



Czech Economy Briefs

Czech economy grew by 0.3 percent in the third quarter of this year against the previous quarter and by 2.3 percent year on year, the Czech Statistical Office (CSU) announced in its first preliminary estimate. Manufacturing, especially manufacture of transport equipment, chemicals and chemical products have contributed most to the positive development.

The Czech economy expanded by 67 percent in **real terms** in 1993-2013, while the Polish economy increased by 133 percent, Slovak economy by 129 percent and Hungarian economy by 48 percent, Czech National Bank (CNB) governor Miroslav Singer said at a conference on 25 years of free enterprising, organised by the Chamber of Commerce.

Unemployment in the Czech Republic dropped by 0.2 percentage point month on month to 7.1 percent in October and the number of jobless people dropped by 9,460 to 519,638, while the number of vacancies rose by 1,661 to 58,217, the Employment Office said.

Consumer prices in the Czech Republic increased by 0.7 percent year on year in October, the same as in September, and the growth was pulled mainly by food prices, the Czech Statistical Office (CSU) announced.

Czech exports are expected to reach a record CZK 3.6 billion in 2014, despite the economic sanctions between the EU and Russia, an increase by CZK 0.5 billion from last year. The Association of Czech Exporters says a direct impact of Russian retaliatory sanctions on Czech exports next year is likely to amount to three billion crowns. Another five to eight billion are expected to be lost indirectly through re-exporting from other countries, mainly Germany. Czech exports are traditionally driven by the engineering and automotive industries.

The Czech government's **draft energy concept** is based on nuclear energy and coal sources, and is not in favour of gas power plants and a big support to renewable energy, Industry and Trade Minister Jan Mladek said.

Business Briefs

AXT Pty Ltd, a leading supplier of high technology equipment for the mining, materials, life science and



non-destructive testing markets have recently completed the commissioning of a Czech made **TESCAN** Integrated Minerals Analyser (TIMA) in Perth with the CSIRO's Mineral Resources Flagship. AXT are TESCAN's agent in Australia and New Zealand and will supply on going product and software support for the system. The addition of the TESCAN TIMA to CSIRO's arsenal adds high resolution automated mineralogy capabilities for advanced characterisation of exploration and ore deposit samples for the mining and minerals industry. This marks the second TESCAN electron microscope installation in Western Australia in just over 6 months and the first TIMA installation in the country.

AXT will also be installing two more TESCAN SEM in January including another TIMA system at Curtin University.



Aero Vodochody is the ninth fastest-growing aircraft producer in the world for 2013 when its sales increased by 29 percent to Kc3.8bn, and Aero placed 100th in PricewaterhouseCoopers list of the world's biggest aircraft producers. Aero Vodochody has hired nearly 400 new employees this year and its cooperation with Czech

companies grew by 60 percent in the last two years. Aero produces, for example, parts of military cargo aircraft Embraer KC-390 and transport planes Airbus A321 neo and Bombardier CSeries. Aero Vodochody, which emerged in 1919, also produces its own planes. One of them is L-159, used by the Czech military since 2001.



Car maker **Skoda Auto** is planning to invest about EUR450m (Kc13bn) in the development of its plant in Kvasiny, east Bohemia, Michael Oeljeklaus, a member of Skoda Auto board of directors, said on occasion of the 80th anniversary of launch of car production there. Skoda is planning to hire about 1,500 people. Skoda Auto's plant produces the Superb, Yeti and Roomster models. The plant with about 4,200 employees turns out more than 150,000 cars a year. The extended plant should start to produce the new Skoda Superb model and a SUV car for Seat.

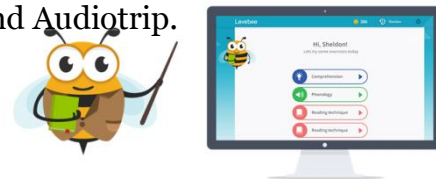


Czech company **PHOTOROBOT.com** successfully presented in Cologne trade fair Photokino its 3D product photo technology that allows their customers to take 360 degree product photo of nearly any product you could imagine – no matter the size. It can be as small as a ring or as big as a car. Photo robots can take impressive 360 degree pictures in two minutes, which can be then viewed from any side you wish. The Czech Photo robots have been exported for example to the USA, Brasilia, South Africa and Australia.



The consortium of companies **Škoda Electric** and Solaris will deliver 24 new trolleybuses to the Hungarian capital. The Pilsen Škoda company will ensure the delivery of the complete electric equipment and also the final assembly of the vehicles. The contract also includes an option for other 84 trolleybuses, so the total value of the contract may reach 1.7 billion Czech crowns. Škoda also has concluded a contract for complete modernisation of 32 articulated trolleybuses in Boston in the USA and the total number of 120 Škoda trolleybuses will be delivered to Bratislava, which exercised an option for 40 modern vehicles.

Czech start-up companies made an impression at the **TechCrunch Disrupt EU show in London** in October 2014. The Czechs comprised the biggest national pavilion and gained a number of contacts and concrete offers. The most significant Czech success was that of Levebee, a start-up which presented its **Bee application** focused on helping children with reading disabilities. Out of the hundreds of projects presented at the TechCrunch, Levebee's application was named one of the fifteen best. The Czech stand in Great Britain featured cutting-edge firms such as Takeplace, Corinth, HighTech Park, MonkeyData, Phone X Security, MEWS SYSTEMS, Cryptelo, Driwhel, Wayry Ingenio and Audiotrip.

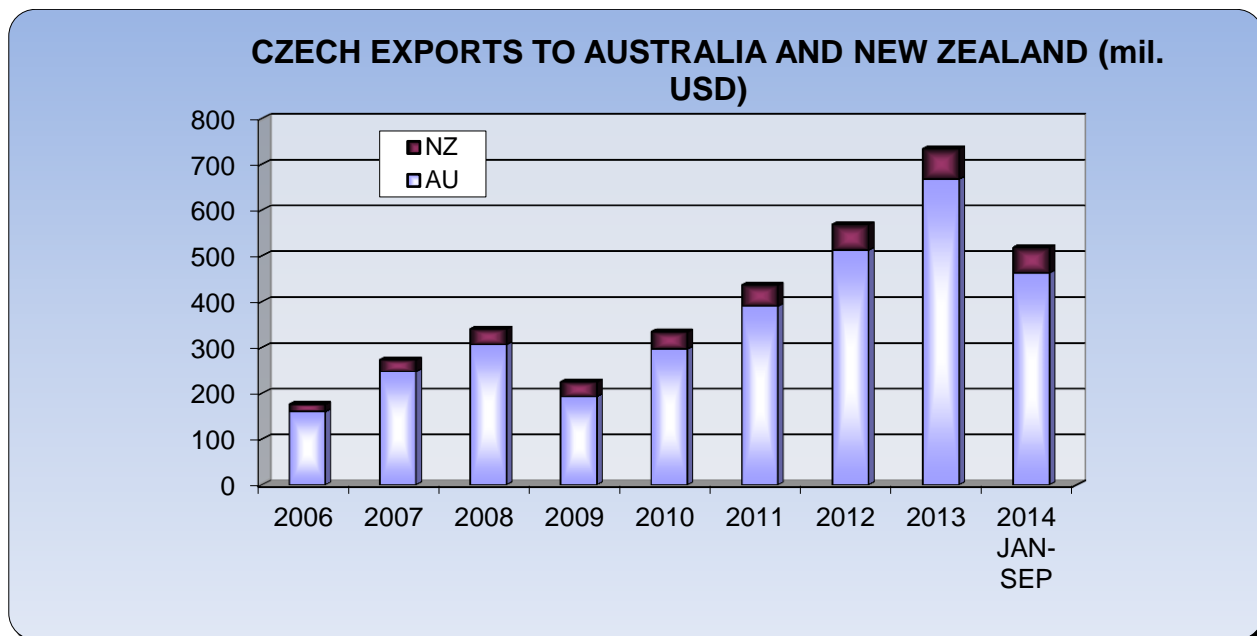


ConfITEX is a New Zealand based company specialising in the research and development of washable, absorbent, and waterproof underwear. Since May 2012 the founders, Mark Davey and Frantisek Riha-Scott, have developed and patented a range of undergarment technologies. Mark and Frantisek saw a need for specialist underwear products that are highly functional, ergonomically designed, and fashionable. The two began the journey of designing and engineering new underwear technology to improve people's health and well-being. ConfITEX state of

the art technology provides an effective and fashionable alternative to current disposable incontinence products - at the same time looking and feeling like regular, quality underwear. ConfITEX is currently seeking and engaging in business relationships and commercial partnerships worldwide for investment, sales and distribution. If you are interested in their product and discussing future opportunities please contact the company. <http://www.confiteunderwear.com/>

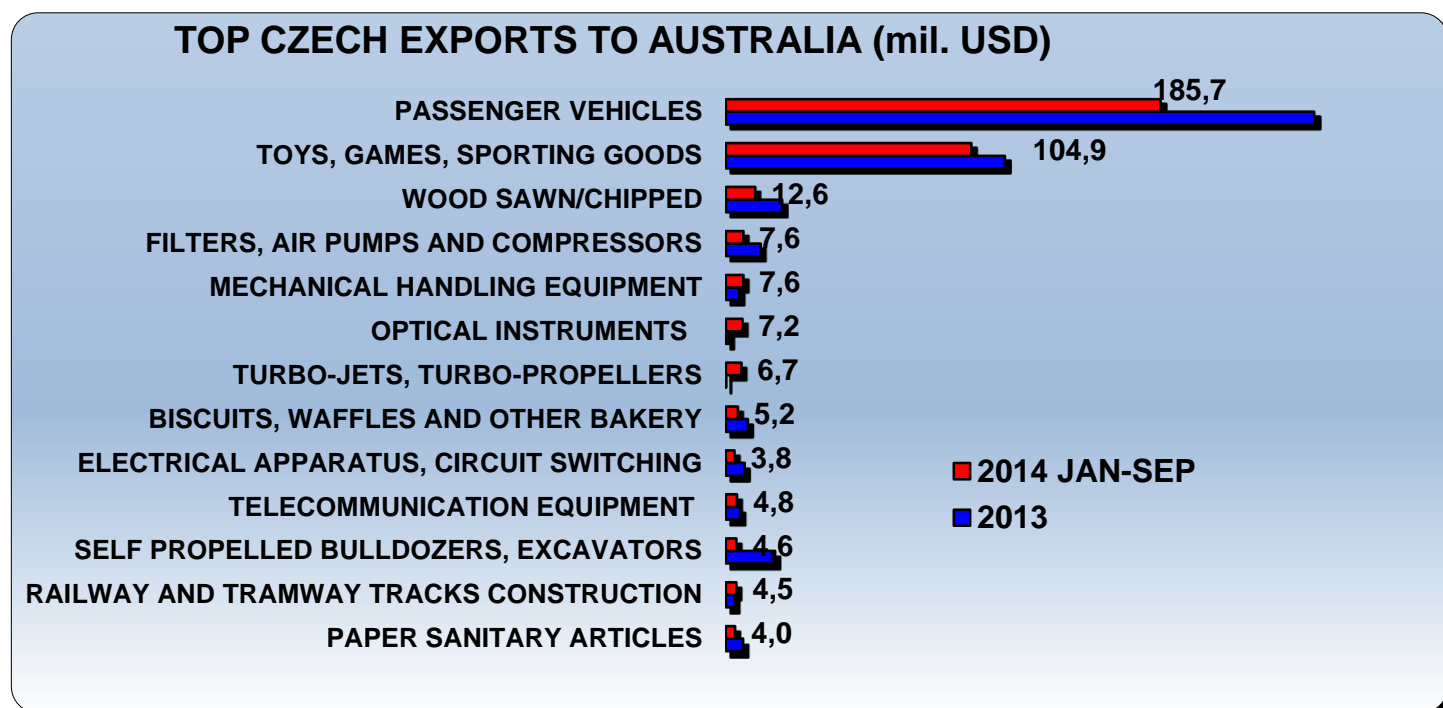
Czech exports to Australia and New Zealand

According to the latest export data of the Czech Statistical Office, exports from the Czech Republic to Australia reached 462 mil.USD (down 11% y/y) and exports to New Zealand 55 mil.USD (up 20% y/y) from January to September 2014. However, the trade surplus of the Czech Republic with both countries is 376mil.USD.



Passenger vehicles and toys continue to be the leading export articles to Australia and New Zealand in 2014. In Australia they make 62% of export, in New Zealand nearly 50%.

Following graph displays the major commodity exports in 2013 and 3 quarters of 2014 in Australia:



In Australia, exports from the Czech Republic in the first nine months of 2014 have decreased by 11% compared with the same period of 2013. Orders for passenger vehicles decreased by 3,5% but toys orders

increased by 22%. Czech Crown remains weak against Australian Dollar which may contribute to the recovery of Czech exports. Passenger vehicles market in Australia may however also be affected by recently signed FTAs between Australia and Japan and South Korea, reducing the price of Asian vehicles in Australia.

Following graph displays the major commodity exports in 2013 and three quarters of 2014 in New Zealand:



In New Zealand, a number of commodity categories has increased in export volume in the period January – September 2014 compared to the same period of 2013, indicating new export opportunities for industrial machinery, electric plants and generators, newly also for prefabricated buildings. Main export articles are LEGO toys (8% down y/y) and Škoda passenger vehicles (4% up y/y). Overall Czech export to New Zealand has increased by 20% in the period.

Czech companies seeking Australian and New Zealand partners

CZECH ROYAL BEER

Our beer is brewed from only the finest quality of Czech hops, barley, malt and water from artesian wells.

In combination with a long tradition of brewing beer, our unique and balanced flavor stands out from all the rest. The characteristic indicator is the medium intensity of bitterness with delicate, harmonic character, balanced, combining flavor of malt and hops.



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ISOTREND

We have been operating since 1992 to provide you with comprehensive services in the field of radioactive substance handling, storage and disposal for medical and industrial applications tailored to your needs.

We offer the supply, exchange, liquidation, storage and transportation of sealed sources of ionising radiation, and, furthermore, perform required government tests, provide radiation protection services and offer expert advice. We specialize in the production of nuclide Ir-192 for defectoscopy and radiotherapy.

One of the main activities of our company is the supplying of sources and the provision of additional services for NDT methods (non-destructive testing) and industrial applications.

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ARTEGLASS



We are a Czech firm producing and handcrafting custom-made glass products (bowles, vases, jewellery etc.). We focus on top quality and the artistic processing of our products. The process of production is all handmade with care and the quality is checked continuously. Each piece contains the original signature of the maker.

During the production process, we use so called „fusing“ technique – bending and fusing the glass with temperature at about 800°C. This technique is more than 1000 years old and was first used by ancient Romans and Egyptians. Fusing is the oldest method in processing glass.

We create pieces which you can find in many galleries in the Czech Republic and other countries with whom we co-operate closely and for a long period of time.

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PAVOL FLORIŠ-DOZEP

We are offering high quality wind-powered, mobile and manual pumps "FLORIS". The pumps have long-term working life and are practically maintenance-free, very useful for 3rd world countries.

When using mobile pump you are avoiding animal's health problems resulting from the contamination of long-term standing water, especially in high temperature season. It's used for pumping drinking or nondrinking water with possibility of connection to store tank.



The pump could be used for pumping drinking water for livestock or water supply for farming animals, for watering the gardens with option to connect to drop

irrigation for reducing groundwater level.

You can use the pump up to 50mtrs under ground, could be useful for water oxidation when fish breeding. The pump could be placed on barrier or straight above the source.

The pump is portable, quickly re-assembled and demounted. To use the pump you don't need the planning permission. The products hold conformity "CE" according to EU norms and regulations the products are subject to industrial legal protection.

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Australian services for Czech companies

Koffels Solicitors & Barristers - Our firm specialises in international transactions for small and medium size enterprises with extensive experience over 25 years.

We are a business minded law firm. We understand the full range of issues that both individuals and businesses face. We are a full service law firm with practice area across a broad spectrum including: corporate commercial, estates, family law, real property and personal injury. We also do immigration work, particularly for companies. Through our membership in Lawyers Associated Worldwide we can complete work in over 180 different commercial jurisdictions, we are one of the select few Sydney firms that specialise in cost effective cross border work.

We represent clients all around the world including off shore companies investing into Australia and Australian based multinationals with interests in Asia, Europe, Africa and the Americas. We have a depth of experience in dealing with the difficulties clients face in cross border transactions including language and cultural barriers as well as the specific legal complexities associated with foreign jurisdictions.

Along with our Prague based firm, Schaffer and Partner, we are currently involved in actions to assist sales in Australia of Czech products. Please visit www.koffels.com.au



Morris Cohen Glen & Co. – Chartered Accountants

The company began in 1925 as a small accounting practice in Melbourne, offering a no-nonsense approach to advising decision makers in business.

Today, our practice still prides itself on delivering smart, honest, strategic advice, based on the broad experience of our Directors and staff. We continue to be recognised for our service commitment by many of our longstanding clients, some of whom have been with us for generations. Our client base has seen an expansion from our original local beginnings to nation-wide businesses and international corporations.

Our expertise will ensure you get the right advice to achieve your goals, from startup and implementation to management, improvements and growth. We maintain a network of connections through national and international firms to enable us to provide accounting and audit solutions on a global scale. We can establish (incorporate) your company (branch or subsidiary) in Australia and help you to run and expand it.

For further information about our range of services, please contact partners@morco.com.au or visit www.morco.com.au/.



Morris Cohen Glen & Co
Chartered Accountants

Introducing: A Czech Company EYELEVEL

EYELEVEL

When you ramble through an Adidas concept store in London, a Fred Perry boutique in Moscow or a North Face outdoor equipment store in Paris, it is quite possible the store has been designed and produced a short way from Prague.

Eyelevel is a Czech company that has ten branches on five continents and builds stores in more than hundred countries.

ABOUT EYELEVEL:

Back in year 2002, Tomáš Bača established a new company called Eyelevel. The company works in a way similar to car manufacturers. They prepare the design, technical drawings for production of individual parts manufactured in China or in the Czech Republic. When parts arrive to the company, they do not assemble the future boutique. They can see the store just visually on the computer screen. The parts and documents are packed, loaded on a truck, plane or ship and delivered to the store location. Identical boutiques based on the same layout can be found for instance on several hundreds locations around the world. The main market for the company is Russia, followed by the United Kingdom, France and Germany.

The company currently generates turnover of hundreds of millions Czech crowns and its core business has shifted out of Prague. Today Prague is the biggest, but only one of ten equal branches. They globally employ 250 people, half of them work in Prague.

Bača and his partner, with whom he started the company, sold Eyelevel to InnerWorkings in 2013, an American company seated in Chicago specializing in print jobs for multinational concerns. The acquisition by a strong foreign company will only strengthen the international range of the company.

THE BIGGEST CLIENTS:

A first contract was commissioned with **Hewlett Packard**. Eyelevel presented the entire HP's product range in 35 countries and won a three-year contract. After HP and Compaq merged, Eyelevel lost its contract. But people from Hewlett-Packard recommended the apt Czech company to the German headquarters of Adidas, a multinational sporting goods giant looking for somebody to help them increase their retail store traffic. That's how the company got involved in fashion.

Step by step the company has become one of the four key store solution suppliers for **Adidas**. When Adidas created the first intelligent shoe with an integrated "gearbox", namely a sensor monitoring the hardness of the surface during your run and adjusting cushioning based on the results, it was the Czech company that introduced it to the global markets. A fiberglass enlargement of the shoe almost two meters high, a virtual carbon copy of the original shoe was created in the Czech Republic. Other significant clients such as **Nike**, **North Face** or **Gas** followed.

But another level was reached when **Dior** ordered a mobile application for its personnel in brick-and-mortar stores. By means of an electronic device the sales assistant presents the latest Dior product range to his/her customer and describes who designed the clothes, what they are made of etc. The customer needs to know what he/she pays twenty thousand euro for. All that happens during client's appointment that is set in advance and held in the VIP lounge of the store. Dior calls it a sell ceremony.



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Tradeshows, Exhibitions, Events

**Cafe Neu
Romance
Prague**

**26-29/11
2014**

The First **Robot Performance Festival** in the World. The Third edition of it takes place in Prague. The main challenge the robot industry faces nowadays is not the technological challenge to develop advanced robots, but to gain understanding and awareness about robots for the general public. The event seeks to promote robots from a culture-historical perspective, viewed from many "robot" positions in the community.

**Vodafest
Melbourne**

**22/11
2014**

Some 15 Czech and Slovak beers, slivovitz, Czech and Slovak sweets, Little mole products and Czech push scooters were for sale during the biggest festival of Czech and Slovak community in Australia. More than 1000 visitors could enjoy a Moravian folkloric group Radegast and taste the traditional goulash or sausages. A number of new and old Skoda cars were to admire too.

**New Zealand
– Skoda and
Pilsen beer**

**31/10-1/11
2014**

On the occasion of the 1st visit of new Czech ambassador Martin Pohl to New Zealand, Honorary Consul General in Auckland Gregory Shanahan organized a reception at the **Newmarket showroom of Skoda New Zealand**. The second day, the Czech and Slovak community celebrated the Czech National Day in **Longroom Bar** in Auckland that is the first in town to offer the Pilsner beer on tap.

**Australian
National Field
Days, Orange,
NSW**

**23/10-25/10
2014**

CzechTrade office in Sydney organized a Czech national stand at the biggest Australian agricultural technology tradeshow. Five Czech companies presented their products. **ISOLIT-BRAVO** and its wheelbarrow had a huge success, they have already been distributed by Yardecó. Other companies included **VARI, ZDT Nové Veselí, DAKR a Strojírny ROZMITAL**, the latter exports already to New Zealand.

Business and Trade Websites and Links

CzechTrade: www.czechtrade-australia.com,
www.czechtrade.cz

CzechInvest www.czechinvest.org

General Information www.czech.cz
Czech Supplier www.supplier.cz

Tradeshows www.veletrhyavystavy.cz

Doing Business in the Czech Republic
www.doingbusiness.cz

Czech-Australian Chamber of Commerce in Sydney



<http://czechchambersydney.com/>

Czech-New Zealand Business Association in Auckland



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

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