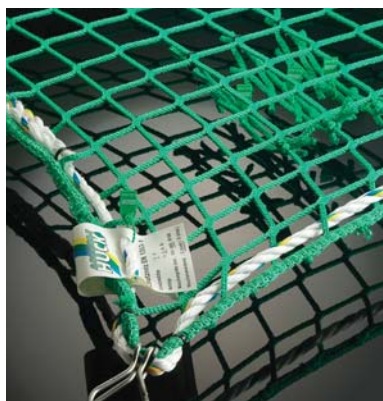


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Ministry of Industry and Trade of the Czech Republic



MINISTRY OF
REGIONAL
DEVELOPMENT CZ

Ministry of Regional Development of the Czech Republic



Confederation of Industry of the Czech Republic



Czech Chamber of Commerce



Confederation of Employers' and Entrepreneurs'
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CzechTrade



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CzechTourism



Czech Centres



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Export Guarantee and Insurance Corporation



Czech National Bank



Czech Export Bank

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Prague - Wenceslas Square - Statue of St Wenceslas



Mutual relations between the Czech Republic and Estonia are trouble-free, even excellent, and they have been successfully developing in all areas of our common interests. We are linked by, among other things, our membership and shared interests in the EU and other international organisations. The remarkable quality of our mutual relations is evidenced not only by the frequency of top-level visits, but also by our collaboration in the cultural area.

Trade relations between the Czech Republic and Estonia have a long tradition, which can be seen, for example, from the fact that the rolling stock of Estonia's public municipal transport, which is now – truth to be told – getting a bit old, consists, among others, of trams manufactured exclusively in the former Czechoslovakia.

The Czech Republic is interested in the Estonian market. Czech products were present on the local market both before the war and in the past decades of common economic history, and have always been in high demand.

The political changes that took place in the countries of Central and Eastern Europe at the end of the 90s ushered in a new era of building political and trade-economic relations in both countries.

In view of the fact that both countries have become a part of the Single Internal Market of the EU, which is governed by EU legislature, there are no further obstacles or limitations standing in the way of mutual trade. Internal EU trade is not subject to Customs inspections nor control modes. There is, however, the obligation to record data in the INTRASTAT statistics system, as well as measures that follow from the application of national tax laws in the area of VAT and excise duty.

Estonia is a paradise for foreign investments, thanks to its transparent tax system, stable exchange rate of the domestic currency towards the Euro, relatively high level of education, and good proficiency in languages. Nevertheless, Czech firms have not been taking advantage of these benefits to a sufficient degree and have not been investing much in the Estonian industry and services.

Škoda motor cars are a visible Czech product in Estonia. Czech beer is traditionally sold in Estonia (there are opportunities for further expansion in this territory), and the selection of food products is growing (the potential for further growth of trade exchange is not exhausted in this area as well). Czech glass is also popular on the market.

Czech manufacturers of trams and suppliers of related services have been closely watching the Tallinn City Hall's intention to commence the realisation of a project for the construction of two new tram lines and the associated renovation of Tallinn's tram rolling stock. The Czech government supports the establishment of contacts between the Estonian transport companies and Czech manufacturers of means of public municipal transport, and it trusts that the recently opened negotiations will result in the conclusion of mutually beneficial contracts. Owing to their quality, economic operation and favourable price, Czech trolley-buses are a suitable solution for Tallinn and potentially other Estonian towns as well.

Our suppliers should also pay attention to the Rail Baltika project of a rail link between the Baltic States and Western Europe. They have the chance of succeeding, both during the construction of the railway and the supply of trains.

Considerable financial means from national and EU funds will also be invested in improving the natural environment. Czech firms can offer supplies of technologies for water treatment and waste disposal.

Alexandr Langer

Ambassador of the Czech Republic to the Republic of Estonia



Having just recently taken office, I would like to use this opportunity, the first I have had so far, to address readers of this publication, which has as its aim assisting in the promotion of Czech-Latvian trade and economic relations. I am looking forward to being able to meet personally those to whom this publication is addressed, at various events, either individually or in connection with different business missions and forums, or on the occasion of branch presentations and exhibitions.

However, in this connection I cannot omit looking back with a short review of the rather dramatic development of Czech-Latvian trade and economic relations in the past few years. In the pre-crisis period, until 2008, when the Baltic Region and Latvia experienced an economic boom, the presence of Czech goods and advanced technologies in those markets was strongly in evidence, and was growing markedly from year to year. Then, in the profound economic and financial crises, which affected practically the whole world, Latvia found itself most badly hit among the new EU member states, with its purchasing power falling dramatically, especially on the part of Latvian consumers, which halted investment purchases of local firms. At the very lowest point of the crisis—the turn of the years 2009/2010—Czech-Latvian trade turnover plummeted to practically one half of its previous value.

Fortunately, this situation did not last long. In mid-2010, trade began to recover and, throughout 2011, output was rising by tens of per cent each month. If we accept, as the proverb goes, that every cloud has a silver lining, we can say that the crisis has opened our eyes and uncovered shortcomings and reserves which we had not seen before. Therefore, we consider the recession, which we hope is waning, as a new opportunity. While, in the area of pure trading, we have a number of well-established “lines” and projects—this applies, for example, to Latvian deliveries of metal products to the Czech Republic and Czech transport equipment to Latvia—in the higher forms of cooperation, we have not as yet progressed too far, and no real achievements can be noted in the area of direct investments. At the same time, we are aware of the justified interest of the Latvian side in attracting foreign capital, reviving domestic production and resolving the acute problems of high unemployment rates and resulting emigration.

Other areas of cooperation, too, offer a still unused potential, especially in the services sector, including tourism. Also considerable opportunities exist in the possibility of collaboration in third markets, in sharing certain infrastructure projects co-financed from EU or other international sources. This applies especially to the power industry, the modernisation and construction of ports, roads and railways—in particular, the Rail Baltica project; opportunities also exist in connection with different ecological activities, such as waste management and the thermal insulation of buildings, where Czech suppliers already have considerable experience. At the beginning of 2012, the Latvian side informed us about their interest in expanding trade in the defence industry.

I expect that more opportunities will soon emerge, so that we may better discover our mutual needs and establish useful contacts, whether during company missions accompanying state representatives, or during presentations organised by sector associations and chambers, joint participation in trade fairs and other activities aimed at promoting Czech-Latvian trade and economic collaboration.

The Embassy of the Czech Republic in Riga is looking forward to the further development of Czech-Latvian contacts; in 2012, economic cooperation will be a priority in the work of our diplomatic mission.

Pavol Šepelák

Ambassador of the Czech Republic to the Republic of Latvia



I am pleased to have the opportunity to address the readers of the 2012/2013 edition of “Czech Republic - Your Trade Partner” publication. The first written record of Czech-Lithuanian relations can be traced back to 1397, when Lithuanian college was founded at Prague University. In 1410, Jan Žižka fought in the Battle of Grunwald (Žalgiris) alongside the Grand Duke Vytautas the Great. In the 19th century, the Czech national movement gave impetus to the Lithuanian national revival and the Czech letters ž, č, š made their way into Lithuanian alphabet. The Czechoslovak government was one of the first to recognise the independent Lithuania on 5 January 1922.

Our successful business cooperation dates back to early 1920s. Upon purchasing eight Š-20L (L standing for Lithuania) biplanes manufactured by Letov Kbely for Lithuanian Air Force (Karo Aviacije), Lithuania effectively became the first export market for Czech aviation industry. Commercial relations between the two countries have, however, never been more dynamic than today. Except for 2008-2009 period, volume of mutual trade in the last 20 years grew annually by 25 per cent on average. In 2011, the trade turnover advanced to its pre-crisis level of over EUR 400 million.

Czech-made products are not unfamiliar to Lithuanian customers. While Budweiser Budvar and Pilsner Urquell beer brands do not need much introduction, we noticed a growing demand among Lithuanian wine lovers for balanced wines from South Moravia known for their characteristic taste, such as Pinot Gris and Pálava. Likewise, pharmaceutical company Zentiva (today part of sanofi-aventis group) and food-supplement producer Wallmark have many loyal consumers in Lithuania. Passengers frequently commuting between Vilnius and Kaunas appreciate new quality of railway transportation on board of modern double-deckers (or CityElefants, as we call them in the Czech Republic) supplied by ŠKODA VAGONKA. I am pleased to announce that the fleet of very popular electric multiple-unit vehicles operated by Lithuanian Railways (Lietuvos geležinkeliai) will double by 2014.

With air transportation growing rapidly, Prague benefits from being one of only three EU capitals with daily flights from Vilnius. Though other cities are serviced by low-cost carriers, flying with Czech Airlines via Prague to destinations across Europe is for many Lithuanian businessmen part of their travel routine. From those who prefer driving on the road in their own car, almost 10 per cent have chosen one of ŠKODA AUTO models last year. Sales of the largest Czech exporter advanced well over 30 per cent in 2011 and staged an impressive comeback to claim the 4th position in Lithuania's car market.

The growth of Lithuanian exports to the Czech Republic is equally impressive. In the five years before the 2008-2009 period, Lithuanian exports grew annually by 40 per cent on average. Preliminary data show that 2011 was indeed a record-setting year for Czech imports from Lithuania. Major import items include plastic materials, furniture, fertilisers, paper, textile, agricultural and dairy products, therefore it is no surprise that Ikea Hanim, Chemopetrol, Philip Morris, Agrofert Holding, and ArcelorMittal Distribution are among the largest Czech importers from Lithuania.

With mutual trade exceeding many of the higher purchasing power economies, Czech Republic and Lithuania are traditionally good and dependable allies and exports partners. The Embassy of the Czech Republic to Lithuania is firmly committed to further strengthening our economic and political partnership.

Radek Pech

Ambassador of the Czech Republic to the Republic of Lithuania



[Czech Exporters]

Czech enterprises that present their products and services in this publication intend to expand their exports and seek trade partners in Estonia, Latvia or Lithuania. The firms are listed according to the branch codes - NACE.

20.10	Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms		28.25	Manufacture of non-domestic cooling and ventilation equipment	
	EWAC spol. s r.o.	33		FANS, a.s.	60
20.59	Manufacture of other chemical products n.e.c.		28.29	Manufacture of other general-purpose machinery n.e.c.	
	ANALYTIKA, spol. s r.o.	24		EWAC spol. s r.o.	33
23.99	Manufacture of other non-metallic mineral products n.e.c.		28.40	Manufacture of metal forming machinery and machine tools	
	EUTIT s.r.o.	49		TOS VARNSDORF a.s.	2
25.20	Manufacture of tanks, reservoirs and containers of metal		28.41	Manufacture of metal forming machinery	
	ABX, spol. s r.o.	21		WEILER Holoubkov s.r.o.	31
	DESTILA, s.r.o.	26	28.93	Manufacture of machinery for food, beverage and tobacco processing	
	HAAS + SOHN Rukov, s.r.o.	47		DESTILA, s.r.o.	26
25.30	Manufacture of steam generators, except central heating hot water boilers			J 4 s.r.o.	27
	ABX, spol. s r.o.	21	28.99	Manufacture of other special-purpose machinery n.e.c.	
	HAAS + SOHN Rukov, s.r.o.	47		J 4 s.r.o.	27
25.50	Forging, pressing, stamping and roll-forming of metal; powder metallurgy		29.20	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	
	KOMAP DĚDOV s.r.o.	38		AGADOS, spol. s r.o.	59
25.71	Manufacture of cutlery		32.30	Manufacture of sports goods	
	ROSTEX VYŠKOV, s.r.o.	55		Berger - Huck s.r.o.	15
25.72	Manufacture of locks and hinges		41.00	Construction of buildings	
	ROSTEX VYŠKOV, s.r.o.	55		Metrostav a.s.	11
25.73	Manufacture of tools		42.00	Civil engineering	
	KOMAP DĚDOV s.r.o.	38		Metrostav a.s.	11
	ROSTEX VYŠKOV, s.r.o.	55	43.00	Specialised construction activities	
25.99	Manufacture of other fabricated metal products n.e.c.			Metrostav a.s.	11
	ŽALUZIE NEVA s.r.o.	47	45.30	Sale of motor vehicle parts and accessories	
27.10	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus			H + D kovo, s.r.o.	31
	AŽD Praha s.r.o.	28	45.31	Wholesale trade of motor vehicle parts and accessories	
27.11	Manufacture of electric motors, generators and transformers			H + D kovo, s.r.o.	31
	EWAC spol. s r.o.	33			

46.17	Agents involved in the sale of food, beverages, and tobacco BRAINWAY Inc. s.r.o.	18
46.38	Wholesale of other food, including fish, crustaceans and molluscs BRAINWAY Inc. s.r.o.	18
46.43	Wholesale of electrical household appliances VIENNA-COMPONENTS-TRADING s.r.o.	44
46.52	Wholesale of electronic and telecommunications equipment and parts VIENNA-COMPONENTS-TRADING s.r.o.	44
46.90	Non-specialised wholesale trade Berger-Huck s.r.o.	15
51.00	Air transport Letiště Praha, a. s.	4
52.20	Support activities for transportation Letiště Praha, a. s.	4
52.21	Service activities incidental to land transportation AŽD Praha s.r.o.	28
62.00	Computer programming, consultancy and related activities AURA, s.r.o. CS SOFT a.s. TurboConsult s.r.o.	41 41 34
62.01	Computer programming activities ARTISYS, s.r.o. CS SOFT a.s. TurboConsult s.r.o.	50 41 34
62.02	Computer consultancy activities ARTISYS, s.r.o. AURA, s.r.o. CS SOFT a.s.	50 41 41
63.00	Information service activities TurboConsult s.r.o.	34
64.11	Central banking Česká exportní banka, a.s.	10
64.99	Other financial service activities, except insurance and pension funding n.e.c. Česká exportní banka, a.s.	10
70.20	Management consultancy activities AURA, s.r.o.	41
71.11	Architectural activities Kovoprojekta Brno a.s. Pontex, spol. s r.o.	53 49
71.12	Engineering activities and related technical consultancy Kovoprojekta Brno a.s.	53
71.20	Technical testing and analysis Český metrologický institut	17
72.19	Other research and experimental development on natural sciences and engineering ARTISYS, s.r.o.	50
73.10	Advertising M.I.P. Advertising, a.s.	56
82.30	Organisation of conventions and trade shows Veletrhy Brno, a.s.	13

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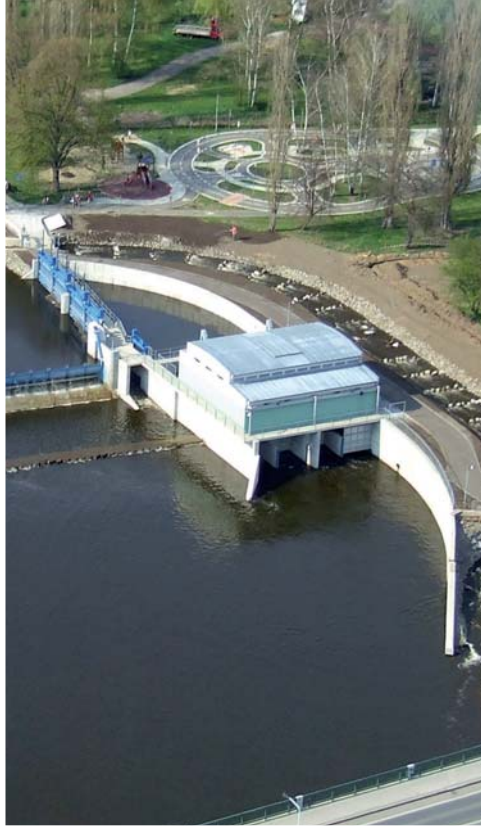
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| 1 | 2 | 1/ Metro Line A extension, section VA, TBM-driven running tunnel |
| | 3 | 2/ Small water power plant Beroun |
| | 4 | 3/ Expansion of the central crude-oil tank farm in Nelahozeves |
| | | 4/ D3 motorway, bridge over Koberný pond |

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[Useful Information]

BASIC DATA

Population	10 548 527 (September 2011)
Area	78 864 sq. km
Capital	Praha (Prague)
State system	Republic
Language	Czech
Highest peak	Sněžka (Snow Mountain) (1602 metres above sea level)
Time zone	Central European time GMT + 1, summer time GMT + 2
Currency	1 koruna česká / Czech crown (Kč / CZK) = 100 halers
Internet domain	.cz

The President of the Czech Republic
is Václav Klaus.

MEMBERSHIP

The Czech Republic is a member of the European Union, the United Nations, NATO, WTO,

For additional practical information on the conditions of transport to the Czech Republic and a stay in the CR, see www.czech.cz.

the International Monetary Fund, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, the OECD, and many other organisations.

UNESCO WORLD HERITAGE

The following sites are included in the UNESCO list of world cultural heritage: Prague, Průhonice Park, Český Krumlov, Kutná Hora, Castle in Litomyšl, Telč, the Lednice-Valtice area, Zelená Hora – Church of St. John of Nepomuk, Holašovice, Kroměříž (castle and gardens), the Trinity Column in Olomouc, Tugendhat villa in Brno (architect Ludwig Mies van der Rohe), Basilica of St Procopius and the Jewish cemetery in Třebíč. The first non-material piece of cultural heritage included in the list is the Moravian Slovak recruits' dance, "Verbuňk". Added to the list of the UNESCO non-material heritage in 2010 were the Hlinecko shrove processions and falconry. **More information can be found at www.unesco-czech.cz.**

NOTABLE PERSONS

The Czechs are described as a very cultured nation which has contributed a large number of prominent figures to the world. The most significant rulers and heads of state have included Emperor Charles IV, Presidents T.G. Masaryk, Edvard Beneš, and Václav Havel. Figures of world renown include Jan Amos Komenský (Comenius), "the Teacher of Nations", scientists Jaroslav Heyrovský (Nobel Prize laureate in Chemistry), Otto Wichterle, a Czech

chemist who invented contact lenses, and Antonín Holý (Honorary Professor in Medicinal Chemistry), who discovered a drug treatment for AIDS. Sigmund Freud, the founder of Psychoanalysis, had Czech roots. World renown was also achieved by the entrepreneur Tomáš Baťa, as well as by Madeleine Albright, former US Secretary of State. The list of famous people in the cultural sphere includes composers Bedřich Smetana, Leoš Janáček, Antonín Dvořák (his symphony "From the New World" accompanied the first man on the Moon), and Bohuslav Martinů, writers Franz Kafka, Karel Čapek, Jaroslav Seifert (Nobel Prize laureate), Jaroslav Hašek, Bohumil Hrabal and Milan Kundera, and mezzo-soprano Magdalena Kožená. Winners of the American Academy Award are Czech film directors Miloš Forman (born in the Czech Republic), Jiří Menzel, and Jan Svěrák. Others worthy of mention are the artists František Kupka, Alfons Mucha, and the unique-style photographer Jan Saudek. Athletes of world renown include Emil Zátopek, Věra Čáslavská, Petr Čech, Pavel Nedvěd, Dominik Hašek, Jaromír Jágr, Jan Železný, Kateřina Neumannová, and numerous others. Kateřina Emmons, Barbora Špotáková, and David Kostelecký won gold medals at the 2008 Olympic Games in Beijing. Speed skater Martina Sáblíková is a double winner from the 2010 Olympic Games in Vancouver. In 2011, Petra Kvitová won the Wimbledon women's singles tennis title. Both Martina Navrátilová and Ivan Lendl are Czech-born as well.

PRACTICAL INFORMATION

Country dialling code: +(420). Details on telephone numbers are available on the web pages www.zlatestranky.cz. Licences for **mobile networks** in the territory of the Czech Republic have been granted to the following companies: Telefónica O2 Czech Republic,



Mariánské Lázně

State Symbols of the Czech Republic

Large State Emblem



State Flag



a.s., T-Mobile Czech Republic a.s., Vodafone Czech Republic a.s., and MobilKom, a.s. The most widely used **credit cards** in the Czech Republic are: Eurocard/Mastercard, Maestro, and Visa.





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Veletrhy Brno



[Spas, Tourism, and Golf]

adapted to these. The present offer is not limited to typical spa stays and programmes for adults and children, but also includes popular wellness programmes. The latter “made to measure” are managerial, anti-stress, slimming, detoxication, or wellness & beauty programmes. Czech spas propagate what is called medical wellness – the harmonic combination of the use of natural curative resources and qualified medical care, in a number of wellness procedures and supplementary activities (golf, nordic walking, etc.)

THE CZECH REPUBLIC – PERFECT CONGRESS AND INCENTIVE DESTINATION

The Czech Republic is an attractive destination for the organisation of congresses and incentive programmes, as it offers world-class services, while ranking among the safest destinations worldwide.

You can download the Incentive Catalogue in English at www.czechtourism.com (section Congressional Tourism). Further information about the Czech Convention Bureau is available at www.czechconvention.com.

UNIQUE FEATURES OF THE CZECH SPA INDUSTRY

Nowhere else in the world is there such a concentration of curative springs as in the West Bohemian spa triangle, formed by the renowned spa towns of Karlovy Vary, Mariánské Lázně, and Františkovy Lázně. The list of unique Czech features would be incomplete without mention of the Jáchymov and Jeseník spas. In 1906, Jáchymov followed up

Further information about the different spas is available on the websites of the CzechTourism Agency (www.czechtourism.com, link Spa holiday), where you can download free of charge the current Spa Catalogue in Czech, English, German, and Russian, or on the websites <http://spa.czechtourism.com>, and www.spas.cz.

the scientific discoveries made by Marie Curie and was the first in the world to use the curative effects of radon water. Jeseník owes its fame to Vincenz Priessnitz, who established the first institute of hydrotherapy at this site in 1822. But what makes the Czech spa industry so unique? It is primarily the combination of quality medical care, progressive methods of treatment and rehabilitation, and the use of natural elements: mineral waters, curative peloids (peat, mud, and medicinal clay), natural gases and the wholesome effects of the climate.

SPA PROGRAMME FOR EVERYBODY

A rest from duties and stress, the treatment of health problems, or convalescence – the reasons for going to spas vary and spa programmes are

Moreover, its five international airports and international railway network provide excellent access to the country.

One of the undoubted advantages of the organisation of congresses in the Czech Republic is the ratio of the value of services to prices. The cost of your event will be reasonable, even with highly professional services. This is doubly true if you decide to arrange your meeting elsewhere than in the capital city – the prices in the regions are cheaper by far and the standard of services does not differ. In the Czech Republic, you can choose an incentive programme according to your fantasy. In January 2010, the CzechTourism Agency established an association called the Czech Convention Bureau. Its objective is the unified propagation, both at home and abroad, of the Czech Republic as a congress and incentive destination.

THE CZECH REPUBLIC AND GOLF

Golfers will find in the Czech Republic a unique combination of courses set amidst natural beauty and historical monuments. Golf courses almost cover the whole map of the country and the boom in their construction continues. Investors are concentrating especially on the high standard of the courses and their amenities, including accommodation and wellness programmes.

The quality of Czech golf courses is also proved by the fact that many of them have been designed by prominent foreign architects, such as Gary Player (the course at Cihelny near Karlovy Vary), Miguel A. Jiménez (the course at Čeladná), Les Furber and Jim Eremek (the course at Karlštejn), and John Burns (the course at Konopiště).

A complete list of golf courses in the Czech Republic is to be found in the CzechTourism Golf Catalogue, which you can download at www.czechtourism.com (section Active Holiday). The catalogue is available in English and German and divided according to the regions of the Czech Republic. The description of every course includes basic information about the course, a map of the signature hole, GPS coordinates, and suggestions for accommodation in free categories: family, wellness, and congress.



BERGER-HUCK TRADITION AND KNOW-HOW

HUCK nets and ropes

virtually no other material is used for such a variety of applications. The top quality of the basic materials and the special knot-free process used make it possible for the nets to be used for formerly unimaginable purposes – from small net pockets in cars, sports nets and safety netting systems, to giant rope pyramids. HUCK nets are an uncompromising solution for different kinds of sport, children's playgrounds, environmentally friendly and safety products, construction, transport and the automotive industry.

Berger gym mats

school mats, gym landing areas and carpets used in athletics, judo and martial arts, safety mattresses and lining – top quality materials, perfect processing and design, guaranteeing durability and tear resistance, a long service life and easy maintenance.

HASPO constructions

aluminium constructions, sections and systems for sports and multifunctional compounds, sports grounds and halls, with safety certificates, easy handling and minimum maintenance costs for the whole life of the facilities.

Sport-Thieme

one of the largest European mail-order suppliers in the area of sport. Its catalogue covers thousands of items, from pins to complete ready-to-use stadiums. It represents the Berger-Huck s.r.o. firm on the Czech and the Eastern European markets.

BERGER-HUCK s.r.o. – Tradition and Know-How

Berger-Huck s.r.o. was established in 1992 in the Czech Republic as a joint project of the firms Manfred HUCK GmbH and Berger GmbH. The original plan to set up a commercial representation on the Czech market soon turned into building up a manufacturing firm, which today employs more than 100 people and, through its partner network, distributes its products throughout the world.

Within the framework of this international cooperative project, it is continuing a 50-year tradition in making sport, safety, and industrial netting and a 30-year tradition in gymnastic mat manufacture. Besides these main activities, Berger-Huck s.r.o. supplies a wide range of sports equipment and requisites for sports grounds, stadiums, halls and children's playgrounds. The basic philosophy of the firm is the top quality of its products, guaranteed by ISO 9001 certificates for the area of sports and ISO TS 16949 for the automotive industry, short delivery terms and a total commitment towards its customers and trading partners.

Berger - Huck s.r.o.

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phone: + 420 466 673 306, fax: + 420 466 673 305

e-mail: info@berger-huck.cz

www.huck.cz, www.sport-thieme.cz

www.berger-huck.cz



[Czech Economy in 2010 and 1st to 3rd Quarter of 2011]

Following the economic slump in 2009, the Czech economy grew again in 2010. Compared with the EU 27 average, it showed a higher growth rate of GDP and in the export of goods and services.

The general unemployment rate, too, was more favourable and so was the economic performance of sectors, in terms of gross value-added rates. In the specific quarters of 2011, the situation changed again – the growth of the Czech economy slowed down, while the performance of the EU economy increased.



GROSS DOMESTIC PRODUCT

In 2010, economic growth measured by the growth of gross domestic product amounted to 2.7% in real terms. Real year-on-year growth was recorded in all four quarters. A higher growth rate was shown in foreign trade, and capital creation increased as well. In the 1st to 3rd quarters of 2011, the only growth factor was net exports, real year-on-year GDP growth amounted to 2%. Gross value added increased by 3.3% in 2010, and by 2% in the three quarters of 2011. The increase in gross value added was mainly due to manufacturing sectors, especially the car manufacturing industry. Negative effects on economic growth included a drop in household as well as government consumption, and a decline in investment.

INDUSTRY

Following the unsuccessful year 2009, in 2010 industrial production rose by 10.3%. Major contributors to the overall growth were some sectors of the manufacturing industry, which rose by a total of 11.5% year-on-year. These were mainly the automotive industry (22.7% increase), metalworking (16.8% increase), the electronic industry (26.1% increase), and pharmaceutical industry (14.9% increase).

Macroeconomic Indicators of the Czech Republic

		2006	2007	2008	2009	2010	1-3.Q.2011
Gross Domestic Product (current prices) ¹⁾	CZK, billion	3 352.6	3 662.6	3 848.4	3 739.2	3 775.2	2 863.30
Gross Domestic Product ¹⁾	%, real, y/y	7.0	5.7	3.1	-4.7	2.7	2.0
Industrial Production	%, y/y	8.3	10.6	-1.8	-13.6	10.3	8.3
Registered unemployment ²⁾	%	7.7	6.0	6.0	9.2	9.6	8.7
General unemployment rate according to selective labour force examination ³⁾	%	7.1	5.3	4.4	6.7	7.3	6.9
Inflation (HICP ⁴⁾)	%, average	2.1	3.0	6.3	0.6	1.2	2.9 ⁷⁾
Exports ⁵⁾	EUR, mil.	75 699.0	89 396.0	99 247.0	80 992.0	100 319.0	86 938.0
Exports ⁵⁾	%, y/y	20.2	18.0	-25.5	-18.4	23.9	19.5
Imports ⁵⁾	EUR, mil.	74 305.0	86 238.0	96 533.0	75 322.0	95 544.0	81 429.0
Imports ⁵⁾	%, y/y	20.2	16.1	-27.2	-22.0	26.8	18.0
Balance of Trade ⁵⁾	EUR, mil.	1 394.0	3 159.0	2 714.0	5 670.0	4 774.5	5 508.0
CZK/EUR ⁶⁾	average	28.343	27.762	24.942	26.445	25.290	24.361
CZK/USD ⁶⁾	average	22.609	20.308	17.035	19.057	19.111	17.334

Source: Czech Statistical Office, Czech National Bank (ČNB), General note: y/y shows year-on-year change in the indicator, 1) Figures after revision, year 2010, estimates, 2) Registered unemployment rate according to the Ministry of Labour and Social Affairs, 3) LFSS = Labour Force Sample Survey, 4) HICP = Harmonised Index of Consumer Prices, inflation rate by EU method, 5) Foreign trade data expressed in EUR are the sum of the different monthly values in CZK calculated by the average monthly exchange rate announced by the Czech National Bank, 6) Czech National Bank, 7) November 2011

In 9 months of 2011, industrial production rose by 8.3%, mainly due to the car manufacturing industry.

FOREIGN TRADE

In 2010, Czech foreign trade recorded its highest turnover ever. In comparison with 2009, it rose by 19% (in terms of EUR, by 24.4%). The balance of trade showed a surplus of CZK 121.6 billion (EUR 4.8 billion), less than in 2009. The lower surplus was influenced by a higher year-on-year balance of trade deficit with states outside the EU. A higher growth rate in exports than in imports in the second and third quarters of 2011 brought a record balance of trade surplus. In 9 months, it totalled CZK 134.1 billion (EUR 5.5 billion), a year-on-year increase of CZK 36.5 billion (EUR 1.7 billion) over the same period of 2010. The balance improved in machinery and transport equipment.

PRICES

The inflation rate, measured by the consumer price index, amounted to 1.5% in 2010, and was thus the third lowest inflation rate since 1989. The increase in the overall consumer price level was mainly caused by prices in the category of food and non-alcoholic beverages, and from the second half by housing prices reflecting the rise in rents and energy prices. In 2011, consumer prices increased by 1.7% in the first quarter year-on-year, and by 1.8% in each of the next two quarters.

WAGES

The average gross monthly nominal wages of employees (full-time equivalent) amounted to CZK 23 797 (approx. EUR 940) in 2010, nominal-

ly 1.9% more, and in real terms 0.4% more than in 2009. In the business sector, real wages rose by 1.0%, in the non-business sector they dropped by 2.1%. In the 1st to 3rd quarters of 2011, average wages increased nominally by 2.2%, and in real terms by 0.4%. In the business sector, the nominal average wages went up by 2.9%, in the non-business sector they were 0.5% lower.

Jana Bondyová
Czech Statistical Office
www.czso.cz

All data are based on the balance of 1 June 2011, for CZK/EUR conversion the average monthly rate published by the Czech National Bank was used.





**ČESKÝ
METROLOGICKÝ
INSTITUT**

CMI (Czech Metrology Institute) is a national metrology institute of the Czech Republic providing comprehensive services in metrology at top technical levels in all the areas of scientific, technical, and economic activities. CMI is a signatory of the CIPM Mutual Recognition Arrangement (www.bipm.org) with most metrological services accredited by a signatory of the ILAC MLA.

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[Czech-Estonian Trade and Economic Relations]

Trade cooperation between the Czech Republic and Estonia has a long tradition. The political changes that took place in the countries of Central Europe at the end of the 90's meant a new era of building political, business, and economic relations for both countries. Estonia is the smallest of the Baltic States, and the amount of trade exchange makes it the smallest trade partner of the Baltic states for the Czech Republic. Despite that hundreds of small and medium businesses as well as large enterprises have found business on this market. As can be seen in Table No. 1, the consistent growth-trend of Czech-Estonian mutual trade was interrupted by the economic crisis in 2008. The dynamics have been restored in 2010, and the development of trade exchange for the first 11 months of 2011 indicates that the rate of growth is on the rise. The trade balance is characterised by a permanently active balance for the Czech Republic.

While the Czech Republic is not one of Estonia's main trade partners (it is in 25th place when measured by exports), it has been maintaining its position at the end of the first twenty countries by the amount of import. Conversely, Estonia is in 48th place in the list of our export countries and in 61st place among countries importing into the Czech Republic.

We can be glad that 80% of **exports** to Estonia consist of product groups with higher added value, especially motor cars and other motor vehicles for the transport of persons, their parts, and electrical telecommunication devices and their parts (see Table No. 2). Important exporters to the Estonian market include ŠKODA AUTO, MITAS, SOR Libchavy, Karosa, BRALO CZ, LAUFEN CZ or ArcelorMittal Ostrava.

Imports from Estonia has long been dominated by iron and steel products, textiles, processed wood and various wooden products and fish (see Table No. 3). Estonian goods are imported by, for example,

**Table No. 1: Mutual trade CR/Estonia
in 2005 - November 2011 (in EUR million)**

Period	Exports	Imports	Turnover	Balance
2005	83.6	22.7	106.3	60.9
2006	116.3	26.6	142.9	89.7
2007	146.4	32.3	178.7	114.1
2008	137.6	38.6	176.3	99.0
2009	83.3	27.8	111.1	55.5
2010	118.4	42.8	161.2	75.6
I-XI 2011*	157.6	46.9	204.5	110.7

Source: Ministry of Industry and Trade of the Czech Republic * preliminary data

the following firms: Henkel, TUSCULUM, Baltaxia, Parker Hannifin Industrial, ASKO, KOVONA and others.

Opportunities in the **area of services** remain unused by both of the trade partners. Czech Airlines have a strong position on the Estonian market. Their activities offer possibilities for further development of other services, especially tourism in the Czech Republic. The majority of stays has so far been only for the short term and often only in Prague. The crisis interrupted ideas about implementing marketing measures to change this situation and shift the attention of the tourist trade towards regions and presenting the advantages of longer stays.

The amount of reciprocal **direct investments** is also smaller than what would be possible. According to data from the Bank of Estonia, the amount of direct Estonian investments in the Czech Republic declined to 4.2 million Estonian crowns (EEK), i.e. EUR 268 000, as of 30 June 2010, yet it was EEK 32.7 million (EUR 2.09 mil.) as of 31 December 2008. The majority of investments went to real-estate. On the other hand, the amount of Czech investments in Estonia increased – it was EEK 64.9 million (EUR 4.2 million) as of 30 June 2010 and EEK 54.1 million (EUR 3.5 mil.) as of 31 December 2008. These investments were oriented at transport, wholesale, retail, and car servicing. There were 21 joint enterprises operating in Estonia as of 1 April 2010.

In view of the fact that both countries have become a part of the **Single Internal Market of the EU**, which is governed by EU legislature, there are no further obstacles or limitations in the way of mutual trade. Internal EU trade is not subject to customs inspections nor control modes. There is, however, the obligation to record data in the INTRASTAT statistics system, as well as measures that follow from the application of national tax laws in the area of VAT and excise duty.



TRADE RELATIONS PERSPECTIVES

As follows from the statistics of mutual trade exchange, our exporters make use of the favourable development of Estonia's economy. Škoda motor cars are a visible Czech product in Estonia (there was an increase in the number of Škoda Superbs, and Roomster was voted the best model on the Estonian market by professional magazines in 2007). Czech beer is traditionally sold in Estonia (there are opportunities for further expansion in this territory), and the selection of food products is growing (the potential for further growth of trade exchange is not exhausted in this area as well). Czech glass is also popular on the market.

An open opportunity for our producers of trams is the building of new tram lines and the renovation of the tram rolling stock in Tallinn, which has been planned for several years and should be realised with financial participation of EU funds. The firms Škoda Transportation and INEKON GROUP have presented their interest in this contract several times in Tallinn. The same holds true for supplies of buses for city, regional, and tourist transport, trolley-buses and recently also electrobuses and electrominibuses.

The long-considered project of a rail link between the Baltic states and western Europe, Rail Baltika, is also worth paying attention to. The Estonian government has approved the project and expressed hope that the governments of Latvia and Lithuania and the European Commission will adopt a similar decision. According to Estonia, the building of the railway in accordance with EU norms should be started in 2014. Our suppliers can offer their services both during the construction of the railway and for the supply of trains.

The power industry is a very perspective field, in which the Czech Republic can provide help. In accordance with the "National Development Plan of the Energy Sector until 2020", the following should be realised: power plants with combined production of electrical energy and consumer heat, use of biomass, construction of wind power plants, improvement in the technology for the combustion of asphalt shale, and a significant reconstruction of power distribution networks. Czech enterprises are very active in these areas, especially following their recent success in acquiring some important orders for the construction of new power plants in the Baltic states (Siemens Industrial Turbomachinery, s. r. o., Brno or Ditherm, a. s., Prague). Considerable financial means from national and EU funds will be also invested in improving the natural environment. Czech firms can offer supplies of technologies for water treatment and waste disposal.

An important and positive role in the mutual Czech-Estonian relations is played by the direct

Table No. 2: Most important Czech export items in 1-11/2011*
Nomenclature of the Harmonised System 4

Code	Name	Share in %	EUR thous.
8703	Motor cars and other motor vehicles principally designed for the transport of persons	15.56	24 523
8544	Wires, cables, insulated electric conductors, optical fibre cables	7.99	12 583
8708	Parts and accessories of motor vehicles for the transport of persons or goods, tractors etc.	3.57	5 624
8702	Motor vehicles for the transport of ten or more persons, including the driver	2.33	3 669
8517	Electrical apparatus for line telephony or line telegraphy	2.28	3 597
3917	Tubes, pipes and hoses, and fittings (for example joints, elbows, flanges) of plastics	2.15	3 393
7214	Bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded	2.07	3 270
	Other	64.05	100 925
Total		100.00	157 584

Source: Ministry of Industry and Trade of the Czech Republic, * preliminary data

Table No. 3: Most important Czech import items in 1-11/2011*
Nomenclature of the Harmonised System 4

Code	Name	Share in %	EUR thous.
7210	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated	24.83	11 649
5703	Carpets and other textile floor coverings, tufted, whether or not made up	5.26	2 469
4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm.	4.99	2 339
5704	Carpets and other textile floor coverings, of felt, not tufted or flocked, whether or not made up	4.65	2 183
9406	Prefabricated buildings	4.11	1 930
1604	Prepared or preserved fish; caviare and caviare substitutes prepared from fish egg	3.87	1 816
4409	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed	3.71	1 741
	Other	48.58	22 791
Total		100.00	46 918

Source: Ministry of Industry and Trade of the Czech Republic, * preliminary data

Prague-Tallinn air connection. The position of Czech Airlines on the Estonian market offers possibilities for further development of other services, especially various forms of tourism in the Czech Republic. It is in the interest of both of our countries to support the tourist trade in both directions.

Ministry of Industry and Trade
www.mpo.cz



Fireplace stoves, Tiled stoves *Fireplaces, Fireplace inserts*

ABX, spol. s r.o. (ABX Ltd.) was incorporated in Rumburk in 1992. Today, the company employs more than 300 employees in the production plants in Rumburk, Varnsdorf, and Staré Křečany. Annual stove production has recently exceeded 30,000 pieces and in addition to the Czech Republic, major customers are coming from Germany, Austria, Italy, Greece, Switzerland, the Netherlands, Belgium, Sweden, Finland, Poland, Slovakia, Lithuania, Latvia, Belarus, the Ukraine, Estonia...

All stoves of our production are designed based on the latest development in the industry. Supplied secondary and tertiary air promotes excellent combustion and provides extremely clean flue gases with minimum pollution effect on the environment.

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www.abx.cz

Representation:

UAB „Senuku Prekybos Centras“

Pramones pr. 6, 51500 Kaunas, Lithuania

Tel.: +370 37 327 551

Fax: +370 37 304 141

Mail: marketing@senukai.lt

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Riia 128, 50411 Tartu, Estonia

Tel.: 7 331 350, Fax: 7 331 351

Web: www.decora.ee

Mail: decora@decora.ee



[Czech-Latvian Trade and Economic Relations]

The Czech Republic and Latvia have not only similar historical traditions, experience and cultural ties, but they also share close political and security goals, and especially a traditionally close economic and trade cooperation. Latvia, like the Czech Republic, has a clearly export-oriented open economy. Both countries are intensely interested in strengthening the international competitiveness of their companies, in the promotion of their export capacities, implementation of innovations, educational programmes, and effective foreign investment.

A major expansion of Czech-Latvian trade and economic relations was recorded after the joint entry of the two countries into the European Union in 2004. In 2008, the gradually growing bilateral trade was negatively affected by the financial and economic crisis, which had a profound impact on the Latvian economy. At the end of 2010, the trade exchange assumed new dynamics again and this trend was also evident in the first eleven months of 2011 (see Table No.1).

equipment and computer hardware, plastics, rubber and rubber products, glass and glass products, iron and steel and their products, consumer chemical products, basic metals and products of basic metals, various consumer goods, feeds and foodstuffs (see Table No.2). In the 2011 period under review, the most important exporters were ŠKODA AUTO, TEDOM, ŽDB GROUP, SAINT-GOBAIN ADFORS CZ, Dibaq, KAROSA, Škoda Transportation, KRONOSPAN ČR and others.

Categories represented in Czech **imports** from Latvia in recent years have been mainly equipment for telecommunications, sound recording and reproduction, fish and fish products, textile yarns and their products, products of cork and wood, plastics in primary forms, non-ferrous metals, iron and steel, office machines and computer hardware, feeds, coal, coke, and briquettes. As indicated in Table No.3, major import commodities in the January to November 2011 period also included copper scrap, apparatus for telephony and telegraphy, glass fibres and their products, organic chemicals, wood products, and prepared or preserved fish. The products are imported by a wide range of Czech firms, especially small companies.

Unlike the Czech-Latvian goods trade, where the Czech Republic has recorded a balance of trade surplus, trade in **services** slumped significantly on the Czech side between 2008 and 2009. Although the export of services to Latvia was raised in 2010, the growing dynamics of the export of services from Latvia to the Czech Republic has caused a deficit on the Czech side since 2009. This trend continued in the first three quarters of 2011.

In 2009, the volume of services supplied by Czech firms to Latvian buyers amounted to CZK 241 million (EUR 9.1 million), according to statistics of the Czech National Bank's balance of payments current account, which was a 30% drop compared with 2008 (CZK 340.9 million/EUR 13.7 million). In 2010, the export of services from the Czech Republic increased to CZK 316.9 million (EUR 12.5 million), but the amounts of the first three quarters of 2011 (CZK 226.2 million/EUR 9.3 million) indicated that this category would not rise further.

In contrast, the export of services from Latvia to the Czech Republic has recorded a significant growth in the last few years: in 2009, it was worth

**Table No. 1: Mutual trade CR/Latvia
in 2005 - November 2011* (in EUR million)**

Period	Exports	Imports	Turnover	Balance
2005	113.5	15.2	128.7	98.3
2006	167.9	20.1	188.0	147.8
2007	201.7	26.1	227.8	176.5
2008	153.3	28.5	181.8	124.8
2009	112.9	34.3	147.3	78.6
2010	138.9	30.5	169.3	108.4
I-XI 2011	147.0	40.3	187.3	106.6

Source: Ministry of Industry and Trade of the Czech Republic, * preliminary data

Latvia is traditionally the second largest trade partner of the Czech Republic among the Baltic States. In the reviewed period of 2011, it was placed 45th among territories in terms of Czech exports, and 63rd among countries ranked by imports to the Czech Republic.

Over the long term, chief commodities in **exports** from the Czech Republic to Latvia have been those with a higher value added, such as road vehicles and other transport equipment: it is noteworthy that 150 low-floor Škoda 24 Tr Irisbus trolleybuses had been supplied to the Latvian capital by the end of 2009, and from spring 2010 and during 2011, 20 low-floor Škoda Tram For Riga vehicles were put into operation in the city. Other categories of exported products are machines and machinery for various industrial sectors, electrical equipment, telecommunications

**Table No. 2: The most important Czech export items
in 1-11/2011 period* (Nomenclature of the Harmonised System 4)**

Code	Name	Share in %	EUR thous.
8603	Self-propelled railway etc. coaches, vans etc.	9.31	13 682
8703	Motor cars & vehicles for transporting persons	7.87	11 570
8708	Parts, accessories for tractors, cars, lorries, etc.	5.28	7 759
8517	Electrical apparatus for line telephony, telegraphy	4.79	7 043
4016	Other articles of unhardened vulcanised rubber	3.14	4 609
8528	Television receivers, whether or not combined	2.83	4 164
4011	New pneumatic tyres, of rubber	2.79	4 104
8414	Air or vacuum pumps, compressors, fans, etc.	2.67	3 927
	Other	61.32	90 108
Total		100.00	146 966

Source: Ministry of Industry and Trade of the Czech Republic, * preliminary data

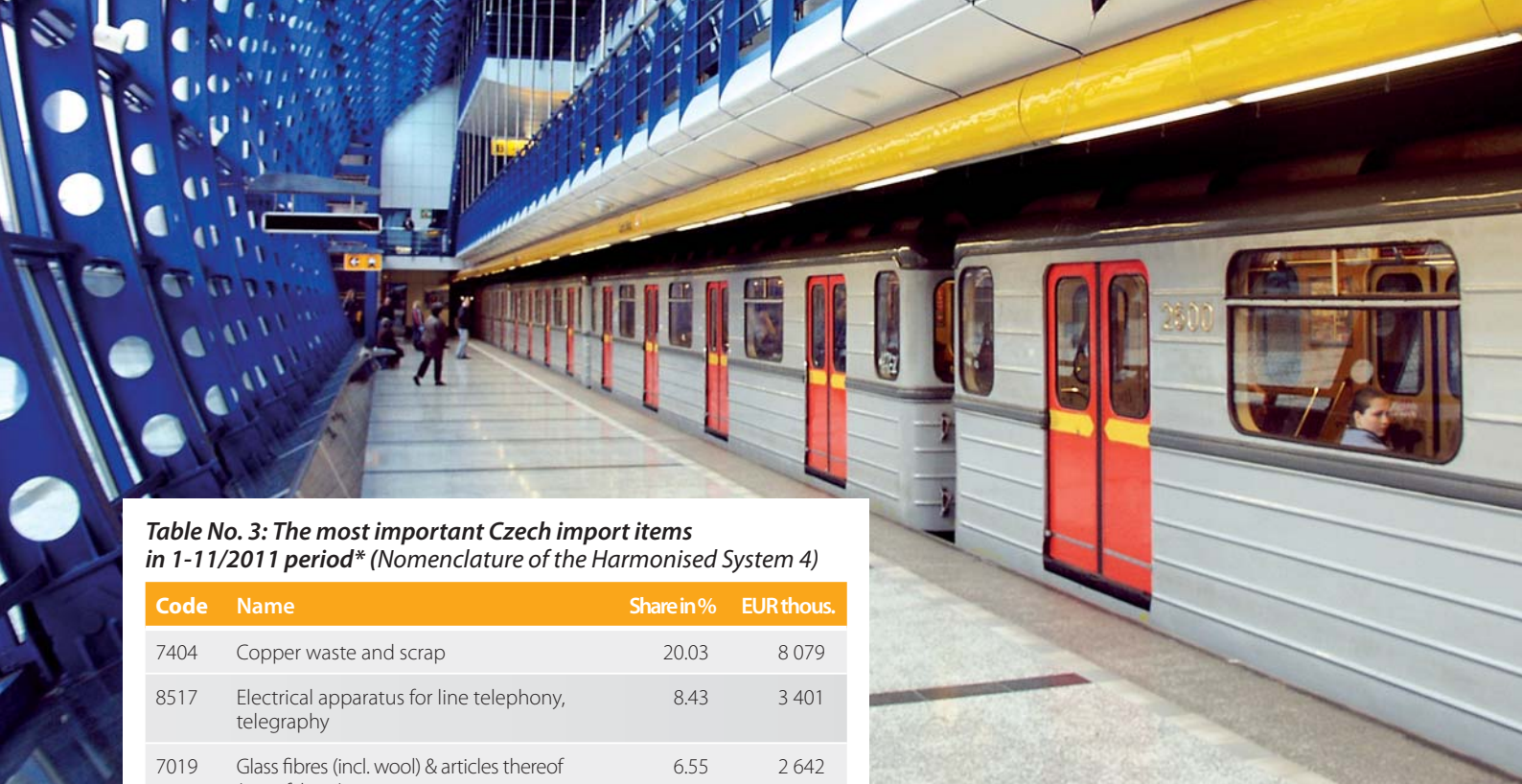


Table No. 3: The most important Czech import items in 1-11/2011 period* (Nomenclature of the Harmonised System 4)

Code	Name	Share in %	EUR thous.
7404	Copper waste and scrap	20.03	8 079
8517	Electrical apparatus for line telephony, telegraphy	8.43	3 401
7019	Glass fibres (incl. wool) & articles thereof (yarn, fabrics)	6.55	2 642
3907	Polyethers, epoxides & polyesters, etc. primary forms	6.02	2 429
1604	Prepared or preserved fish, caviar & caviar substitutes	5.36	2 164
4418	Builders' joinery and carpentry of wood	4.24	1 712
	Other	49.37	19 915
Total		100.00	40 342

Source: Ministry of Industry and Trade of the Czech Republic, * preliminary data

CZK 350.3 million/EUR 13.2 million (and achieved a surplus for the first time, amounting to CZK 109.3 million/EUR 4.1 million), in 2010 it reached as much as CZK 529.8 million/EUR 20.9 million (surplus of CZK 212.9 million/EUR 8.4 million). In the first three quarters of 2011, the value of services received in the Czech Republic was CZK 471.9 million/EUR 19.4 million. Czech firms supply mainly services in road transport, tourism, and services of a business nature. Latvian suppliers attain the highest financial volumes in air transport; significant, but much lower levels are in the export of road transport, various services of a business nature, and tourist services.

Because both countries have become part of the Single Internal Market of the European Union governed by EU legislation, there are no obstacles or restrictions to bilateral trade. Intra-EU trade is not liable to customs supervision or control. However, there is the duty of reporting in the system of INTRASTAT statistics and measures, resulting from the application of national tax regulations in the areas of VAT and excise tax.

PROSPECTS IN TRADE RELATIONS

In the period preceding the crisis (up to 2008), when the Baltic region, and Latvia in particular, had experienced an economic boom, the presence of Czech goods and advanced technologies in these markets had been considerable and had grown significantly. The severe economic and financial crisis, which hit Latvia worst, was reflected in a sharp drop in effective demand and thus also in reduced imports from abroad, including the Czech Republic. Fortunately, this drop did not last long and the results of bilateral exchanges have been improving again since the middle of 2010.

However, while in the previous period Latvia was ready to buy finished products from abroad, a new logical feature after the crisis is its

effort to attract foreign investors to the country and revive domestic production. In recent years, massive supplies especially of transport equipment have been provided from the Czech Republic to Latvia (low-floor trolleybuses, trams made specially for Riga), and the renewal of the transport fleets in Latvian cities is far from complete. However, the thoughts of their municipal governments are newly directed rather at the participation of potential foreign partners in the assembly of vehicles on the spot. New opportunities arise for the suppliers of railway equipment in the Rail Baltica project, and there may be promising prospects for participation in the modernisation and expansion of the port of Riga. A favourable circumstance is that co-financing is being obtained from the European Funds. The success of the Czech firms, who are involved in these types of projects in Latvia, prove that this can be a feasible and effective way to establish their positions in this market. Practically permanent possibilities exist in the energy and gas industries, in the renewal and construction of railway and road networks, the modernisation of Latvian ports, the supplies of machinery and collaboration in key sectors (wood industry and related branches, metalworking, food and beverages industry, pharmaceutical production, environmental improvement projects such as sewage treatment plants, bio-gas stations, modern waste incineration plants, etc.) Besides unused opportunities in higher forms of bilateral cooperation, i.e. mainly in production cooperation and participation in investment, Czech enterprises have not so far found their way to the Latvian free zones, which offer various advantages and tax reliefs to foreign partners.

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Czech-Lithuanian Trade and Economic Relations

In terms of the volume of mutual trade, Lithuania is a leading partner of the Czech Republic among the Baltic States. It is the largest of them in size and population, which is important as regards the absorption capacity of its market. Until recently, the trade turnover between the Czech Republic and Lithuania has been much higher each year than the level the CR achieved in trade with the other two Baltic States. In 2010, however, Lithuania's lead began to fall back, because the volume of the Czech Republic's trade with both Latvia and especially Estonia increased. Lithuania's share of the CR's total trade turnover is very low, accounting for less than 0.2% in recent years.

The volume of mutual trade in 2010 and the eleven months of 2011 show that, after the massive decline in mutual trade, the year 2009 marked its revival and a gradual return to the pre-crisis level (see Table No. 1). Mutual trade exchange is showing a favourable balance in favour of the Czech Republic on a long-term basis.

In the same period of 2011, the Czech Republic was ranked 16th among Lithuania's importers, and, for Lithuania, the Czech Republic is the 16th largest export market. On the other hand, in 2011 the Republic of Lithuania occupied 45th place on the CR's export list and 50th place on its list of imports.

The main items the Czech Republic **exports** to Lithuania, on a long-term basis, are motor cars, railway vehicles, equipment for automatic data processing, pharmaceuticals, TV sets, ethylene polymers, detergents, industrial machines and equipment, prefabricated structures, boilers, oil tanks, etc. (see Table No. 2). The largest exporters to Lithuania are, for example, ŠKODA AUTO, Škoda Transportation, AŽD Praha, ČMKŠ Holding, VÍTKOVICE – ENVI, Shimano Czech Republic, ArcelorMittal Ostrava, JUTA, Philip Morris CR, Glaverbel Czech, Chemopetrol Litvínov, LAUFEN CZ, OKZ Holding, Procter & Gamble, Barum Continental, Schwarzmüller Žebrák, Euromopos Olomouc, Jäkl, Zentiva, Aerosol, Škoda JS, and ZPA Smart Energy.

Table No. 2: Most important Czech export items in Jan.-Nov./2011* (Nomenclature of the Harmonised System 4)

Code	Name	Share in %	EUR thous.
8471	Automatic data processing machines and units thereof; magnetic or optical readers.	5.58	15 820
3004	Dosed medicaments (excl. blood, antisera, etc., cotton wool, bandages, etc.).	5.55	15 741
8703	Motor cars and other motor vehicles principally designed for the transport of persons.	5.25	14 898
8528	Television receivers whether or not combined	2.78	7 875
8607	Parts of railway or tramway locomotives	2.59	7 357
8542	Electronic integrated circuits and micro-assemblies.	2.46	6 976
3901	Polymers of ethylene, in primary form.	2.41	6 840
	Other	73.38	208 243
Total		100.00	283 750

Source: Ministry of Industry and Trade of the Czech Republic, *Estimates

Table No. 1: Mutual trade CR/Lithuania in 2005-November 2011 (in EUR million)

Period	Exports	Imports	Turnover	Balance
2005	195.9	43.8	239.7	152.1
2006	251.1	76.1	327.2	175.0
2007	321.3	104.0	425.3	217.3
2008	330.0	94.1	424.1	235.9
2009	192.9	74.6	267.6	118.3
2010	255.5	89.7	345.2	165.8
I-XI 2011*	283.8	106.0	389.8	177.7

Source: Ministry of Industry and Trade of the Czech Republic, *Estimates

The dominant **items imported** from Lithuania, on a long-term basis, are polyacetals, polyethers, epoxy resins and various inorganic chemicals, furniture, artificial fabrics, iron and steel wire, rolling mill stands and peat (see Table No. 3). The most important importers of Lithuanian goods are the firms of Karlovarské minerální vody, FERTISTAV CZ, Jessgrove Central Europe, RETAL Czech, AGROFERT HOLDING, FAST CR, Kovohutě Příbram, OLEO CHEMICAL, Fatra, Hašpl, ArcelorMittal Ostrava, SCHÄFER – SUDEX and others.

Unlike trade in goods, trade in **services** between the Czech Republic and the Republic of Lithuania is not showing similar growth trends. The volume of services provided by Czech firms to Lithuanian customers dropped from CZK 1.23 billion (EUR 50.5 mil.) in 2009 to CZK 1.13 billion (EUR 46.5 mil.) in 2010 (according to the Czech National Bank balance of payments current account), and as the figures for the three quarters of 2011 indicate (CZK 724.6 million/EUR 29.7 mil.), no improvement in 2011 can be expected. As regards services received, their volume also declined, from CZK 367.3 million (EUR 13.9 mil.) in 2009 to CZK 258 million (EUR 10.2 mil.) in 2010, and according to figures for the three quarters of 2011 (CZK 193.3 million (EUR 7.9 mil.)), no major improvement in this trade can be expected either. The most important role in the area of services on both sides is played by tourism and transport services, especially road haulage. Also important in this respect are the services provided by Czech Airlines, with daily flights operated between Prague and Vilnius. Lagging strongly behind their potential are mutual investments, partly in consequence of the current economic recession. Since 2005, when OKZ Holding built a base for itself in the Baltics in a factory building purchased in Plunge, and firms such as Walmark, Zentiva, and Ravak,

opened their offices in Lithuania, no major investments have been made there.

The Czech Republic and Lithuania are both part of the EU single market controlled by EU legislation, and therefore no obstacles or restrictions stand in the way of their mutual trade. Internal trade within the EU is not subject to Customs supervision or control arrangements. There is only the duty to register in the INTRASTAT statistical system and obligations ensuing from national tax regulations concerning VAT and excise duty.

PROSPECTS OF MUTUAL TRADE RELATIONS

Despite its limited size, the Lithuanian market is globalised. The essential condition for its entry is the quality of goods and their competitiveness plus advantageous payment conditions. The supplier must meet all logistic requirements, such as timely delivery, the marking and packing of goods, etc. It is important for businessmen to monitor the situation in their sector on a continuous basis and to have partners in Lithuania. The economic crisis, however, has substantially prompted the readiness of Lithuanian partners to set up contacts with the Czech Republic. Lithuania's building industry is an advanced and competitive sector. Therefore, Czech firms will probably find it hard to succeed with their deliveries of construction work in future.

Table No.3: Most important Czech import items in Jan.-Nov./2011* (Nomenclature of the Harmonised System 4)

Code	Name	Share in %	EUR thous.
3907	Polyacetals, -ethers, -carbonates, resins, etc. in primary forms.	21.15	22 432
9403	Furniture (office, kitchen, bedroom and other furniture), parts thereof.	6.45	6 838
5408	Woven fabrics of artificial filament yarn.	5.84	6 192
7217	Wire of iron or non-alloy steel.	4.27	4 531
8455	Metal-rolling mills and rolls therefor.	2.68	2 847
2703	Peat (including peat litter), whether or not agglomerated.	2.39	2 532
2835	Hypophosphates, phosphides, phosphates, polyphosphates.	2.37	2 516
	Other	54.85	58 156
Total		100.00	106 044

Source: Ministry of Industry and Trade of the Czech Republic, * preliminary data

Czech firms can offer Lithuania their services in the area of power engineering, transport project designing and other areas involving high added value (decontamination of the environment, incineration plant construction, scientific and technical cooperation, and collaboration at the level of higher learning institutions).

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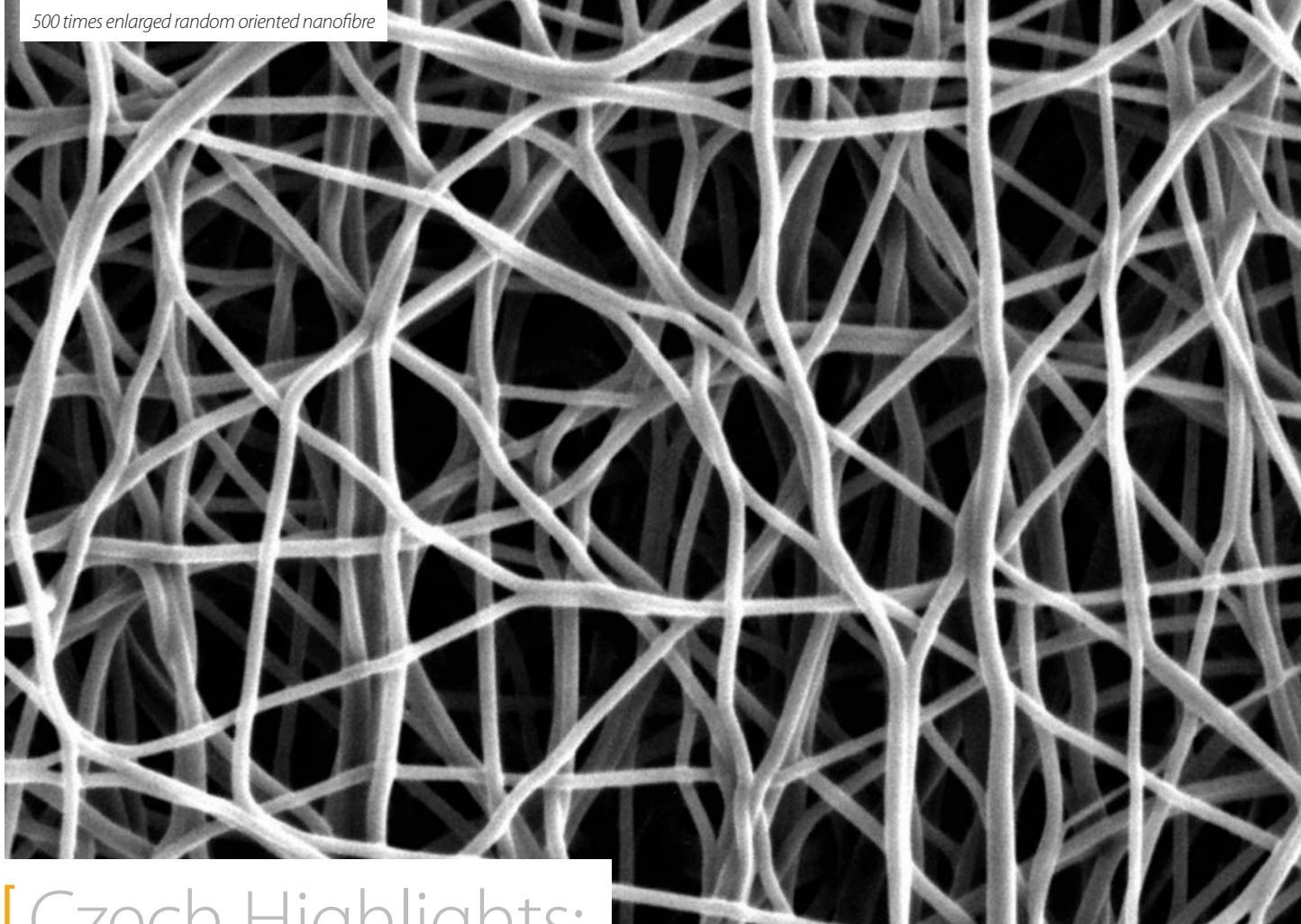
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[Czech Highlights: Breakthrough Inventions]

The Czech Republic, and previously Czechoslovakia, has a wonderful technological past history, filled with breakthrough inventions: soft contact lenses, polarography, electron microscopes, passive radars and, most recently, efficient drugs against HIV/AIDS and industrial nano-fibre production – all originating in this country.

CASE ONE: ELECTRON MICROSCOPES

The year was 1949 and the place was Brno. This is when and where the first Czechoslovakian electron microscope was put into operation. Students of the Brno Technical University used their original technology to put the device together. Before them, teams of only three other countries had managed to assemble such a device, and Czechoslovakia was the fourth. In addition, the Czech students had to rely exclusively on domestic resources, which made their achievement even more valuable.

The firm to start manufacturing the microscopes was TESLA Brno. In appreciation of this accomplishment, it was awarded a Gold Medal at the 1958 World Exhibition in Brussels. 1 200 of its original models were sold instantly. Much later, one of the first microscope builders, aged nearly 70 at that time, decided to start his own business. His beginnings were hard, but after some time, under the management of the legend of Czech Science, Armin Delong, the firm succeeded and today instruments bearing the Delong Instruments trademark are used in laboratories all over the world.

THEY AROSE FROM TESLA

Brno's TESLA, in addition to Delong Instruments, gave rise to another two firms concerned with electron microscopy. A part of the original

development workers of the Brno enterprise decided to start their own company. They managed to attract investors who were not afraid of investing millions of crowns in the relatively risky business. This allowed

them to purchase the necessary equipment and finance Research and Development. That is how the Delmi company came into being.

Delmi was lucky and, right at the outset, found a strong partner – the Philips Company. Later, it manufactured one type of electron microscope exclusively for Philips. In 1996, Philips purchased Delmi and one year later merged it with the American company, FEI, giving rise to one of the world's largest electron microscope manufacturers. The whole group has its development centre in Brno.

The last of the three new companies to have arisen from Brno's TESLA is TESCAN. Originally, this new firm confined itself to repairing and improving old microscopes and manufacturing other devices which had nothing in common with electron microscopes. TESCAN concentrated on just one type of microscope – the scanning electron microscope, which it can build precisely according to customers' requirements. It is one of the world's leading manufacturers in this area.

CASE TWO: PASSIVE RADARS

Work on the development of passive radio location systems started in the Czech Republic as far back as the 1950s. They were manufactured by TESLA Pardubice, with wild myths surrounding their abilities to this day. To date, the latest and never confirmed story is that, in 1999, during the war in Yugoslavia, one of the Czech radars used by the Milosevic army brought down an American F-117 stealth fighter bomber. Whatever the truth might have been, the fact is that some 60 passive radar systems were manufactured in Pardubice for the Warsaw Treaty countries.

After the Warsaw Treaty Organisation had disintegrated, TESLA Pardubice encountered serious problems, and a section of its employees set up their own business, the firm called ERA. At first, the new firm started developing a smaller, but more efficient version of the passive radar, named Vera.

NEW ERA

The development of Vera was made possible thanks to financial assistance from the Army. All experts concerned with the defence policy agree that Vera is the only and latest military gem developed exclusively in the Czech Republic. Owing to its unique precision targeting capabilities, it is one of the Czech Republic's most strictly guarded secrets. That is why the market for it is limited.

This explains why ERA is now concentrating particularly on civilian airport equipment. In this area, the firm is one of the strongest in the world. Already its half-related predecessor, TESLA Pardubice, in its time fitted practically all the airports in the former Soviet Union with its radars. ERA has managed to extend its target markets substantially to the West, and to this day this firm of Czech origin is unrivalled in its class in many respects.

CASE THREE: NANO-FIBRES

In a number of areas, Czech firms are among the most successful. But it is rare that a unique enterprise, with an unrivalled position in the market, has sprung up in this country. The North Bohemian Elmarco firm is such a rare company. It is the only one in the world offering the technology to enable the manufacture of nano-fibres on an industrial scale. The outcome of the collaboration between the Liberec University in North Bohemia and Elmarco is the Nanospider, a machine capable of putting out material in lengths measured in kilometres, while its most successful rivals count their lengths in metres instead.

CASE FOUR: HOLOGRAMS

Since the 1980s, teams of researchers of the Czechoslovak Academy of Sciences have

worked on the research of holography and its related technologies. In 1994, one of the leading researchers concerned with this area decided to leave the Academy, and founded a firm named Česká holografická with four other colleagues.

The firm had the know-how and also their specific plans. Banks, however, considered them too daring, even for the first half of the 1990s. At that time, several firms elsewhere in the world were devoting themselves to holography, and the aim of Česká holografická was to overtake them. It started with minimum capital, but with tremendous enthusiasm. Today, its turnover is in the order of hundreds of millions.

In the late 1990s, the firm used top-level technology, but it lacked world market experience. So it addressed several former managers of the holographic division of De La Rue, at that time the world's largest hologram manufacturer. Their knowledge and international contacts, together with the original Czech technology, assisted in the firm's rapid expansion. Its customers are, for example, Siemens, Nokia, Škoda and Warner Bros. Czech holograms protect driving licenses in Kuwait and the United Arab Emirates against counterfeiting, and they can be found on cigarettes in Bangladesh and on cigars in Cuba.

EXCEPTIONAL ENGINEERING

Czech engineering is a special sector. There are five car factories in the Czech Republic, with Škoda-Auto being based here. Attached to this cluster are hundreds of larger and smaller subcontracting companies. This involves not only actual car manufacture, but also Design, Research and Development, including branches other than the automotive industry itself. It is therefore not surprising that, for example, the Czech firm Inter Informatics participated in power cable construction and the adjustment of the bearing structure of the Airbus A380.

It is interesting to note that the Czech Republic is the world's third largest ultra-light aircraft manufacturer. Only France and Germany manufacture more of these planes, in absolute numbers at that. Considering the size of the Czech Republic, this is a remarkable fact. Aviation has a great tradition in the Czech Republic, which has switched to smaller civilian aircraft in the past few years. Nevertheless, not far from Prague, Sikorsky S-76 helicopters are manufactured in large numbers, prepared for the assembly of the dynamic parts.

RESEARCH EXPENDITURE IS GROWING

The expenditure of the Czech Republic on Science and Research is still below the EU average, but the situation is rapidly changing for the better. Most money is invested in Research by firms operating in the car industry and in pharmaceutical and chemical production. Science allocations were 1.47% of GDP, according to EUROSTAT.

Allocations in EU member states range from 0.47% in Slovakia to 3.75% in Sweden. Of the new EU member states, the best off are the Czech Republic and Slovenia.

Investments in innovations are reflected not only in fully original Czech products, but also in the fact that good ideas and the renown of reliable creative specialists attract new investors to the Czech Republic. So that, although the logo of a foreign firm may be found on items, such as integrated circuits in the Xbox or the PlayStation, they originate in the Czech Republic.

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[Support for Investments in 2011 – CzechInvest]

CzechInvest offers both domestic and foreign investors extensive support for their investment projects. CzechInvest's specialists provide them with information about the business environment in the Czech Republic and its specific sectors, assist them in searching for suitable investment properties and locations and assist them with searching for suppliers and business partners. They stay with the investor even after the investment project has been completed, helping to resolve problems associated with the investor's business activities. CzechInvest is the only authority in the Czech Republic with which investment incentive applications can be registered.

THE MOST IMPORTANT PROJECTS AND TRENDS IN 2011

Most investments in 2011 were in vehicle manufacturing, confirming the fact that the automotive industry plays a very important role in the Czech economy. Statistics also highlight the Danish company LEGO's investment of over CZK 1 billion under the heading of "other items". Sectors with a large volume of investments last year also included the chemical and pharmaceutical industries. An important investment in that sector was made, for example, by Teva Czech Industries s.r.o. The traditional Czech sectors, engineering and aviation, ranked highly in 2011 in terms of the total volume of investments. Altogether, CzechInvest mediated 233 investment projects worth CZK 33.67 billion (EUR 1.35 billion) last year. In 2011 foreign and domestic investors promised to create 12 500 jobs in the Czech Republic. The most important project of 2011 was the investment by Teva Czech Industries s.r.o. worth CZK 2.1 billion (EUR 81 million). When completed, 176 new jobs will be created in the Moravia-Silesia Region. The company decided to invest in the expansion of its already existing tablet manufacturing plant.

Another company which last year decided to invest massively in the Czech Republic was LEGO Group, the world-renowned toy manufacturer. Its investment of CZK 1.6 billion (EUR 62 million) will be used to expand its plant in Kladno, creating 600 new jobs.

The third most important investment project, worth CZK 1.4 billion (EUR 54 million), was the investment by Robert Bosch GmbH, which concerns itself with the vehicle manufacturing in the South Bohemia Region. When completed, the project will provide employment for 400 people. The largest volume of investments last year went to the Ústí nad Labem Region, where 14 invest-

ment projects worth CZK 6.21 billion (EUR 249.30 million) were started. Up to 1 333 new jobs will be created after the projects have been completed. The largest number of investment projects – 55 – which investors decided to undertake last year will be located in the South Moravia Region. Thanks to these investments in the total value of CZK 815 million (EUR 32.72 million), which CzechInvest helped to mediate in South Moravia, up to 3 000 new jobs will be created there.

SPECIALISATION BY SECTOR

CzechInvest is actively seeking out and promoting new investment possibilities especially in those regions which are of strategic importance from the Czech Republic's point of view or which have strong development potential. Those priority sectors draw on the country's industrial tradition, its good technical universities and the excellent foreign-language literacy of the Czech population.

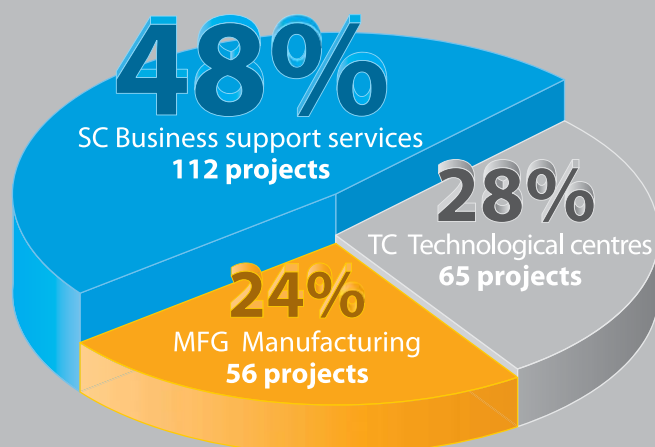
List of priority sectors based on a detailed analysis of the Czech economy and its future trends:

- | Automotive industry
- | Aviation and aerospace industry
- | Engineering
- | Electrical engineering and electronics
- | Life sciences
- | IT, software development
- | Shared services
- | Nanotechnologies
- | Clean technologies

Important investments in the key sectors last year included, for example, the investments by Gestamp (in the automotive industry), which promised to invest CZK 1.1 billion (EUR 42.5 million), investments by Šroubárny Kyjov in the amount of CZK 188 million (EUR 7.2 million), and investments by KSR UK, LLC, in the promised amount of CZK 67.4 million (EUR 2.6 million) in engineering. In the electrical engineering and electronics sectors, Automotive Lighting s.r.o. promised to invest CZK 75 million (EUR 2.9 million). In the area of shared services, Gardner Denver promised to invest CZK 27.5 million (EUR 1 million).

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[Comparison of Law in the Czech Republic and Baltic States]

Legal forms of entrepreneurial activities and the conditions for the operation of foreign business companies in the Czech Republic are in many ways similar to the legal environment in Lithuania, Latvia, or Estonia. There are, however, certain particularities that foreign entrepreneurs who contemplate entering the Czech market should be prepared for.

CONDITIONS OF CONDUCTING ENTREPRENEURIAL ACTIVITIES

Four common forms of business companies, which can be encountered in the Baltic States as well, may be used in the Czech Republic. They are co-partnership, special limited partnership, limited liability company, and joint stock company. All four types of business companies are obligatorily recorded in the trade register maintained by regional courts (Prague Municipal Court for Prague). Besides business companies, physical entities (self-employed) conducting entrepreneurial activities may voluntarily register in the trade register.

Register courts are responsible for the entire agenda related to the registration of businesses, including ensuring the uniqueness and non-ambiguity of firms (business names). As opposed to the Lithuanian legal regulation, Czech law does not allow advance registration and protection of company names.

Data about individual companies recorded in the trade register, as well as documents filed about companies, are publicly accessible, and that includes electronic access over the Internet. It is not possible to register a company electronically. The statute of limitation for registering a newly founded company in the trade register is 5 days.

ENTREPRENEURIAL ACTIVITIES BY FOREIGN ENTITIES

Foreign business companies may conduct business in the Czech Republic provided they have an office or an organisational unit in

the Czech Republic. A foreign company or its organisational unit enter into existence on the date of their registration in the trade register.

A company organisational unit can be likened to the institute of a branch, as it is known to the law of all three of the Baltic States, but it is not a subsidiary company. An organisational unit is not a legal entity, and the foreign company is fully responsible for the unit's obligations. Organisational units are legally represented by their directors who are also recorded in the trade register.

Besides direct operation, foreign companies can also enter the business market in the Czech Republic as partners or founders of business companies established in accordance with Czech law.

Czech law does not explicitly specify representation of foreign companies through representative offices (similarly to Estonia and in contrast to Lithuania and Latvia).

LIMITED LIABILITY COMPANY

A limited liability company is the most frequently used legal form of a business company. This legal form is in many aspects similar to the Lithuanian private joint stock company (UAB Užaroji akcie bendrove), and



its character corresponds to the Osühing (OÜ) in Estonia or Sabiedriba ar ierobežotu atbildību (SIA) in Latvia.

A company may be founded by a single founder. The maximum number of partners is set at 50.

A minimum investment by each partner is required to be at least CZK 20 000/EUR 783.

A limited liability company with a single founder may not be the single founder of another limited liability company. If a company is founded by a single founder, it is done with a founder's deed. If there are multiple founders, they conclude a partnership agreement. Both the founder's deed and the partnership agreement must be in the form of a notarial registration.

A limited liability company must have a basic capital in the amount of at least CZK 200 000 (approx. EUR 8 000). If the company is founded by a single founder, the entire deposit must be paid before the company's registration in the trade register. If there are multiple founders, every one of them must pay an emission premium and at least 30% of their investment before the company is registered. Investments may be monetary or non-monetary; however, non-monetary investments must be appraised by a court-appointed expert.

Partners are responsible for company obligations up to the amount of their unpaid investments. Partners exercise their rights by voting at general meetings, which serve as the company's highest body.

Limited liability companies are represented by one or more agents elected at general meetings. Each agent may represent the company on

their own, but the partnership agreement may provide a different stipulation for this issue. Limited liability companies do not need to establish supervisory boards, regardless of the amount of their basic capital. However, a supervisory board may be established on the basis of the partnership agreement (or the founder's deed).

JOINT STOCK COMPANY

Basic conditions for the conduct of business activities by a joint stock company are similar to legal regulations valid in the Baltic States.

A joint stock company may be founded in two ways. In practice, the more common way consists in concluding an agreement on founding a joint stock company, in which the founders agree on underwriting shares in a certain ratio for the whole basic capital of the company. In this case, the capital must amount to at least CZK 2 mil./EUR 78.333. The method is similar when a company is being founded on the basis of a founder's deed. As opposed to the Lithuanian, Latvian, and Estonian regulation, a company's only founder may be only a legal, not a physical entity.

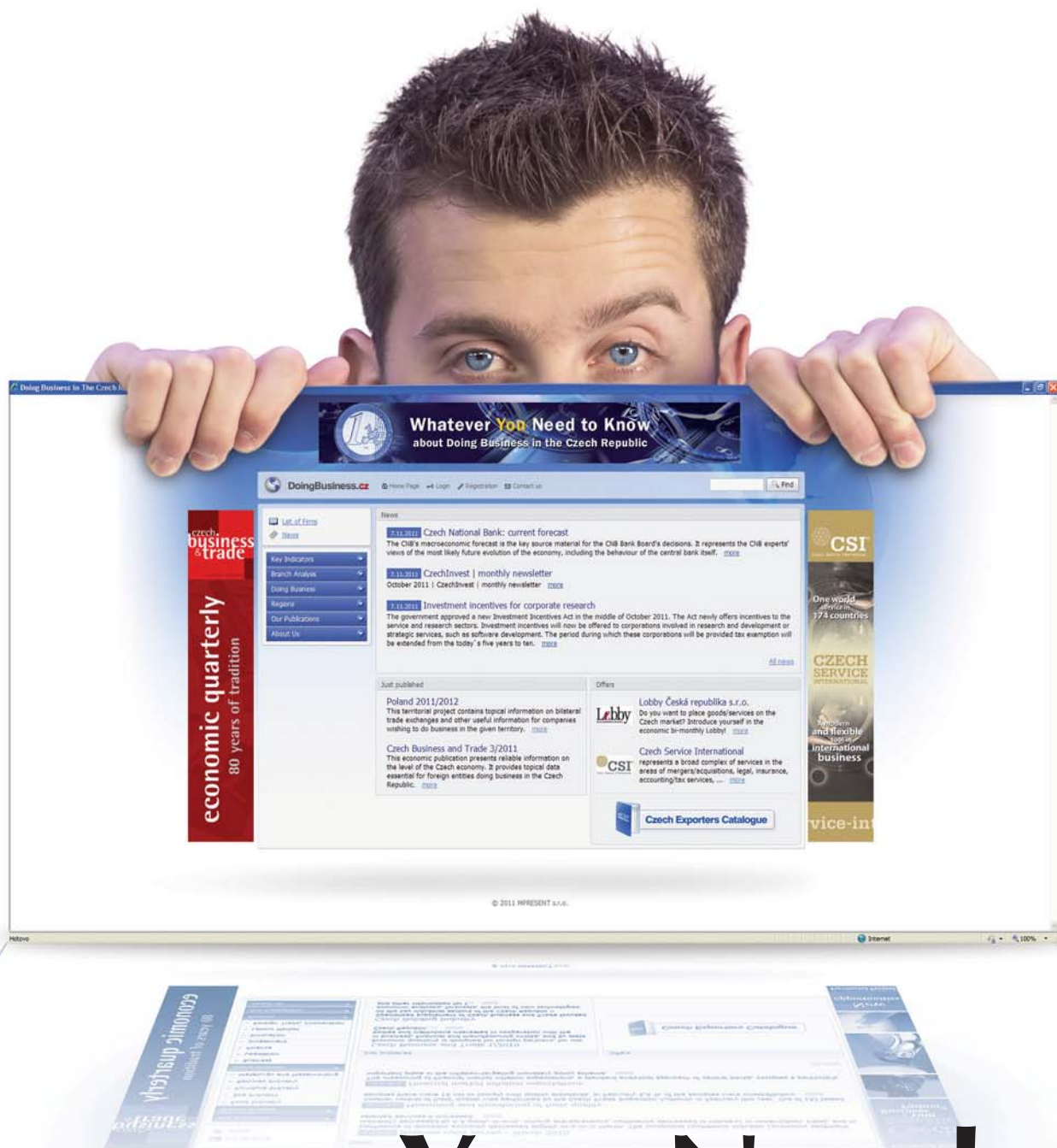
A joint stock company may be also founded by a public offering of shares. In this case, the founder secures the establishment of the joint stock company through a public offering of shares. The basic capital of a joint stock company founded in this way is CZK 20 mil./EUR 783 330, and it is necessary to ensure that shares whose nominal value reaches the amount of the proposed basic capital are underwritten within the time-limit set by the public offering. Every underwriter is obligated to pay an emission premium and at least 10% of the nominal value of underwritten shares before the end of the time-limit set by the public offering. The process of founding the company in this way is finalised at a foundation meeting, which agrees on the founding of the company, ratifies its articles of association, and elects its bodies. At least 30% of the company's basic capital must be paid by the time the foundation meeting is held. If the company is founded without a public offering of shares, the foundation meeting does not take place and its duties are performed by the founders or the single founder.

A joint stock company's statutory body is its board of directors. Unlike in Estonia, the board must have at least three members. Similarly to Estonia and Lithuania, a joint stock company must have a supervisory board appointed.

BILATERAL INTERNATIONAL AGREEMENTS

Several bilateral international agreements were concluded between the Czech Republic and the Baltic states in the past. The inter-governmental agreement on investment protection was concluded with Lithuania (Vilnius, 27 October 1994), Latvia (Riga, 25 October 1994) and Estonia where the original agreement from 1994 was replaced by a new agreement that has come into effect on 20 February 2011. An agreement on preventing double taxation was also concluded with all three states in 1994.

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[Steps towards Starting a Limited Liability Company]

Legal forms of entrepreneurial activities and the conditions for the operation of foreign business companies in the Czech Republic are in many ways similar to the legal environment in Lithuania, Latvia or Estonia. There are, however, certain particularities that foreign entrepreneurs who contemplate entering the Czech market should be prepared for.

person in the Czech Republic, the foreign person must proceed in compliance with Czech legislation.

ESTABLISHING A LIMITED LIABILITY COMPANY

The establishment of a limited

liability company can be divided into two stages. The first stage is the setting up of the company (the company does not as yet have legal subjectivity), which is followed by its actual establishment (entry in the Company Register).

The company is established on the basis of the Deed of Association (in the case of several partners) or the Deed of Foundation (sole partner). The documents must be made out in the form of a notarial deed. The notarial deed is drawn up by a notary on the basis of documents furnished by the founder or his legal representative. The fee charged for making out the notarial deed is stipulated by the notarial tariff (Regulation No. 196/2001 Coll.).

The Deed of Foundation/Association must contain the name of the company and its registered address, the names of the partners (names of their firms and registered addresses, or the name and residence of the natural person), the company's core business, the amount of its registered capital and the amount of the investment contribution of each partner, and the way how the contribution will be paid up and when, the names and addresses of the first managing directors and the way they will act in the name of the company) and the names and addresses of the members of the supervisory board (if any) and the appointed administrator of the investment contributions, plus data required by the Commercial Code. In addition, the Foundation Deed may provide for the issue of statutes regulating the internal organisation of the company and other provisions.

COMPOSITION AND ADMINISTRATION OF INVESTMENT CONTRIBUTIONS

As mentioned above, a part of the contributions must be paid up before the company's registration. Before the entry in the Company Register is effected, the petitioner must produce evidence that the required amount of the contributions has been paid up and identify the appointed administrator of the

LIMITED LIABILITY COMPANY

This type of company is the simplest and at the same time the most widely used form of capital business company in the Czech Republic. Its main advantages are the limited liability of the partners for the company's commitments and the low level of the registered capital requirement.

A limited liability company may be set up by a sole partner, or by more partners, but by not more than 50. The company's minimum registered capital requirement is CZK 200 000/EUR 7 839 created by monetary and non-monetary contributions of the partners (each partner is allowed to make only one investment contribution, which must be at least CZK 20 000/EUR 784). Before filing a petition for the company being entered in the Company Register, the full amount of the share premium and at least 30% of each monetary contribution must be paid up (the total amount of paid monetary and non-monetary contributions must be at least CZK 100 000/EUR 3 919). The partners are liable jointly and severally for the company's commitments only up to the amount of the unpaid investment contributions of all members as stated in the Company Register.

A limited liability company may have one or two managing directors, who are its statutory representatives. If there are more directors, each director may act independently, except as otherwise provided for by the company's Deed of Foundation/Association. The managing directors constitute the statutory body of the limited liability company and they bear full legal responsibility for the company's management.

The supreme body of the limited liability company is the general meeting. The general meeting decides on the most important issues concerning the company (e.g. appointment and recalling of the managing directors, approval and amendment of the Statutes, deciding on increasing or decreasing the company's registered capital, etc.).

POSITION OF FOREIGN PERSONS UNDER CZECH LAW

Under Czech law, the principle applies that in starting a Czech legal person the foreign person has the same rights and duties as the Czech person. Czech legislation does not restrict the ownership share of a foreign person in a Czech legal person. A limited liability company may be established by a sole foreign person. To start a limited liability company, a foreign person must have legal capacity. In the case of foreign legal persons legal capacity is assessed on the basis of the legislation of the state under which it was established. In the case of a natural foreign person the assessment is based on the legislation of the state of which the natural person is a national.

The current Commercial Code Amendment (Act No. 370/2000 Coll.) has established the principle that in setting up a new legal

investment contributions, who controls the payments and issues certificates to that effect for the Commercial Court in charge of the Company Register.

The Deed of Foundation/ Association must identify the administrator of the contributions and stipulate the way they will be paid up. The most common way of paying monetary contributions is payment on account through the particular bank. In that case it is practical that the administrator be one of the founders, possibly the appointed bank (the bank must give its consent to acting as administrator of the contributions – usually a contract to this effect is made between the company and the bank).

In the case of non-monetary contributions, their value must be fully paid before the petition for entry in the Company Register is filed. The value of the non-monetary contributions must be determined by an expert. In the case of a movable object, the payment is deemed accomplished by the object being handed over to the administrator of the investment contributions. In the case of immovable property, the property must also be handed over and the person making the contribution must give to the administrator a duly certified written statement, saying the contribution was paid in the form of real property (the document will be used for registration in the Land Register).

OBJECT OF BUSINESS

Before entry in the Company Register, the company must obtain the required business licence under the Trade Licensing Act or other special legal regulations.

ACTING OF THE FOUNDERS ON BEHALF OF THE COMPANY BEFORE ITS ESTABLISHMENT

If a foreign person (Founder) acts on behalf of the company before its establishment, the person shall be bound by its acts (in practice this will usually involve negotiating and drafting a leasing or employment contract). Provided the partners or the general meeting approve the acts within three months of the establishment of the company, the company will be bound by them “ab initio”. Otherwise the responsibility will rest with the persons, who acted on behalf of the company before its establishment.

PETITION FOR ENTRY IN THE COMPANY REGISTER

Petitioners for entry in the Company Register are required to complete a petition form (according to regulation of the Ministry of Justice No. 250/2005 Coll. – also available on the Internet at www.justice.cz) and file it

with the locally appropriate regional court according to the registered address of the limited liability company being established. All members of the statutory body (managing directors) are required to affix to the petition their signatures, which must be authenticated.

The petition must be supported by a number of documents: document proving the establishment of the company (Deed of Foundation/ Association) in the form of a notarial deed, the business licence, unless this fact can be verified by consulting the public administration information systems or other public records, such as the Trades Register). Also annexed must be a statement of the administrator of the investment contributions (with his authenticated signature) certifying that the contributions have been paid up. In the case of a non-monetary contribution (immovable property) an excerpt from the land register, court ruling on the appointment of the expert, expert opinion and a written statement of the investor bearing his authenticated signature. Permission to locate the company (written statement of the owner and excerpt from the land register) must also be annexed.

Members of the statutory body must also enclose an extract from the criminal records. In the case of a foreign person from an EU member state, an extract of the state concerned will suffice. In the case of a foreign person from a non-EU state, the person is required to produce extracts from the criminal records of states, in which that person was staying uninterruptedly for at least three months in the past three years, in addition to an excerpt of the state concerned. Foreign persons are further required to produce an affirmation with their authenticated signatures confirming their legal capacity and meeting the conditions entitling them to carry on business activities, written consent to being entered in the Company Register (bearing their authenticated signature) and their specimen signatures. If the company that is being set up has in its statutes the provision for the establishment of the supervisory board, the members of the board will also be required to produce the said documents.

Some documents, such as the Deed of Foundation/ Association, the statutes and specimen signatures, must be additionally furnished in electronic form on CD or sent by electronic mail.

A limited liability company is deemed established by its entry in the Company Register, whereby it assumes legal subjectivity and becomes entitled to act independently in legal relationships and assume rights and obligations upon itself.

CONCLUSION

A foreign person in the position of founder of a limited liability company, on the basis of a special power of attorney bearing the founder’s authenticated signature, may empower a private attorney or lawyer to found the company. The private attorney or lawyer may file a petition for entry in the Company Register on behalf of the founder, provided he has been authorised to perform that act under that power of attorney or an additional power. Such powers of attorney shall be annexed to the petition for entry in the Company Register.



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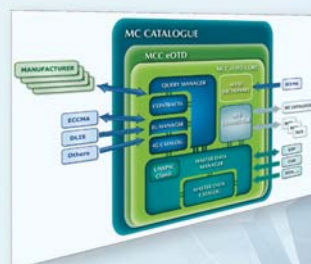
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[Rules Governing Business Activities of Foreign Persons in the CR]

The article summarises the most important information and terms and conditions regulating the entry of foreign persons into business in the Czech Republic. It also defines the terms, basic principles and forms of participation open to foreign persons wishing to do business in the Czech Republic.

TERMS, PRINCIPLES, AND FORMS OF BUSINESS

The term “foreign person” is defined in section 21 paragraph 2 of Act No. 513/1991 Coll., Commercial Code, as amended. A foreign person is a legal person with registered offices outside the Czech Republic or a natural person resident outside the Czech Republic. The provision of section 21 paragraph 1 of the Commercial Code in conjunction with the provision of section 32 paragraph 1 of Act No. 97/1963, on Private International Law and the Rules of Procedure relating thereto, as amended, declare the basic principle, specifically that foreign persons may do business on the territory of the Czech Republic to the same extent as Czech persons, except as otherwise provided by Czech legislation.

The rules governing business activities pursued in the CR by natural foreign persons are set out, for the most part, by the Trade Licensing Act, while business activities conducted there by legal foreign persons are regulated by the Commercial Code. If, however, a foreign person intends to do business in the Czech Republic, in addition to the conditions stipulated by the Trade Licensing Act and the Commercial Code, it is required to meet the conditions instituted by the Immigration and Aliens Law, in particular the conditions laid down by the Act on the Residence of Foreign Nationals in the Czech Republic.

In procedures to acknowledge persons other than foreign natural persons, Czech law is guided by the incorporation principle, which means that if a person other than a foreign natural person has acquired legal capacity under the law of another country, it also has legal capacity under Czech law. The same principle (as that according to which the legal capacity was established) is applied to the internal legal conditions, the liability of members or partners for the commitments of such a foreign person.

A foreign person may start a business in the Czech Republic only after that person (organisational unit of the business) has been entered in the Company Register. The Commercial Code acknowledges exceptions where natural foreign persons need not be entered in the Company Register before starting a business. This applies to the nationals of other EU member states, other

states forming the European Economic Area and the nationals of the Swiss Confederation, family members of those persons provided they have the right of abode in the Czech Republic. Other exceptions are the nationals of third countries on condition they have been awarded the long-term

resident status, and the family members of those persons provided they hold long-term residence permits.

A foreign person may do business in the Czech Republic under the Trade Licensing Act, it may do business without having to establish a legal entity, or may have a capital stake in the business of a Czech legal person, set up its organisational unit in the Czech Republic, and move its registered office to the CR.

FOREIGN PERSONS DOING BUSINESS UNDER THE TRADE LICENSING ACT

In sections 2 and 3 the Trade Licensing Act stipulates activities requiring a trade licence. Trade is to mean a systematic activity pursued independently, in one's own name, on one's own responsibility, for the purpose of making profit, under the conditions stipulated by the Trade Licensing Act. Trade is also defined negatively. For example, freelance professions (physicians, lawyers), or the renting of property, are not trades. The Trade Licensing Act distinguishes between free trades, crafts trades, regulated trades, and trades requiring a permit. In the case of all types of trade the foreign person must meet the required general conditions, i.e. the person must have reached the age of 18, must have legal capacity and must be without a criminal record. Special conditions apply to some crafts trades, regulated trades, and trades requiring a permit. Special condition means specialisation or another capacity. Natural foreign persons must meet general, and in some cases also special, conditions. In the case of legal foreign persons, the conditions must be met by their authorised representative.

Certain other formal conditions must be met in addition to the conditions mentioned above, such as the payment of the administration fee, furnish documents required by the Trade Licensing Office concerned. After all the conditions have been met, a trade licence will be issued entitling the foreign person to conduct the trade for which the petition was filed. In case the foreign person is required to be entered in the Company Register, it will be entitled to operate its business only after its name has been entered in the Company Register.

CAPITAL PARTICIPATION OF FOREIGN PERSONS IN CZECH LEGAL ENTITIES

The Commercial Code enables a foreign person to establish a Czech legal entity in the Czech Republic, take part in its establishment and participate in its activities as a partner (even as a sole partner) or become a partner in an already existing Czech legal entity. In these cases, the business activity is carried out by Czech legal persons (in their own name and on their own responsibility), in which the foreign person has a capital stake.

Czech legislation does not restrict the size of the foreign person's capital stake in the Czech legal entity. It is equally possible for a sole foreign person to be a one-hundred-per-cent owner of a Czech legal entity. In the case of joint stock companies, there is a restriction stipulating that a natural foreign person cannot set up a joint stock company in which



it would be a one-hundred-per-cent shareholder. This restriction does not apply if the joint stock company is set up by several shareholders; in time, however, all the shares may be concentrated in the hands of a single natural foreign person.

The foreign person must have legal capacity to assume rights and obligations so as to be able to acquire a capital stake in a Czech legal entity. Its capacity, as mentioned above, is assessed on the basis of the legislation of the state in which the foreign legal entity was established or on the basis of the legislation of the state of which the natural foreign person is a national. In establishing Czech legal entities in the Czech Republic, foreign persons must act in compliance with Czech law. The founding of a legal entity can be divided into two stages. At first, the company must be founded. This is the phase when the foundation document is drawn up, but the company does not yet exist as a legal entity and does not have legal subjectivity. The second stage is acquiring legal subjectivity, which is accomplished by the company being entered in the Company Register, whereby the company is established.

ESTABLISHING A COMPANY ORGANISATIONAL UNIT IN THE CR

All foreign persons having a business in a foreign state are entitled to set up its organisational unit in the Czech Republic. To be able to conduct business activities in the CR, such an organisational unit must be entered in the Company Register, and it may start its business activities at the day of its registration, to the extent stipulated in the Company Register. The organisational unit of a foreign company in the CR is intended to carry out business activities in the CR on a permanent basis. Although it is relatively separated from its parent, it is tied with it by accounts and organisation. The organisational unit does not have legal subjectivity under Czech law.

RELOCATION OF THE PERMANENT REPRESENTATIVE OFFICE OF A FOREIGN PERSON TO THE CR

The essential prerequisite for a foreign person to relocate its permanent representative office to the Czech Republic is the existence of an international treaty allowing such an act, which is binding on the Czech Republic. The treaty must have been published in the Czech Collection of Laws or the International Treaties Collection.

The relocation becomes effective by the registration of the new residence in the Company Register. By being entered in the Register, such a company becomes a Czech legal entity in the sense of the Czech Commercial Code. The Commercial Code also regulates the liability of the partners or members towards third persons. This liability, however, may not be lesser than that, which business companies having the same or similar form have under Czech law.

Foreign persons may react to changes in the economic environment and after having met the conditions mentioned above they are entitled to relocate their representative offices to the Czech Republic. The continuity of the company's existence is thus ensured and there is no need for the company to undergo the complicated procedure of its cancellation in the foreign state and its new founding (establishment) in the Czech Republic.

FOREIGN PERSONS DOING BUSINESS IN THE CR WITHOUT SETTING UP A LEGAL ENTITY

This is a way of cooperation between a foreign person and a Czech person on the basis of an obligation relationship. An example is an association contract or a dormant partnership contract. The partners to those obligation relationships may decide on the governing law by which their actions will be guided. If, in view of the existing circumstances, there is no doubt about their consenting minds, they may do so implicitly (tacitly).



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[Tax System of the CR]

The main characteristics of the tax system of the Czech Republic are similar to those of other EU and OECD countries.

1. DIRECT TAXES

Personal Income Tax is regulated by Act No. 586/1992 Coll., on Income Taxes. Its payers are all natural persons having their residence in the territory of the Czech Republic or persons ordinarily resident there. The tax period is the calendar year. The tax base is the sum of all incomes which the law divides into incomes from employment, incomes from business, incomes from lease, capital incomes, and other incomes. As from 2008, the income tax base from employment is the gross wage, plus Social and Health Insurance premiums paid by the employer (super-gross wage). From certain kinds of income, payers may deduct expenses incurred to earn and maintain the income, either in their actual amount or as a percentage of the income fixed by law (depending on the type of business, this varies from 40% to 80%). A loss may be carried forward to the next five years and deducted from the incomes of future periods. Income from the sale of certain kinds of assets is exempted from tax if a period of time fixed by law has passed between their acquisition and sale (e.g. 6 months in the case of securities, or 5 years in the case of apartments). As from 2008, the linear 15-per-cent tax rate applies. Tax Returns must be filed by 31 March of the following year, or by 30 June if the Tax Return is prepared by a Tax Adviser. Employees are not required to file Tax Returns, as this obligation falls on the employer. The Act provides for a number of tax allowances related to the personal and family situation of the taxpayer. It also includes a number of tax reliefs. For example, taxpayers may deduct from their tax base donations for charity purposes, interest paid on mortgage, and amounts paid under the Pension Saving and Life Insurance systems. A fundamental reform that has been approved will merge the administration of personal Income Taxes with Social and Health Insurance contributions at the tax offices and will simplify the system. According to the approved law, the reform will take effect from 2015.

Corporate Income Tax is also regulated by Act No. 586/1992 Coll., on Income Taxes. Its payers are all types of juristic persons, depending on the address of their registered office or the place from where their activities are directed. The tax period is the calendar year, or another twelve-month period beginning on the first day of any month other than January. The tax base is the difference between incomes and expenditures relating to the tax period concerned. The incomes and expenditures are ascertained from accounting documents according to Czech national accounting standards. Only tax allowable expenses, i.e. those incurred so as to earn and maintain an income, may be deducted from the income. The depreciation of assets is calculated individually. Tangible assets are divided into 6 depreciation classes, with depreciation periods of 3 to 50 years. Losses may be carried forward for 5 years into the future periods and offset against the incomes of those periods. Tax Returns are usually filed within 6 months, if the Tax Return is prepared by a Tax Adviser or if the law requires verification of the Financial Statement by an Auditor. As from 2010, the tax rate is 19%. The Act also provides for a number of tax reliefs, primarily investment incentives (tax breaks) for a period of up to five years. Further, this includes support for Science and Research, with regard to which taxpayers may deduct 100% of their expenditures on Science and Research projects from their tax base. Other taxes are the **Real Estate Tax**, **Road Tax**, **Inheritance Tax**, **Gift Tax**, and **Real Estate Transfer Tax**.

2. INDIRECT TAXES

Value Added Tax (VAT) is regulated by Act No. 235/2004 Coll., on Value Added Tax. VAT registration liability applies to persons with a turnover exceeding CZK 1 000 000 / EUR 39 500 per year. Persons with a lower turnover may register voluntarily. As from 2008, the law makes it possible for a group of persons tied by capital to register as one VAT payer. Persons carrying out tax-allowable activities (e.g. financial services) are not required to register. For persons with a turnover of up to CZK 10 million/EUR 395 413, the tax period is the calendar quarter, for persons with a higher turnover it is one month. The Tax Return is to be filed on the 25th day after the end of the tax period. A VAT-registered person is liable to apply VAT to all his/her taxable activities and to issue a document to that effect, i.e. an Invoice or a Sales Document. Imports of goods from states outside the EU are liable to VAT. Transactions between EU states are subject to the harmonised rules, which include the obligation to submit the summary Sales Lists. The tax base is the value of all taxable supplies. There are two VAT rates. As from 2010, the basic rate is 20% and it is levied on most goods and services. As from 2012, the reduced rate is set at 14%. This applies to food, medicaments, houses and apartments up to a certain size, books, newspapers and magazines, accommodation services, etc. Certain transactions are exempted from VAT, such as transfers of land other than building sites, and the lease of land and buildings. New regulations introduced from 1 April 2011 include VAT relief on bad debt, the transfer of tax liability to the buyer in some transactions (reverse charge), and the possibility of the buyer's liability for tax that has not been paid by the supplier if the buyer has known or should have known about it (joint and several liability). **Excise Duty**, too, is harmonised with the EU directives concerned. Excisable goods include mineral oils, alcohol, beer, wine, tobacco products, electricity, solid fuels (coal and coke), and natural gas.

Martin Jareš

Ministry of Finance, www.mfcr.cz

Note: EUR 1 = CZK 25.29 (2010 average annual exchange rate published by the Czech National Bank)

USEFUL LINKS

Ministry of Finance www.mfcr.cz

Czech Tax Administration <http://cds.mfcr.cz>

Database of the European Commission - Taxes in Europe http://ec.europa.eu/taxation_customs/taxation/gen_info/info_docs/tax_inventory/index_en.htm

OECD Tax Database www.oecd.org/ctp/taxdatabase

OECD Taxing Wages www.oecd.org/ctp/taxingwages

[Institutions Present Themselves]



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It organises activities for the establishment of trade and economic relations between Czech and foreign entities, in **the form of business missions**, conferences, bilateral and multilateral negotiations, and participation of its members in trade fairs, exhibitions, and expert seminars.

The Confederation formulates and promotes the interests of employers and entrepreneurs of the Czech Republic in European and international organisations, especially as a member of the Confederation of European Business (BUSINESSEUROPE) and within the framework of the Business and Advisory Committee to the OECD (BIAC). On the basis of agreements it actively cooperates with partner industrial federations, chambers of commerce, and other economic institutions abroad.

Svaz průmyslu a dopravy České republiky

Freyova 948/11, 190 05 Praha 9

Phone: +420 225 279 111

E-mail: sprcr@sprcr.cz

More information about the Confederation of Industry of the Czech Republic and sector federations is available at: www.sprcr.cz



CZECH CHAMBER OF COMMERCE

The Czech Chamber of Commerce (HK CR) is an independent public institution of entrepreneurial self-governance. It was founded in 1993 as a legal successor of chamber organisations on the territory of the Czech Republic since 1920. With almost 14 000 members, the HK CR serves as a one-stop-shop for Czech and foreign enterprises that are in need of information, new business opportunities, or any other sort of expert service. Its regional and professional structure comprises 66 regional and local chambers as well as 84 professional associations.

Main mission of the HK CR is to create opportunities for business, push through and support measures aiming at further development of business in the Czech Republic and to an overall economic stability of the country.

The HK CR provides services complying with EU standards, just like chambers of commerce in other EU member states.

In foreign relations, the HK CR

- | organises international and bilateral company contact events (outgoing and incoming business missions);
- | organises accompanying business missions of Czech state representatives during their official visits to other countries;
- | organises visiting missions of businessmen at the occasion of the Czech Republic's official participation in trade fairs and exhibitions abroad;
- | organises missions of foreign investors for small and medium-sized Czech enterprises;
- | organises seminars, workshops, business forums and similar events with a sector or regional focus;
- | organises participation in EU programmes and other activities;
- | searches for trade partners in the Czech Republic and provides consulting services related to foreign trade;
- | provides active support to businessmen when entering foreign markets;
- | arranges export certifications;
- | carries out foreign market analyses;
- | publishes demands and offers of foreign companies on Chamber websites.

Hospodářská komora České republiky

Freyova 27, 190 00 Praha 9

Phone: +420 266 721 300

Fax: +420 266 721 692

E-mail: office@komora.cz

More information at www.komora.cz



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www.nevapv.cz
www.zaluzieneva.cz



CONFEDERATION OF EMPLOYERS' AND ENTREPRENEURS' ASSOCIATIONS OF THE CZECH REPUBLIC

The Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic (Konfederace zaměstnavatelských a podnikatelských svazů ČR - KZPS) is an open, independent special-interest association established according to Act No. 83/90 Coll., on association of citizens. It unites seven representatives of employer unions in the fields of construction industry, textile industry, small and medium-sized businesses, cooperatives, agriculture, mining and oil industry, wood processing industry, education, health care, culture, and social services. Representing more than 23 000 member bodies with 982 428 employees, it supports the promotion of the specific interests of its members in the legislative field and in other areas. The Confederation formulates common business and employer interests of its members and promotes them in cooperation with relevant state authorities, other employers' organisations and trade unions, and especially through various forms of consultations with the Czech government. Membership of the Confederation is voluntary. Members of the Confederation are only employers' unions and associations, not individual enterprises.

Members of the KZPS CR:

The Association of Textile, Leather and Clothing Industry (ATOK), The Cooperative Association of the Czech Republic - through the Union of Czech and Moravian Producer Cooperatives, The Syndicate of Businesspeople and Tradespeople of the Czech Republic, The Association of Entrepreneurs in Building Industries of the Czech Republic, The Union of Employers' Associations of the Czech Republic, The Employers' Association of Mining and Oil Industry, The Agricultural Association of the Czech Republic.

Konfederace zaměstnavatelských a podnikatelských svazů ČR

Václavské náměstí 21, 113 60 Praha
Phone: +420 222 324 985
Fax: +420 224 109 374
E-mail: kzps@kzps.cz

More information about The Confederation Employers' and Entrepreneurs' Associations of the Czech Republic at www.kzps.cz



CZECH TRADE PROMOTION AGENCY / CZECHTRADE

DEVELOP YOUR INTERNATIONAL BUSINESS

The state pro-export agency, CzechTrade, is an organisation established by the Ministry of Industry and Trade of the Czech Republic. The main objective of the agency is to develop international trade and mutual cooperation between Czech and foreign entities.

CzechTrade offers a wide range of client-tailored services:

- ! introduction to proven Czech suppliers
- ! setting up business meetings with potential partners
- ! presentation of Czech companies at foreign trade shows
- ! information on doing business in the Czech Republic

The Agency's services are considered an effective help with establishing business partnerships.

Czech companies have a reputation of reliable partners and proven suppliers of world class products, technologies and services.

On-line Services

Czech Business Partner Search

Are you looking for a supplier or business partner in the Czech Republic?

Tell us about your requirements by completing the form on our website. The CzechTrade team of specialists will get back to you with contacts of suppliers of goods and services matching your needs.

Directory of Czech exporters

An official on-line database of Czech exporters – your potential business partners in the Czech Republic. The Directory is available in 13 languages at <http://exporters.czechtrade.cz/en>.

BusinessInfo.cz www.businessinfo.cz

Official site for businesspeople who are looking for information, assistance or contacts for their business activities in the Czech Republic. Translation to other languages is possible with the help of the Google Translate application.

Česká agentura na podporu obchodu CzechTrade Head Office

Dittrichova 21, 128 01 Praha 2
Phone: +420 224 907 820
E-mail: info@czechtrade.cz

CzechTrade Riga (Estonia and Lithuania)

Elizabetes 13
1010 Riga, Latvia
Phone: +371 67508 371
Fax: +371 67508 370
E-mail: riga@czechtrade.cz
www.czechtrade.lt

More information at www.czechtrade.cz, www.czechtrade.eu

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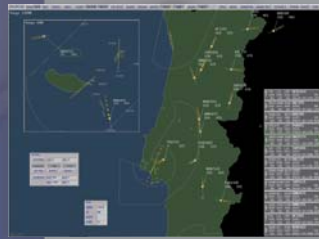


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OS 248	WIENNA	11:30	A4	last call
SU 895	BOMBAY	11:45	B5	boarding
ARRIVALS				
flight	from	time	remark	
OK 251	NEWARK	09:00	delayed	
AF 4375	PARIS	10:50	landed	
J2 3251	BAKU	11:12	confirmed	

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CzechInvest – the National Investment and Business Development Agency – is a state-run contributory organisation subordinated to the Ministry of Industry and Trade of the Czech Republic. Its aim is to raise the competitiveness of the Czech economy by providing support for small and medium-sized enterprises, the business infrastructure and innovation. The Agency attracts foreign investors in the areas of manufacturing, business support services and technology centres, and supports Czech enterprises in their efforts to expand. In its endeavour to simplify communication between the state, businesses and the European Union, CzechInvest acts as an umbrella organisation for all sources of business support flowing both from EU funds and the state budget. CzechInvest promotes the Czech Republic in other countries as an attractive destination for investors and is the sole organisation authorised to file investment incentive applications with the relevant bodies. It also supports Czech firms interested in being included in the supply chains of transnational corporations. With its services and promotion programmes, CzechInvest helps domestic firms and Czech and foreign investors in their expansion efforts and the development of the business environment in general.

All services are provided free of charge.

CzechInvest

Štěpánská 15, 120 00 Praha 2
Phone: +420 296 342 500
Fax: +420 296 342 502
E-mail: info@czechinvest.org

More information about CzechInvest is available at www.czechinvest.org

CZECH TOURIST AUTHORITY - CZECHTOURISM

CzechTourism is a state contributory organisation of the Ministry for Regional Development of the Czech Republic. It was established in 1993 with the purpose of promoting the Czech Republic as an attractive tourist destination in foreign countries and, since 2003, also on the domestic market.

In 2012, Czech Tourism will launch three big campaigns to promote the Czech Republic. The most important of them will focus on the propagation of UNESCO-listed historical monuments and sites, as this year, the Czech Republic marks the twentieth anniversary of the inclusion of the country's first architectural gems in the UNESCO World Heritage List.

The Czech Republic has a number of National Parks and areas, which are ideal for practicing a wide range of sports, as well as for spending pleasant family holidays. In 2012, these highlights are promoted under the slogan Family Friendly Outdoor.

A special feature of the Czech Republic is its famous spa tradition. The country is rich in natural curative springs, which have given rise to 37 spa resorts boasting the highest standards. The spa tradition and the high standard of the spa services and health care are highlighted by a new campaign, Elegance Clad in New Garments.

In addition to all this, CzechTourism uses its traditional products, such as the renowned Czech gastronomy, which it propagates in the framework of its project Czech Specials.

An important part of tourism, besides the leisure segment, is congress tourism (MICE). Congress and incentive tourism is promoted in the world by a special department of CzechTourism, the Czech Convention Bureau. In distant markets, the Czech Republic presents itself in the framework of the European Quartet One Melody project together with the other three Visegrád Four countries.

CzechTourism has 25 foreign representations, whose task it is to represent the Czech Republic in other countries.

Česká centrála cestovního ruchu - CzechTourism

Vinohradská 46, P.O.BOX 32
120 41 Praha 2
Phone: +420 221 580 111
Fax: +420 224 247 516
E-mail: info@czechtourism.cz

More information in 19 world language versions can be found at www.czechtourism.com



CZECH CENTRES

Czech Centres are an organisation managed by the Ministry of Foreign Affairs of the Czech Republic and established for the promotion of the Czech Republic throughout the world. The Centres operate as a network in 21 foreign cities on 3 continents and are active members of the European Union National Institutes for Culture, EUNIC.

The Centres promote Czech culture on an international level and in all fields. They present the CR as a modern country with a rich cultural tradition and an ability to develop this wealth. The Centres foster and develop cooperation of foreign cultural institutions, experts and individual artists with Czech entities.

In the area of education, science and research, the Centres collaborate with universities and professional institutions, aid with the development of their mutual cooperation, and promote the successes of Czech science abroad. The Centres support teaching and the dissemination of the Czech language in the world.

In the area of support for foreign economic relations, the Centres contribute to asserting the CR's business interests abroad, both on the corporate and municipal level. They support creative Czech industries.

In the area of support for the CR as an attractive tourism destination, the Centres, in cooperation with partners, focus on regional presentations abroad.

When it comes to providing information about the CR, the Centres work as communication centres for both the lay and professional foreign public, media and international entities.

Česká centra

Václavské nám. 816/49
110 00 Praha 1
Phone: +420 234 668 211
E-mail: info@czech.cz

More information at www.czechcentres.cz



CENTRE FOR REGIONAL DEVELOPMENT OF THE CR – ENTERPRISE EUROPE NETWORK

The Centre for Regional Development of the CR (CRR CR) is the implementing agency for European programmes operating under the auspices of the Ministry for Regional Development of the Czech Republic.

CRR CR hosts one of the centres of the Enterprise Europe Network (EEN), a member of Europe's largest network (with more than 500 partners) set up and run by the European Commission with the purpose of promoting business. Its consortium based in the Czech Republic is composed of eleven partners from seven cities – Prague, Brno, Plzeň, Ostrava, Most, Liberec, and Pardubice. The mission of the network is to help especially small and medium-sized enterprises (SME) on entering the EU internal market and doing business there.

To foreign clients CRR CR – EEN Prague offers: information about the Czech Republic, about the business environment in the CR, Czech legislation, about how to find Czech partners for co-operation, information about starting a business in the CR, sources of financing from Structural Funds and other information. Each year, EEN Prague co-organises business talks between firms in the CR and Scandinavian and Baltic countries, e.g. during the Swedish Elmia Subcontractor Fair in November and the Finnish Alihankinta Fair.

Centrum pro regionální rozvoj ČR – Enterprise Europe Network

Vinohradská 46, 120 00 Praha 2

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More information at www.crr.cz, www.een.cz

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- electronic components production

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- cast iron foundries
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- ferrous and non-ferrous metal forging and pressing plants

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WWW.KOVOPROJEKTA.CZ

[Useful Contacts]

USEFUL CONTACTS IN THE CZECH REPUBLIC

Embassy of the Republic of Estonia

Na Kampě 1, 118 00 Praha 1

Phone: +420 257 011 180, Fax: +420 257 011 181

E-mail: embassy.prague@estemb.cz, www.estemb.cz

Estonian Honorary Consul in Brno

Tř. kpt. Jaroše 13, 602 00 Brno

Phone: +420 542 215 109, 542 219 678

E-mail: bulinsky@bumama.cz

Embassy of the Republic of Latvia

Hradešinská 3, P.O.Box 54, 101 00 Praha 10

Phone: +420 255 700 881, Fax: +420 255 700 880

E-mail: embassy.czech@mfa.gov.lv, www.latvia.cz

Embassy of the Republic of Lithuania

Pod Klikovkou 1916/2, 150 00 Praha 5

Phone: +420 257 210 122, 257 210 123

Fax: +420 257 210 124

E-mail: amb.cz@urm.lt, http://cz.mfa.lt

Consulate of the Republic of Lithuania

Hlinky 40/102, 603 00 Brno-Pisarky

Phone: +420 543 244 145, Fax: +420 543 244 146

E-mail: slacalap@seznam.cz

MINISTRIES

Ministry of Foreign Affairs / Ministerstvo zahraničních věcí

www.mzv.cz

Ministry of Industry and Trade / Ministerstvo průmyslu a obchodu

www.mpo.cz

Ministry of Agriculture / Ministerstvo zemědělství

www.mze.cz

Ministry of Transport / Ministerstvo dopravy

www.mdcr.cz

Ministry of Finance / Ministerstvo financí

www.mfcr.cz

*Ministry of Regional Development**Ministerstvo pro místní rozvoj*

www.mmr.cz

Ministry of the Environment / Ministerstvo životního prostředí

www.mzp.cz

*Ministry of Labour and Social Affairs**Ministerstvo práce a sociálních věcí*

www.mpsv.cz

Ministry of Health / Ministerstvo zdravotnictví

www.mzcr.cz

*Ministry of Education, Youth, and Sport**Ministerstvo školství, mládeže a tělovýchovy*

www.msmt.cz

Ministry of Culture / Ministerstvo kultury

www.mkcr.cz

Ministry of Justice / Ministerstvo spravedlnosti

www.portal.justice.cz

Ministry of Defence / Ministerstvo obrany

www.army.cz

Ministry of the Interior / Ministerstvo vnitra

www.mvcr.cz

OTHER INSTITUTIONS

Czech National Bank / Česká národní banka

www.cnb.cz

Czech Statistical Office / Český statistický úřad

www.czso.cz

Academy of Sciences of the Czech Republic / Akademie věd ČR

www.cas.cz

USEFUL CONTACTS IN THE REPUBLIC OF ESTONIA

Embassy of the Czech Republic

Lahe 4, 101 50 Tallinn

Phone: +372 6274400, Fax: +372 6314716

E-mail: tallinn@embassy.mzv.cz, commerce_tallinn@mzv.cz

www.mzv.cz/tallinn

USEFUL CONTACTS IN THE REPUBLIC OF LATVIA

Embassy of the Czech Republic

Elizabetes iela 29a, 1010 Riga

Phone: +371 67217814, 6728 7306, Fax: +371 67217821

E-mail: riga@embassy.mzv.cz, Commerce_Riga@mzv.cz

www.mzv.cz/riga

CzechTrade Riga (Estonia and Latvia)

Elizabetes 13, 1010 Riga

Phone: +371 67508 371, Fax: +371 67508 370

E-mail: riga@czechtrade.cz, www.czechtrade.lv

USEFUL CONTACTS IN THE REPUBLIC OF LITHUANIA

Embassy of the Czech Republic

Birutes g. 16, Žverynas, 08117 Vilnius

Phone: +3705 2661 040, Fax: +3705 2661 066

E-mail: vilnius@embassy.mzv.cz, commerce_vilnius@mzv.cz

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[The Most Important Websites]

General information on the Czech Republic	www.czech.cz	Official site for the CR
BusinessInfo	www.businessinfo.cz	Official site for professionals searching for information, assistance, or business contacts in the CR
Doing Business in the Czech Republic	www.doingbusiness.cz	General information about business climate, structure, and development of the Czech economy
Portal of the Public Administration	www.vlada.cz	The electronic gateway for the public to administration and government services

Company Contact Information

ARES	www.info.mfcr.cz/ares/ares.html	Access to Registers of Economic Subjects/Entities
Business Register	www.justice.cz/xqw/xervlet/insl/index	Public directory
Hoppenstedt Bonnier	www.hbi.cz	The most important companies in the CR and the SR
Inform.cz	www.inform.cz	Czech Company Catalogue
Kompass	www.kompass.cz	Czech Company Catalogue
Creditinfo Czech Republic	www.creditinfo.cz	Financial and credit information
European Databank	www.edb.cz	Information operator
Czech exporting companies	http://exporters.czechtrade.cz/en/	Company-Catalogue Czech Exporters Directory
Zlaté stránky	www.zlatestranky.cz	Telephone and companies directory

Legislation

Iuridika	http://iuridika.eunet.cz	Directory of legal services and official bodies
Portal of Czech judiciary	www.justice.cz	Course of legal proceedings

Finance

Czech National Bank	www.cnb.cz	Monetary, financial, and macroeconomic data
Prague Stock Exchange	www.pse.cz	Prague Stock Exchange data
RM-System	www.rmsystem.cz	Czech Stock Exchange
Czech Insurance Association	www.cap.cz	Directory of insurance companies operating in the CR
Register of excise duty payers	www.cs.mfcr.cz/spd_internet/	Directory of taxpayers registered under individual tax identification numbers (DIČ)
Chamber of Tax Advisers of the CR	www.kdpcr.cz	Database of tax advisers

Statistics

Czech Statistical Office	www.czso.cz	Official statistical data and information covering different subjects
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Fairs and Exhibitions

BVV – Brněnské veletrhy a výstavy/Trade Fairs Brno	www.bvv.cz	List of exhibitions in Brno and relevant information
Association of Fair and Exhibition Organizers of the CR	www.czechfairs.cz	Exhibition centres and companies organising trade fairs in the CR and abroad

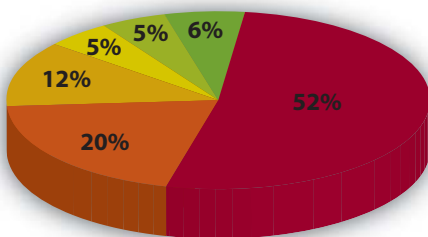
Miscellaneous

The Industrial Property Office	www.upv.cz	Patents, trade marks, utility models, and industrial designs
The Czech Science Foundation	www.gacr.cz	Awards grants to the best projects of basic research in all branches of science
The Register of Advertising Agencies	www.registrara.cz/rra	Expert assistance in choosing and working with advertising and communication agencies in the CR
Česká pošta (the Czech Post)	www.ceskaposta.cz	Incl. postcodes of municipalities and its districts (PSC), philately etc.
Residence of Foreigners in the CR	www.domavcr.cz	Advice for living in the CR
Association for Foreign Investment	www.afi.cz	Support for entry of foreign investors
Cadastre of Real Estate	www.cuzk.cz	Information system, contains data on real estate in the CR
Road toll in the CR	www.premid.cz	Information on toll and charges
Portal of the Regional Information Service	www.risy.cz	Information website on the regions
The Czech Association of Hotels and Restaurants	www.ahrcr.cz	Directory of hotels in the CR

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THE PRAGUE OFFICE:

FANS, a.s.
Lomnického 9, 140 00 PRAGUE 4, Czech Republic
Tel.: +420 234 718 900, Fax: +420 234 718 918
E-mail: praha@fans.cz

THE HLINSKO OFFICE:

FANS, a.s.
Ležáků 231, 539 01 HLINSKO, Czech Republic
Tel.: +420 469 312 460, Fax: +420 469 311 367
E-mail: info@fans.cz

