějov**: food and drinks production. [www.makovec.cz](http://www.makovec.cz)
- **Palírna u Zeleného stromu - Starorežná Prostějov, a.s.**: production of spirits and other alcoholic drinks. [www.starorezna.cz](http://www.starorezna.cz)
- **FTL-First Transport Lines, a.s. Prostějov**: transport. [www.ftl.cz](http://www.ftl.cz)

**Přerov**

- **Plumlov Chateau (near Prostějov)** arranges cultural events such as exhibitions, concerts, or historical fencing shows.

- **Helfštýn** - the ruins of one of the largest castles in the Czech lands.
The District of Šumperk lies in the north of the Olomouc Region and is of a predominantly mountainous or even Alpine character. The District contains the Hrubý Jeseník Mountains, dominated by the second largest peak in the Czech Republic (1 492 m). The economic situation is partially aided by tourism, which is very active, due to the ideal mountainous conditions. Apart from this, engineering is the prevalent industry.

The Šumperk District is famous for its exceptional natural beauty, which stems mainly from the unique fusion of the beautiful mountains with the gentleness of the neighbouring valleys and plains. This outstanding landscape is protected in many places by reserves or protected landscape areas. Apart from Hrubý Jeseník, the other mountain range, Králický Sněžník, also abounds in natural riches and, especially in the winter months, is a sought-after tourist destination. Tourists often visit the region for its sights, one of the most significant being the Velké Losiny Renaissance chateau.

**SELECTED FIRMS**

<table>
<thead>
<tr>
<th>Name</th>
<th>Based in</th>
<th>Sector</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>VÁPENKA VITOŠOV, s.r.o.</td>
<td>Hrabová–Zábřeh</td>
<td>lime and limestone products</td>
<td><a href="http://www.vapenka-vitosov.cz">www.vapenka-vitosov.cz</a></td>
</tr>
<tr>
<td>Siemens Elektromotory, s.r.o.</td>
<td>Mohelnice</td>
<td>manufacture of low-voltage asynchronous electric engines</td>
<td><a href="http://www.siemens.cz">www.siemens.cz</a></td>
</tr>
<tr>
<td>HELLA AUTOTECHNIK NOVA, s.r.o.</td>
<td>Mohelnice</td>
<td>development and production of headlights</td>
<td><a href="http://www.hella.cz">www.hella.cz</a></td>
</tr>
<tr>
<td>CeramTec Czech Republic, s.r.o.</td>
<td>Šumperk</td>
<td>production of special ceramics made of silicone carbide</td>
<td><a href="http://www.ceramtec.cz">www.ceramtec.cz</a></td>
</tr>
<tr>
<td>EKOZIS, spol. s r.o.</td>
<td>Zábřeh</td>
<td>building realisation, production of milled aggregate</td>
<td><a href="http://www.ekozis.cz">www.ekozis.cz</a></td>
</tr>
<tr>
<td>SULKO s.r.o.</td>
<td>Zábřeh</td>
<td>production of plastic windows, doors, and shop windows</td>
<td><a href="http://www.sulko.cz">www.sulko.cz</a></td>
</tr>
</tbody>
</table>
**DESCRIPTION OF BUSINESS:**
- Domestic and international bulk cargo transportation and freight forwarding service
- Express consignments
- Logistic services and consulting
- Storage CZ-533 01 Pardubice, CZ-400 01 Ústí nad Labem, D-89 Herbrechtingen, D-73 Aalen

**PREMISES:**
- 400 01 Ústí nad Labem, Czech Republic
- 533 01 Pardubice, Czech Republic

**MOST FREQUENT DESTINATIONS:**
- EU States: Germany, Holland, Austria, Belgium, Czech Republic, Slovakia, Hungary, Romania, Italy
- Outside EU: Croatia
- NEW: daily traffic to Holland with road trains!

**SPECIALISATION:**
- Vehicles with space 120 cu. m and 38 pallet
- Crane loading 3 metres of height
- 15.5 m of bearing length
- Swop body

**STARTING JANUARY 2010, WE ARE LOOKING FOR A COOPERATING PARTNER WHO CAN HELP US WITH BACKLOADS TO GERMANY, CZECH REPUBLIC, AUSTRIA, SLOVAKIA, OR TO HUNGARY AND ROMANIA FOR ROAD TRAINS FROM NL-5341 OSS. WE WILL HAVE MORE TRUCKS PER DAY THERE.**

**QUALITY AND RELIABILITY ARE OUR DISTINCTIONS**

KAREKA, spol. s r.o., Jumbo Spedition, Na Luhách 12, 400 01 Ústí nad Labem, Czech Republic
E-mail: pavel.svoboda@kareka.cz • David Kovářík, Legal representation, phone: +420 475 258 541, fax: +420 475 201 233
GSM: +420 602 118 385, e-mail: david.kovarik@kareka.cz