



CZECH TRADE FOCUS

Good News from the Czech Commercial Offices in the USA • August 2001

→ Economic Outlook

- The Czech National Bank (CNB) raised interest rates effective July 27, 2001, for the first time in more than three years. The quarter-point hike brings the Repo rate to 5.25 percent, the discount rate to 4.25 percent and the Lombard rate to 6.25 percent. CNB said there is too much money going into the economy. Inflation in July was 5.5 percent on an annual basis, while the Finance Ministry has raised its forecast for this year from 3.9 percent to 5.1 percent.
- According to CNB, savings rate fell to 6.2 percent in the first quarter of 2001 from nearly 8 percent in 2000. Consumers were encouraged to save less and spend more by the growing economy and by the low interest rates. Last year, 29 percent of Czechs saved money, compared to 40 percent of population in the EU. The CNB cited the drop in savings as one of the reasons for its recent interest rate increase. Consumers are not only saving less, but they are also borrowing more. Consumer loans have risen since last year by CZK 22 billion, to CZK 133 billion.
- The draft 2002 budget calls for a spending increase of 8.7 percent, but most of this would go toward adjusting welfare

payments, increasing the wages of state workers by 8 percent and funding past state losses and debts. In many cases, ministries and agencies would face big cuts.

- The growth in Czech exports moderated at 5 percent in June, after extraordinary gains of 15 percent in May and 30 percent earlier this year. According to the Czech Statistical Office (CSU), the economic slowdown in the EU begins to leave a mark. Import growth, however, slowed even more, to 2 percent and helped keep the trade deficit to CZK 5.8 billion. The deficit was the lowest deficit since September 2000. Lower demand in Germany and other EU countries translates into slower growth in the Czech Republic.
- A United Nations report ranked the Czech Republic the most developed newly-transformed country in terms of technology and its application in the society (patents, licenses, use of cellular phones, Internet, etc.), followed by Hungary, Slovenia and Slovakia. The world leaders in this respect are Finland, United States, Sweden, and Japan.

→ EU Watch

- Beginning September 1, 2001, cigarette prices will be marked on the package at the factory and must be the same everywhere, as required by the EU legislation. Prices in some cases will also rise, due to EU tax harmonization. Finance Minister Jiri Rusnok signed the first part of a new price list yesterday. However, there will be a transition period of several months. It is estimated that prices will rise by CZK 1-5 per pack. Most new prices are already known, but Philip Morris has not yet submitted its pricing proposal.
- Parliament passed a constitutional amendment for giving precedence to EU legislation and international treaties over Czech law. If given final approval, norms passed by the EU Council of Ministers will automatically apply in the CR once the country joins the EU. The measure also calls for a referendum on EU accession.
- The Czech Republic was the first among negotiating countries to conclude talks on an important Chapter "Free Movement of Capital". Czech citizens will maintain an exclusive right to buy agricultural land and real estate for extra seven years, or five years respectively, after the country joins the EU. Czech negotiators also finished Chapter "Environment" when they agreed to reduce the number of transition periods. From original package seven exceptions, Czech delegation finally established two transition periods, one concerning to the wastewater purification requirements, second regarding the recycle rules. By finishing these chapters ahead of schedule, both EU and Czech officials will have more time to find a compromise over the most sensitive Chapter "Free Movement of Persons".
- A study commissioned by the research company Nextra found that Czech managers work more than their European colleagues and are more likely to suffer from mental stress. The study was aimed to describe working patterns of Czech managers, who were in the past viewed as inferior to their EU counterparts.

→ Companies & Market

- According to press, Germany's Supreme District Court in Munich ruled at the end of July that Czech brewer **Budvar/Budweiser** (BB) alone is entitled to the Budweiser trademark in Germany. The legal dispute between the world's biggest brewer Anheuser-Busch (AB) and small Czech producer from the city of Ceske Budejovice/Budweis has started almost a century ago but intensified since Czechs refused AB's privatization offers and claimed that beer should enjoy the same trademark protection as French champagne or Scotch whiskey based on so-called appellation of origin. Although Czech Budweiser beer is prohibited from the lucrative American market, BB recently introduced a new **Czechvar** trademark in

the U.S. and distributes its traditional dark-glass pint bottles beer in several states.

- The biggest Czech manufacturer of household appliances, **ETA Hlinsko**, is finally for sale. The majority owner PIAS Investment Group announced the intention to sell its 60 percent stake. Italian producer **Candy** is expected to be among bidders. ETA's sales exceeded CZK 2,2 billion (\$60 million) in 2000, 60 percent of which were exports. ETA employs about 1200 workers.
- The Czech Antitrust Office (UOHS) fined **Gillette** CZK 800,000 for signing binding agreements with wholesalers in 1998-9 that called for maintaining suggested retail prices.

UOHS said the agreements hurt consumers. According to UOHS, the penalty could have been far more extensive but Gillette cooperated with the antitrust office.

- Six banks are expected to sign a contract in early September to create the **Czech Credit Bureau**. The banks, which account for more than 80 percent of the personal-loan market, are Ceska Sporitelna, Komerční Banka, CSOB, GE Capital Bank, and BA Creditanstalt. The bureau should be launched in April of next year.
- **Duvel Moortgat** brewery of Belgium bought half of independent **Bernard** brewery. According to previous Bernard owners, the beer price war is heating up again. There is a talk about the large breweries' agreement not to raise prices for two years, which means that small and midsize beermakers would stop making money.
- **DHL** awarded Czech company **ADZ Trading** "The Best Exporter of the Year". ADZ manufactures work tools, safety equipment and protective aids. In 2000, ADZ exported over CZK 160 million, most of which to Latvia and Lithuania.
- **Aeon** of Brno plans to host its first Internet virtual trade fair this September and total of 12 of them each year. The goal is to attract companies that do not want to pay the cost of exhibiting at a real trade fair.
- **Cesky Telecom** reached a preliminary agreement on July 27, 2001 with **Atlantic West** (joint venture by Verizon and AT&T) to buy the remaining 49 percent of **Eurotel** mobile operator for \$1.475bn (CZK 57bn). Analysts say the deal will

improve the attractiveness of the 51 percent stake in the Eurotel's parent company Cesky Telecom to be sold to a strategic investor. The privatization value could be raised to CZK 80 billion, compared to a current market value of about CZK 55bn.

- **Moravan Aeroplanes Otrkovice** won a bid to buy the bankrupt aircraft maker **LET Kunovice**. Moravan was the only one of seven bidders to pay a deposit and carry out due diligence. Moravan apparently offered more than CZK 200 million. Atlanta-based aircraft manufacturer **Ayres** previously run LET.
- The cabinet approved a CZK 6 billion housing program yesterday to subsidize the construction of about 25,000 new cooperative apartments over the next five years. If the measure is approved by the Parliament, the housing fund will pay a CZK 200,000 subsidy on a new CZK 1m apartment. The cooperative member will put up CZK 300,000 and the cooperative can take out a CZK 500,000 bank loan to pay the remainder. The housing fund will also pay a subsidy to bring the interest rate down to 4 percent. The cabinet also agreed to encourage repairs and reconstruction of older prefabricated apartment buildings.
- Czech bus maker **Karosa** was awarded "The Best Imported Bus of 2001" Award by 6 independent magazines in Russia. French carmaker **Renault** has held a majority stake in Karosa since 1996. In 1999, both companies formed Irisbus Holding together with Iveco. Last year, Karosa produced over 1200 buses, beating expectations by 9 percent.

→ Focused on: Privatization of Power and Gas Industries

In 2000, the Government of the Czech Republic decided to privatize electric power and gas industries. Ministries of Finance and Industry and Trade were to prepare a timetable for negotiations with interested parties and to set goals of the operation. Earlier this year, the cabinet decided to privatize two major public companies – CEZ and Transgas – each bundled with several regional distribution companies.

By liberalizing the energy markets, the government intends to:

- Maintain competitiveness and stability
- Comply with the respective EU regulation
- Achieve optimum electricity prices for end users
- Minimize benefits of state-owned share in the new company.

The proposed privatization reflects the current state and dynamics of the market integration and globalization. The government will also select an independent consultant in order to speed up the selection.

Although the tender for adviser had already been sealed, the Anti-Monopoly Office (UOHS) ordered a new evaluation of the bidding proposals. The government is expected to select the consultant by the end of 2001.

To harmonize Czech energy legislation with the EU, the government must prepare and the Parliament approve several laws, such as Energy Act or Energy Management Act. According to convergence schedule set by Czech and EU negotiators, most legislative changes must be adopted by the end of 2001.

More information about the privatization and the government's energy policy can be found on the Internet at www.mpo.cz.

• Power Industry

CEZ is a joint-stock company, in which the National Property Fund, the government's arm, holds over 67 percent of shares. Foreign shareholders currently account for about 27

percent. Both CEZ and all the state-owned regional power distribution companies will be sold to strategic foreign investor at the same time.

CEZ produces over three quarters of the electricity in the Czech Republic. It operates ten coal power plants, thirteen hydro power stations, one nuclear power plant, three wind power stations, and one solar power station. Second nuclear power station in Temelin is currently being tested and evaluated.

The company also owns and operates the 220 and 400 kV high-voltage transmission grid. It does not distribute electricity directly to its final consumers, with the exception of certain large industrial customers in the Czech Republic. Most of its production is sold to eight regional electricity companies. The Company also import and export. CEZ's assets are about CZK 59 billion (\$1.6 billion), making it one of the biggest companies in the Czech Republic.

For more information about CEZ, please visit www.cez.cz.

• Gas Industry

There are 8 regional gas distributors in the Czech Republic. Beside them, **Transgas** is the country's sole purchaser and seller of natural gas. About 80 percent of the country's gas consumption is delivered from Russia. Since 1997, Transgas 20 percent of natural gas is being purchased from Norway.

In 2001, Transgas – state-owned company – was transformed into a joint-stock company to facilitate later privatization. The government decided that Transgas will also be sold to strategic foreign investor together with controlling stakes in all 8 regional distribution companies.

Another important role of Transgas is to transport Russian natural gas to customers in Germany. The company's distribution grid is 2455 kilometers long and is well-integrated into European distribution network.

For more information about Transgas, please visit www.transgas.cz.

→ Useful Web Links

- Czech Embassy in Washington
- CzechInvest – foreign investment promotion and consulting
- CzechTrade - trade and export promotion
- Complete guide to doing business in the Czech Republic
- Database of quality products, components and services
- Tradeshows and exhibition in the Czech Republic and Europe
- U.S. Chamber of Commerce - Eurasia Business Councils
- CEEBIC – U.S. Department of Commerce

www.mzv.cz/washington
www.czechinvest.org
www.czechtrade.cz
www.doingbusiness.cz
www.supplier.cz
www.veletrhyavystavy.cz
www.uschamber.org
www.mac.doc.gov/eebic/countryr/czechr.htm

→ Investment Update

- **Panasonic European Laboratories** will open a new research facility in Plzen, just next door to Matsushita plant, which manufactures Panasonic TV sets. The laboratory will develop software for digital TVs, satellite receivers, and other Panasonic products. Panasonic also revealed its intention to employ 30 Czech developers and engineers.

- **Andreas Quellmalz** became the first of the big investors to harbor in the City of Zlín. The company decided to build a \$16 million automotive components plant in the newly open industrial zone and hire about 200 local employees.

- Computer giant **Compaq** announced a plan to build two manufacturing plants in the Czech Republic. Both factories in Rudna and Pardubice should produce up to 300 thousand PC units a month and create around 1000 jobs.

- CzechInvest, the government's agency for foreign direct investment, announced that **Karsit** has been granted investment incentives to build a new plant to manufacture moldings for the automotive industry in Jaromer. Karsit plans to invest a total of CZK 435 million and over three years employ 310 new personnel, including 31 university graduates. The investment should be completed by August 2004. The investor was granted investment incentives in the form of ten-year tax relief and will be exempted from import customs duty on machinery and equipment. Karsit manufactures and supplies components for the European automotive industry. Among its major customers are VW, Magma, Johnson Controls, and Faurecia. The new plant in Jaromer will produce metal-frame seats, exhaust systems and other molded and welded components.

- **Textron Fastening Systems** is preparing a contract that will bring production facilities for riveting guns to **Adaco**, part of the MICB holding company based in South Bohemia. Adaco will be producing over a thousand riveting guns a month in the city of Jindrichuv Hradec. The Czech company will manufacture more than 1000 different components and also perform final product assembly. At the same time Adaco will increase purchases of components and materials, such as castings, connective material and rubber parts, from other Czech suppliers. The contract was arranged under the Supplier Development Program designed to increase the amount of Czech components in products made by multinational companies. According to Textron's Director of Marketing and Strategic Planning, David Dzimitrowitz: "Adaco not only has ISO 9001 certification and experience in exporting to EU markets, but also the desire to commit themselves to lowering costs year-by-year. Adaco proved to be the right partner for Textron's production, especially in terms of technological advance."

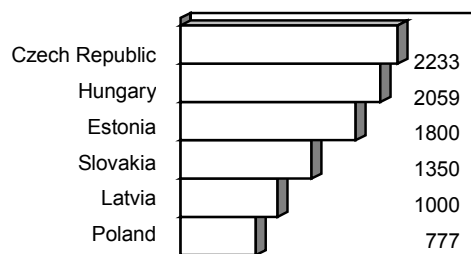
- At the Annual World Investment Forum held in Madrid, CzechInvest CEO Martin Jahn accepted the "**European**

Investment Promotion Agency of the Year 2001" Award. The prize is awarded every year by Corporate Location magazine, part of the prestigious Euromoney Group. Investment promotion agencies from all over Europe were compared and evaluated by selected international consulting firms and company managers in charge of corporate expansion projects. Evaluation criteria included amount of foreign investment attracted, number of projects successfully completed, marketing strategy, quality of information provided and the effective use of funds allocated for attracting foreign investment. CzechInvest is the first agency to receive this award more than once.

- CzechInvest has signed contracts to establish **Regional Information Centers (RIM)** with 14 regional development agencies in the Czech Republic. Regional information centers will focus on: (1) providing information about the CzechInvest missions and activities along with an update on programs that are being currently implemented; (2) gathering regional/micro-regional data and statistics; (3) promoting the regions among foreign investors and highlighting regional industrial restructuring and development; (4) providing services to individual manufacturers and other companies in the region.

- **UNI CZ Sobeslav** was picked by U.S.-based Tennant Company as a partner for joint production of a basic line of floor cleaning equipment. Total volume of orders will amount to CZK 150 million and in the future the company expects deeper cooperation with the production of additional product lines. Tennant, well-known quality oriented manufacturer, chose UNI CZ as the most suitable partner from about 20 companies in the Czech Republic and Hungary.

- According the Business Central Europe magazine, since 1990 through 2000, the Czech Republic attracted the largest amount of foreign direct investment (FDI) among Central and Eastern European nations.

FDI per capita (1990-2000)


→ Czech Companies Looking for Partners/Seeking Distributors in the U.S.

• **Aromedica**

is a producer of >AROMA-THERAPY PRODUCTS<, cosmetics, baby, child and bee products, food supplements, various oils, and air-fresheners. Aromedica is looking for a business partner in the U.S.

Na Sklonku 9
150 00 Praha 5
Phone: (+420) 2.5721.0796, 5721.6254
pjuric@aromedica.cz
www.aromedica.cz
Mr. Pavel Juric

• **CKD Blansko Strojirny**

Is a manufacturer of >HEAVY DUTY VERTICAL BORING AND TURNING MILLS< and seeking agent or distributor for the U.S.

Gellhornova 1
67818 Blansko
Phone: (+420) 506.402.114
Fax: (+420) 506.417.812
obs@ckdblansko.cz
www.ckdblansko.cz
Mr. Miroslav Haas, Commercial Director

• **CKD Pragoimex**

manufactures >MECHANICAL ENGINEERING COMPONENTS AND ROLLING STOCK COMPONENTS<. For more information, please contact the company.

Ceskomoravska 21-23/1181
190 05 Praha 9
Phone: (+420) 2.6610.9721
Fax: (+420) 2.6610.9760
ckdpragoimex@mbox.vol.cz
Mr. David Kronovetr, Marketing Director

• **Fibex**

Czech manufacturer of >FIRE-POLISHED AND PRESSED BEADS< is seeking contacts in U.S.

Pencin 60, 468 21 Bratrikov
Phone: (+420) 428.397.022, 397.445
Fax: (+420) 428.397.446
fipobex@quick.cz
fipobex.obchodnik@quick.cz
www.fipobex.cz
Mr. Tomas Harasim

• **Hofmann a spol.**

follows a long time tradition of the >ALBA HOROVICE< foodservice equipment production, carried out in the city of Horovice since 1883. The company focuses on production, innovation and manufacturing of >PROFESSIONAL KITCHEN EQUIPMENT AND ACCESSORIES<, top-quality dishwashers, stainless steel furniture and another gastronomic equipment. Hoffman a spol. is looking for a business partner in the U.S.

Na Sklenarce 487

286 36 Horovice
Phone: (+420) 316.505.111
Fax: (+420) 316.513.210
alba@alba-horovice.cz
www.alba-horovice.cz
Mr. Milan Panek

• **Jinpo Plus**

is seeking agent and/or representation in the U.S. for its unique rail resurfacing technology for repairs of railroads. For more information about the new-patented technology (rail walker, rail hopper) of submerged arc welding without preheating, please contact the company.

Kristanova 2
702 00 Ostrava
Phone: (+420) 69.613.4144
Fax: (+420) 69.613.5427
jp@jinpo-plus.cz
www.jinpo-plus.cz
Mr. Shankar Mazumder, Export Manager

• **Komfi**

is a manufacturer of >SINGLE-PURPOSE MACHINES FOR ELECTRO-TECHNICAL INDUSTRY AND PAPER INDUSTRY<. Komfi supplies companies such as AVX, GBC Film Products, EPCOS, Hella, and Sopem Ruoss Spezialmaschinen. The company is looking for agents and partners. Cooperation and partnership with U.S. manufacturers of special machines for European or U.S. market is also welcome. Current production includes capacitor taping and packaging lines, automatic machines for production of paper tubes and boxes, cutting and forming automatic machines, forming tools, forms for pressing and injection, equipment devices

Dvorakova 1001
563 01 Lanskroun
Phone: (+420) 467.523.007, 523.106
Fax: (+420) 467.524.2222
www.komfi.cz
Mr. Karel Matejcek, Director

• **Kovex-Group**

is a manufacturer of >FORGINGS FOR AUTOMOTIVE INDUSTRY< (gear wheels, flanges, shafts, rings), building and agricultural machines (flanges, disks, pulleys, flywheels, pins), rolling bearings, rings etc. The company also produces circular forgings, profiled die forgings, and rolled forgings. The company is certified ISO 9001 and also obtained standard VDA 6.1 by the German Car Industry Association. Kovex is seeking new customers in the U.S.

756 22 Hostalkova 203
okres Vsetin
Phone: (+420) 657.692.378, 692.111
Fax: (+420) 657.642.369
kovex-as@volny.cz
Mr. David Zabcik, Commercial Director

• **Lanex**

offers >SEW FLEXIBLE INTERMEDIATE BULK CONTAINERS (FIBCS)<, the progressive packaging product for transportation, storage and dosing of fine bulk materials (pharmaceuticals, chemicals, foodstuffs, fertilizers, minerals). The company is also manufacturer of twisted and braided ropes and cords, paper carrier ropes, lifting slings and lashings, safety accessories as harnesses, ropes, bakes for professional use or sport, ropes and cords. Lanex is seeking agents, distributors across the U.S.

747 23 Bolatice
Phone: (+420) 653.751.306
Fax: (+420) 653.654.125
prochazka@lanex.cz
www.lanex.cz
Mr. Vit Prochazka, Export Manager

• **Liglass**

has a long tradition of manufacturing glass chandeliers, artificial jewelry, and technology glass. Liglass produces >GLASS JEWELS AND LAMP GLASS BEADS, LIGHTING EQUIPMENT AND CHANDELIER TRIMMING, GLASS STONES, CHRISTMASS DECORATIONS, PLASTIC PRODUCTS, AND SURFACE TREATMENT OF GLASS AND METAL PRODUCTS<.

Lisny 6
468 22 Zelezny Brod
Phone: (+420) 428.392.041
Fax: (+420) 428.392.052
liglass@liglass.cz
www.liglass.cz

• **Prago-Office**

Is one of the leading export companies in the field of >SCHOOL STATIONERY< of all kinds. Apart from this traditional line of products, the company is able to establish contacts for potential customers and find consumer goods that could be of their interest.

Vinohradska 90
130 00 Praha
Czech Republic
Phone: (+420) 2.6731.2983
Fax: (+420) 2.7173.3169
simon@pragooffice.cz
Mr. Alexandr Šimon, Ms. Marie Černa

• **Revel-Pex**

manufactures >RADIATOR SYSTEMS, FLOOR AND WALL HOT-WATER HEATING<, compressed air and water reticulation with temperatures up to 203°F. The company is seeking new partners in the U.S.

Prokopska 11
261 01 Pribram 1
Phone: (+420) 306.620.904

Fax: (+420) 306.628.697
 revel@mbox.speed.cz
 www.revel.pribram.cz

- **RMDK Marketing**

A newly established Czech marketing agency is pleased to provide foreign companies with market research, consumer tests, analyses, strategies and other marketing services with a prospect of long-term cooperation.

Kvitkova 4323
 760 01 Zlin, Czech Republic
 Phone: (+420) 67.765.7440
 Fax: (+420) 67.765.7440
 info@rmdk.zlin.cz
 www.rmdk.zlin.cz
 Mr. Roman Maly

- **Seldby CZ**

The company offers >CONSULTING SERVICES< in finance and accounting, management and corporate governance, start-up activities, legal and tax issues in the Czech Republic. Seldby CZ also provides contact databases and business plan services.

Kresomyslova 599
 140 00 Praha
 Phone/Fax: (+420) 2.69.16576
 seldby@vol.cz
 www.seldby.cz
 Mr. Sergej Dolgov

- **STF**

A manufacturer of >MINIATURE PORCELAIN MODELS OF BUILDINGS/ HOUSES< of ancient Prague and London is looking for U.S. partners.

Kristanova 9/643
 130 00 Praha
 Phone: (+420) 2.271.2311
 Fax: (+420) 2.2051.1474
 stf@stf.cz, info@stf.cz
 www.stf.cz
 Mr. Petr Paucek

- **URC Systems, spol. sr.o**

offers development projection and construction of the GSM and other mobile >COMMUNICATION SYSTEMS< GSM R, EGSM etc., frequency management, projection of radio paths, LOS analysis, Point-multi point systems, BLOS analysis (HF band), service measurement of the radio signal

coverage, searching for sources of interference/jamming etc., monitoring of radio traffic on chosen frequencies (simultaneous reception and AF signal recording on several frequencies), design and production of special rf devices (converters, input and power amplifiers), design and realization of special vehicles mounting (radio measurement vehicle, special measurement vehicles), development of customer user software (OS Windows NT/2000/98/95, QNX Photon, C++ and Visual C++ language, technological devices real time control, technological process control, communication, data and image transmission, databases.

Dykova 4
 796 01 Prostějov
 Phone: (+420) 508.337.255
 Fax: (+420) 508.337.255
 urc@urc-systems.cz
 www.urc-systems.cz
 Mr. Robert Prokop, Sales Director

- **Valenta Agri Trade Plzen**

is looking for U.S. importer and distributor of a quality Czech-grown >POPPY SEED.<

Vrchlickeho 7
 320 29 Plzen, Czech Republic
 Phone/Fax: (+420) 19.7423.399
 agritrade@volny.cz

- **VUES Brno**

The company develops and produces non-standard >ELECTRIC ROTATING MACHINES AND DRIVES<, designs automated test stands with dynamometers. Current production includes synchronous servomotors with a high torque overload capacity, high-speed induction motors and dynamometers up to 1 MW, low-speed motors for fan drives up to 200 kW at 90 min, traction generators and induction motors supplied from frequency converters with IGBT transistors up to 1 MW, complete equipment of the test stands intended for testing of electrical machines, internal combustion engines and gearboxes, special power supply sets for military use. The company is seeking US partners who are interested in development and production of aircraft electric starters and generators, power supply sets, low-speed and high-speed electric motors, traction electric

machines, electric dynamometers, special generators, AC servomotors, and linear motors.

Mostecka 26, 657 Brno
 Phone: (+420) 5.4555.1101
 Fax: (+420) 5.4555.1222
 krivy@vues.cz
 www.vues.cz
 Mr. Jiri Krivy

- **ZPA Pecky**

has a 40 years tradition in the mechanical and electrical engineering field producing >ELECTRIC ACTUATORS and SWITCHBOARDS<. The quality control system complies with all requirements, according to the American standard ASME NQA - 1. The range of product also includes pneumatic actuators, locksmith's and fitter's constructions, machined parts, metal sheet and profile-welded structures. Since 1995 the company has been EN ISO 9001 certified by RW TÜV, Essen, BRD. The company is looking for the distributor in the U.S.

Tr. 5. kvetna 166
 289 11 Pecky
 Czech Republic
 Phone: (+420) 321.785.141-9
 Fax: (+420) 321.785.165, 67
 zpa@zpa-pecky.cz
 www.zpa-pecky.cz

- **ZPV**

manufactures automotive >FLOOR MATS<. ZPV is a significant supplier to the European automotive industry, thanks to the modern technology and development that enables the company to produce car mats for land rovers, trucks and various rubber parts used in building industry. ZPV has the ISO 9002 Standard Certificate. The company, current exporter to the Western Europe, is looking for a representative and distributor of their products in the United States to extend their business activities.

Televizni ul. 2614
 756 64 Roznov pod Radhostem
 Phone: (+420) 651.602.283
 Fax: (+420) 651.602.275
 slezak@zpv.cz, zpv@zpv.cz
 www.zpv.cz
 Mr. Jaroslav Slezak, Director.

→ Czech Companies and New Products in the U.S.

- **MUNI Accepts First New Electric Trolley Bus**

The first of 273 new >ELECTRIC TROLLEY BUSES<, manufactured by U.S.-Czech joint venture **Electric Transit, Inc.** (ETI), are dramatically changing the face of San Francisco and upgrading the Municipal Railway (MUNI) fleet. On July 3, 2001 MUNI representatives officially accepted the first electronically advanced, energy efficient, "Zero Emission Vehicle", that will replace entire San Francisco's fleet, now over 25 years old.

The \$230 million project involves an international production effort that begins in Skoda's plant in the Czech Republic and

ends in San Francisco at a final assembly plant. ETI was established by Czech company **Skoda Ostrov** and Maryland-based **AAI Corporation**. Frames, controls, and motor are manufactured in the Czech Republic and then shipped to Hunt Valley, Maryland, where system integration and preliminary functional testing take place. Partially completed trolley buses are then transported by truck for final assembly and testing at Pier 15 in San Francisco and delivered to MUNI. San Francisco is ETI's second endeavor after 57 trolley buses have been delivered to Miami Valley RTA for Dayton, Ohio.

Electric Transit, Inc.
118 Lakefront Drive
Hunt Valley, MD 21030
Phone: 410.683.6370, 3496
Fax: 410.628.3254, 8799
Mr. Philip Gansert, CFO
Mr. Norm Fesmire, Program Director

- **New era of streetcars for Portland**

Portland, once teeming with streetcars that later were vanquished by the car, completed the circle July 20, 2001 – streetcars were back. To celebrate the occasion, eight different festivities were held along the 4.7-mile route. The new streetcars, manufactured in the Czech Republic by the **Skoda** and delivered by Czech trading company **Inekon Group**, will connect Northwest Portland to Portland State University. Along the way they will serve the Pearl District, Downtown, and the Cultural District. Plans are under way to extend the line east to RiverPlace and then south. Czech Ambassador to the United States Alexander Vondra, Minister of Transportation Jaromir Schling, Director of the Czech Export Bank, and top company officials, attended the opening ceremony.

The purchase of seven streetcars from Skoda plan was a big deal for Portland and also extremely important for the Czech company, which considers Portland as its gateway to the lucrative U.S. market. In fact, other cities such as Aspen are watching how the Czech cars work in Portland with an eye to using them to reduce heavy bus traffic relieve typical traffic jams by automobiles.

Skoda wasn't the favorite when Portland started a tour of European suppliers in 1998. **Siemens** and Daimler-Benz subsidiary **Adtrans**, two German companies with long-standing U.S. ties, were at the top of the list, said Portland Commissioner Charlie Hales who oversees the city's transportation department. But Skoda cars cost less – at roughly \$2 million a piece – and rode better, Hales said. They were smaller, making for a better fit on the streets. And the company was eager for Portland's relatively small order, he said, while the German companies had "a take-it-or-leave-it attitude". "We certainly were insistent in our meetings with them", said Hales. "But these guys have worked hard, and they've done what they said they were going to do. I've got nothing but good things to say about Skoda."

Plans for the streetcar project were opened in March of 1990, and construction started in March of 1999. The project was completed in June 2001, as soon as the fifth streetcar was delivered. To show the similarities between streetcars and the urban environments of Portland, Prague, and Plzen, each streetcar will display eight historic photographs, which show the transportation of these cities in the 1880's.

Inekon Group

→ Travel Tips

- **New Service for Individual Business Travelers**

Tatra Travel, a convenient service for business people traveling to the Czech Republic and locations outside of Prague for the first time, offers U.S. business travelers a complete travel package that includes everything from round-trip tickets, hotel reservations and accommodations, transport, arrangement of meetings with Czech business partners, and interpreting services. For detailed information on new business package travel and orders, please contact Tatra Travel at:

212 East 51 Street
New York, NY 10022
Phone: 212.486.0533
Fax: 212.486.1456
info@tatratravel.com
www.centraleuropevacations.com
Mr. Jindra Kadlec

Drnovska 294
161 00 Praha 6
Phone: (+420) 2.8310.5111
Fax: (+420) 2.8310.5105
husek@inekon.cz
Mr. Josef Husek, Director General and Chairman

- **Kisz Bier – American Design, Czech Brew**

Brewed in the Czech Republic, the birthplace of the finest pilsner, >KISZ BEER< is available both in lager and dark - crisp and refreshing – just the right choice for today's lighter palate. Kisz beer is brewed and bottled by Prague Group, Czech Republic, and imported and by Island Industries International.

Kisz Bier USA, Inc.
Island Industries Intl.
214 West 39th Street
New York, NY 10018
Phone: 212.391.1829
www.kiszbier.com
Mr. Meyer Olshin

Manhattan Beer Distributor, 400 Walnut Avenue, Bronx, NY 10454, Phone: 718.292.9300 ext.1768, Mr. Damian Rippen

- **GlassTechnik**

In the past three years, GlassTechnik has been exporting >GLASS AND GLASS PRODUCTS< to the United States. The company can be an excellent supplier to all U.S. distributors and retailers of supplies for scientific glassblowers and framewokers. For more information, please contact the company at:

Nam. 17. listopadu 66
261 01 Pribram
Cell: (+420) 602.852.408
Phone/Fax: (+420) 361.251.879
glasstechnik@seznam.cz
Mr. Stanislav Svacina

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- **Visa Requirements**

Although U.S. citizens do not need a short-term visa while visiting the Czech Republic, the Czech authorities do require a visa for working purposes, study, and general stays over 30 calendar days. All visas must be issued by Czech Embassies or Consulates abroad, and cannot be obtained subsequently after arrival. Short-term stay visa (up to 90 days) take about a week to process. Long-term stay visa (over 90 days) take 3 months in average, and in some cases up to 6 months to process. Please visit www.mzv.cz/washington for more information.

- **Important: Change of Visa Regime for Canada**

Beginning April 1, 2001, CANADIAN citizens and holders of Canadian passports MUST obtain a visa before traveling to the Czech Republic. For more information, please contact the consular offices of the Czech Embassy in Washington or the Consulate Generals in Los Angeles or New York, or visit our website at www.mzv.cz/washington.

- **The Only Direct Flights Between New York and Prague**
Travelers may now enjoy a direct connection between New York JFK Airport and Prague. Code-sharing between CSA Czech Airlines and Delta enables customers to earn Delta mileage points and fly from Prague to other destinations in Central and Eastern Europe using CSA. For sales and reservations, call CSA in New York or your local Delta agent:
Phone: 212.765.6545 or 6022
Fax: 212.765.6588
csanyc@rcn.com
www.czechairlines.com

- **Hotels**

- **Hotel Voronez – Congress Centre * * * ***

Krizkovskeho 47, 603 73 Brno
Phone: (+420) 5.4314.1111
Fax: (+420) 5.4321.2002
accom@voronez.cz
www.voronez.com

- **Renaissance Prague Hotel * * * ***

V Celnici 7, Prague 1
Phone: (+420) 2.2182.2333
Fax: (+420) 2.2182.2200
www.renaissancehotels.com

For more hotels and former listings, please see our previous issues or visit AAAHotel Network at: www.prague-hotel.net

- **Dining**

- **Casablanca**

Moroccan cuisine
Na Prikope 10, Prague 1
Phone: (+420) 2.2421.0519

- **Casa Mia**

Italian cuisine
Vodickova 17/Jungmannova 14, Prague 1
Phone/Fax: (+420) 2.9623.8202-4

- **La Perle de Prague**

French cuisine. Parisian fare served in amusingly decorated dining room. The view from the topmost level is one of the finest in the whole of Prague. Early booking is essential.
Rasinovo Nabrezi 80, Prague 1
Phone: (+420) 2.2198.4160

Fax: (+420) 2.2198.4179

- **Barock**

Sushi, Thai, and Japanese cuisine. The elaborate interior never fails to impress new guests.
Parizska 24, Prague 1
Phone: (+420) 2.232.9221
barock@btcguide.cz
www.btcguide.cz/barock/resten.htm

- **Music**

- **Prague Music News**

www.sdmusic.cz
Includes information and links to classical and jazz music, CDs, concerts and various Czech ensembles.

- **Culture Events**

- **Prague Information Service guide**

www.pis.cz
Includes complete schedule of cultural events in Czech, English and German.

- **Galleries & Museums**

- **Manes Gallery**

www.gmanes.cz
Architectural monument in its own right, has an online archive of its recent exhibitions.

- **The House of the Black Madonna**

www.cmvu.cz/DCMB_a.html
Black Madonna is a permanent exhibition of Czech cubist art.

- **The Czech Museum of Fine Arts**

www.cmvu.cz
Museum houses exhibitions of the 20th Czech artists.

- **Art Auctions**

- **Online Art Auctions & Sales**

www.auctionsart.cz
This site, although mostly in Czech, includes on-line art auctions and purchasing as well as interactive exhibitions and a comprehensive listing of galleries in Prague, Bohemia, Moravia and Slovakia.

→ Upcoming Trade Fairs and Exhibitions

- **Major Organizers**

For more information on the listed events and a complete schedule of tradeshows and exhibitions in the Czech Republic, please contact the following organizers:

- **BVV**

Vystaviste 1
647 00 Brno
Phone: (+420) 5.4115.1111
Fax: (+420) 5.4115.3070
info@bvvcz
www.bvvcz

- **Incheba Praha**

Vystaviste Holesovice
170 90 Prague 7 - Holesovice
Phone: (+420) 2.2010.3482
Fax: (+420) 2.3337.8225
info@incheba.cz
www.incheba.cz

- **Brno**

- **Exhibition of the Year - 43rd International Engineering Fair MSV 2001**

September 24 - 28, 2001
The MSV Fair is a major engineering tradeshow in Europe, representing the best of Czech engineering companies. This year, MSV features power engineering, information technology for power engineering, and automation processes. To participate, please register with BVV.

- **Brno Power Conference + 43rd International Engineering Fair (MSV)**

September 26 - 27, 2001
Fax (UK): (+44) 199.265.6704
Mr. Peter Waterfall, PennWell Corporation, PennWell House
bpc@pennwell.com
www.bvvcz/msv
The Brno Power Conference, to be held during MSV 2001 - the 43rd International

Engineering Fair, is a European-wide forum developed to discuss the current obstacles and issues in liberalized power markets. The conference will also highlight the lessons learnt, assisting countries entering into the early stages of liberalization.

- **INVEX - International Fair of Information and Communication Technology**

Phone: (+420) 5.4115.2849
Fax: (+420) 5.4115.3057
Mr. Jaroslav Hlousek, Manager
invex@bvvcz

- **Prague**

- **CHEMTEC - 8th International Chemical and Plastic Fair**

October 9 - 11, 2001
Phone: (+420) 2.2010.3476
Fax: (+420) 2.3337.8225
Ms. Radka Krombholzova
chemtec@incheba.cz

→ Czech Commercial Offices in the United States

For information on Czech products, companies, and/or investment opportunities in the Czech Republic, please contact:

- **Czech Embassy in Washington, D.C.:** Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Texas, Tennessee, Virginia, West Virginia, Wisconsin (Midwest, South, and eastern portion of the West)
Contact: Ms. Veronika Lukasova, Phone: 202.274.9104, Fax: 202.244.2147, eco_washington@embassy.mzv.cz
- **Consulate General in Los Angeles:** Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming (western portion of the West).
Contact: Mr. Josef Dvoracek, Phone: 310.473.0889 x.229 Fax: 310.473.9813, losangeles@embassy.mzv.cz
- **Consulate General in New York:** Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont (Northeast).
Contact: Mr. Jaroslav Remes, Phone: 212.717.5643 Fax: 212.717.5064, consulate.newyork@embassy.mzv.cz
- **CzechTrade - Chicago Office**
Contact: Ms. Jana Sevcikova, Phone: 312.644.1790, Fax: 312.527.5544, sevcikova@czechtrade.tpo.cz
- **CzechTrade - Miami Office**
Contact: Mr. Roman Matyas, Phone: 305.261.6313, Fax: 305.261.6314, matyas@czechtrade.tpo.cz
- **Czech Center New York**
Contact: Ms. Michaela Palkova, Phone: 212.288.0830 x.106, Fax: 212.288.0971, babirad@pop.net
- **CzechInvest - U.S. Operations East**
Contact: Ms. Hana Lasslerova, Phone: 312.245.0180, Fax: 312.245.0183, lasslerova@czechinvest.org
- **CzechInvest - U.S. Operations West**
Contact: Mr. Radomil Novak, Phone: 408.376.4555, Fax: 408.376.4557, california@czechinvest.org

→ Subscription Info

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