



CZECH REPUBLIC TRADE REVIEW

Bits and pieces about Czech economy

Czech Republic business environment ranks 27th in the World Bank report



The World Bank increased the ranking of the business environment in the Czech Republic. The global report Doing Business 2017 rated the Czech Republic 27th among 190 countries. In comparison to the last year the Czech business environment improved by 9 ranks. The indicators that showed the most significant

improvement were paying taxes and getting electricity. The Doing Business report provides the assessment of business regulations and their enforcement across 190 economies. The report is one of the most trusted source of information which assists the investors and entrepreneurs in their investment related decisions.

Czech mortgage market grows 16 % in first half of year

A record 54,000 home loans totalling around 102 billion crowns were awarded in the first half of the year according to figures from the Ministry of Regional Development. That compares with 50,000

loans amounting to 88 billion crowns given out in the same period of 2015. In June alone loans worth 23.8 billion were agreed, a record monthly figure for the last 21 years.

Issue 18, November 2016

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Medical tourism to Czech Republic flourishing

Foreigners spend over half a billion crowns on cosmetic surgeries, artificial insemination, obesity treatment, gynecological procedures or visits to spas in the Czech Republic a year. The medical tourism grows by up to 15 percent annually. With the quality of the treatment, the Czech Republic is among the

best in Europe. The foreigners' interest is influenced by the quality and price. When it comes to the latter, the Czech Republic is in the 13th place within 35 European countries, leaving behind it Italy or Britain. The price in the Czech Republic is twice or three times lower.



Record home loan contracts

A record 54,000 home loans totalling around 102 billion crowns were awarded in the first half of the year according to figures from the Ministry of Regional Development. That compares with 50,000 loans amounting to 88 billion crowns given out in the same period of 2015. In June alone loans worth 23.8 billion were agreed, a record monthly figure for the last 21 years.

Average wages rise by 3.9 %

Average monthly wages in the Czech Republic rose in the second quarter by an average 3.9 % year on year, according to the Czech Statistical Office. The average rise of just over 1,000 CZK boosts the average to 27,297 CZK. When inflation is factored in, the average percentage rise comes in at 3.7 %.

CNB mixed news on growth

The Czech National Bank (CNB) has upped its forecast for growth this year but dropped its expectations for 2017.

Growth this year is expected to reach 2.4 percent, a slight advance on May's previous figure 2.3 percent. But GDP growth has been shrunk in the latest prediction to 3.0 percent from the previous 3.4 percent. That 3.0 percent growth rate is now seen continuing into 2018.

The bank board added that it does not expect its current low crown policy backed up by foreign exchange interventions to end before mid-2017 but that term could be stretched further if the 2.0 target annual inflation figure is not reached.

Škoda Auto seen rolling out four new models in 2017



The Czech Republic's biggest car producer Škoda Auto will roll out four new models next year, including a new version of the Yeti. Other new models should

be updates of the small Citigo, Rapid, and mid-range Octavia. Škoda Auto should also unveil its first plug-in hybrid car in 2019, according to the report.

Czech car production climbs 13 %

Car production in the Czech Republic has increased by 13 percent to 593,743 vehicles over the past five months, according to data from the Automotive Industry Association. At the same time, exports of Czech cars and light commercial vans increased over the same period

by 7.5 % to 686,694 vehicles. That suggests some previous production had been held in reserve. Domestic sales grew by nearly eight percent to 3,229 cars. Last year, Czech car makers produced a record 1.3 million vehicles and the association expects further growth this year.



Cobra delivers 2.0 billion on tax clampdown

Cobra, a special team established to fight tax dodging, has prevented tax evasion to the tune of more than two billion crowns in the first half of 2016. Nearly 50 percent of that amount was secured by regional teams. Cobra has prevented tax evasion of up to 6.2 billion crowns since its establishment.

Income from VAT grows to CZK 199.89bn

Income of the Czech Republic from the VAT collection in 2016 totalled CZK 199.89bn as of August 15, 2016. The income totalled CZK 190.35bn as of the end of the same period of last year.

10 % more on defence in 2017

The Czech Republic will spend 52.5 billion CZK on defence in 2017, which is 10 % more than this year. The draft state budget for 2017, which the government discussed at the end of May, envisaged defence spendings of 51.9 billion CZK, which was four billion CZK more than in 2015.

In 2018, the defence budget would rise to 57.9 billion and in 2019 to 62 billion crowns according to the May draft budget. This would bring it at least closer to the 2 percent which every NATO country should spend on defence. Currently, the Czech Republic spends about 1 percent of GDP on defence.

Ministry wants to buy new helicopters, radars, submachine guns and armoured personnel carriers in the next few years, which will require dozens of billions of crowns.

60 % of Czechs say they would like to work abroad

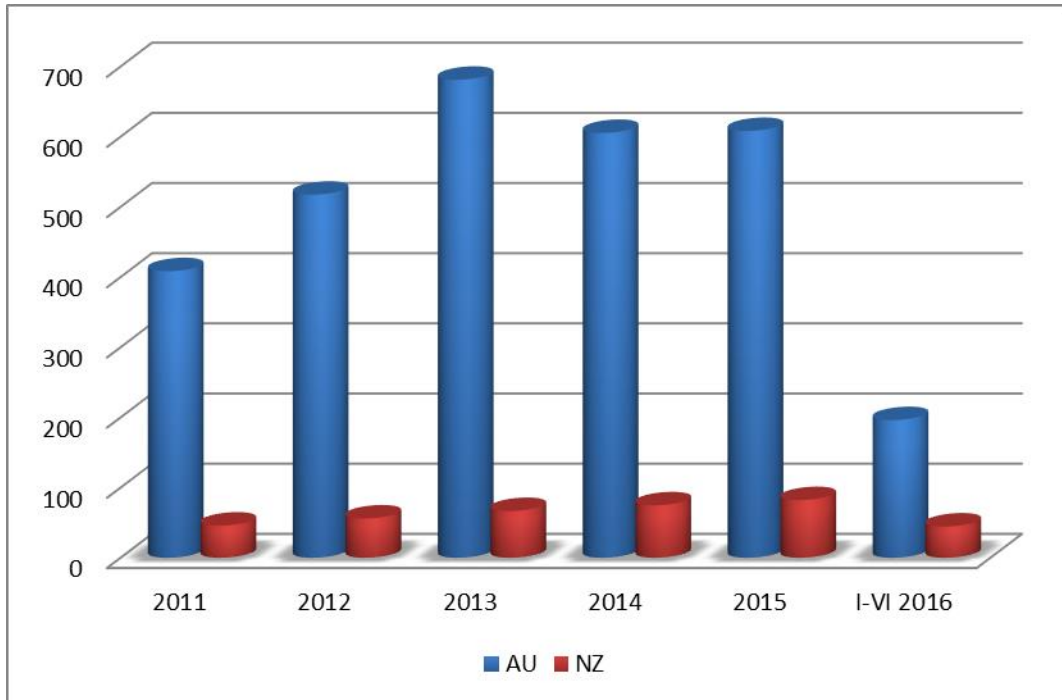


A recent survey conducted by CDK Global found that 60% of Czechs view the opportunity to work abroad favorably when considering a job or career path, while an additional 7.8% look at it as a deciding criterion. The survey, taken among a random sample of 525 Czechs between the ages of 18 and 65, also

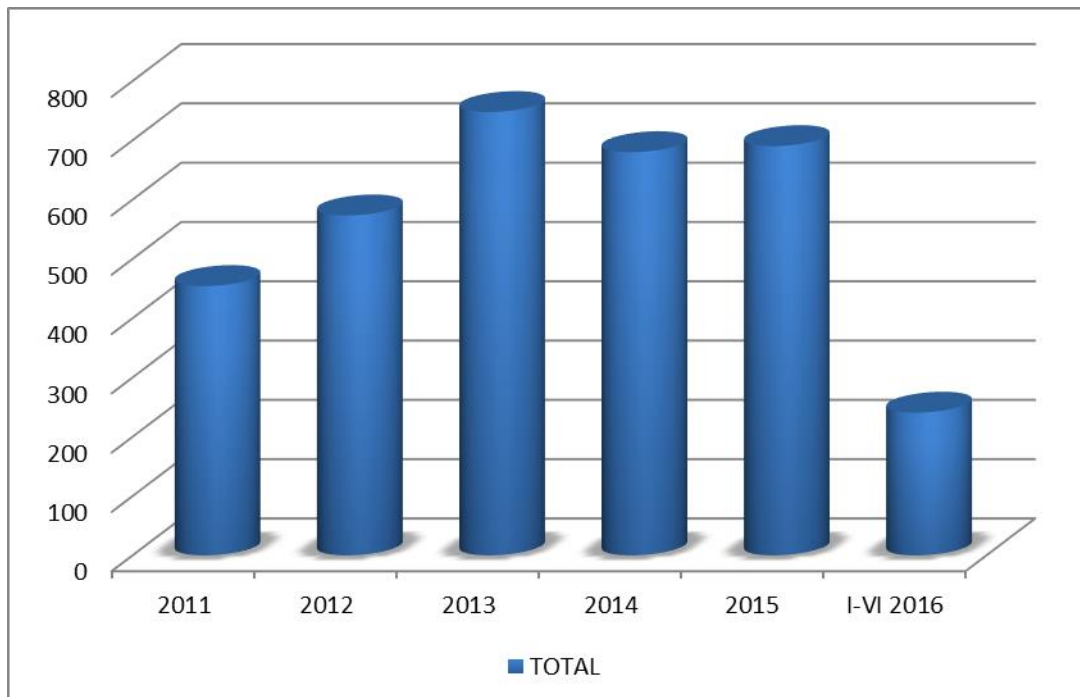
revealed that, should they have to work abroad, Czechs chose Germany as the most desired location (23.6%), followed by the UK (9.5%), the US (9.1%), Switzerland (8.6%), Canada (5%), New Zealand (5%), Australia (4%), Sweden (3.4%) and Spain (3.4%), while 7.8% selected "other."

Czech exports to Australia and New Zealand

Czech exports to Australia and New Zealand (in mil. USD).



Czech exports to Australia and New Zealand in total (in mil. USD).



Czech companies seeking Australian and New Zealand partners



A traditional Czech producer and exporter of fine ladies hosiery seeks importers/distributors in Australia and/or New Zealand



www.evona.eu



EVONA is the largest Czech manufacturer of fine ladies hosiery (tights, pantyhose, stockings, leggings, knee-highs, socks, footsies) and one of the largest Czech producers of cotton underwear and thermo products.

In Chrudim, where the company has its headquarters, warehouses and even complete production is placed, there is annually produced:

- Over 8,000,000 pieces of hosiery,
- over 400,000 pieces of underwear and thermo underwear,
- of which 30% is directed to demanding foreign markets.

Why is the company successful? Because of the high quality and reasonable prices.

Evona is a Czech brand that employs directly or through its business partners, several

hundreds of employees. Not only the quality, favourable prices, but the loyalty of employees and customers appreciating Czech origin, contribute to strengthening of the Evona brand position on market.

Company history dates back to prewar period. Predecessor of Evona company called "Popprovka" was the most important producer in the shoe and textile industry in the region.

Evona became a public company in 2001. However, it is still a Czech owned company, because it is owned by only one Czech shareholder.

Evona currently exports to countries in northern and southeaster Europe and Mongolia.

Would you like to get more information about Evona? Do not hesitate to contact the export manager:

Ing. Petra Hulínová
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hulinova@evona.cz

www.evona.eu

ALIGATOR

ADART COMPUTERS s.r.o. – the company has been working on the Czech market since 1996 and belongs to one of the leading distributors of the mobile phone incl. accessories. Their products are sold under their own brand name ALIGATOR and they are the seller No.1 of mobiles phones for elderly people in the Czech Republic.

They would like to offer following products for the

Australian and New Zealand markets:

- mobile phones for seniors (elderly people),
- special waterproof mobile phones IP67/68 for the use in extreme outdoor conditions
- Android smart phones for 2 SIM cards

They are currently seeking potential wholesale distribution points and/or commission agents with or without

exclusivity for the market or for some products only.

Their aim is to establish a long-term business cooperation in both markets.

Mr. Ladislav KADLEC
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www.aligator.cz

Mobile phone for elderly

Outdoor mobile phone

Android smartphone for 2 SIM cards





A consortium of companies [Billanc Partners CZ](#) and [Axonwell Europe](#) provides comprehensive services for incoming companies to the CEE markets. Billanc Partners CZ provide services in a field of human resources. They are focused on activities such as Executive Search, HR Outsourcing, Coaching, HR Psychodiagnostics and other. They find needed Directors, TOP Managers, Country managers and specialists for the company. They arrange a full back-office and also staff in middle and lower positions.

AxonWell EUROPE provide full market analysis, product research, competitive analysis, facilities and security for the business and the marketing operations of the company. They arrange expert services in the business, a financial management, export business, retail networks, franchise

concepts and others. Also they verify subcontractors for foreign customers in the CEE and ensures the proper quality of supplies and supplier audits.

They would like to offer to incoming companies to CEE markets the services of the Consortium to assist them with a successful and efficient business within the CEE markets.

Billanc Partners CZ services include:

- Executive search
- Recruitment/permanent placement
- Outsourcing of HR processes
- Staff outsourcing
- Legal consulting
- Psychological diagnostics
- Human resources strategy

AxonWell Europe Ltd. include:

- market research
- screening and selection of business partners
- examination of legal barriers, licenses, etc.
- comprehensive legal services for the establishment of a branch or acquisition
- selecting and securing sites for businesses and manufacturing
- logistics services
- auditing standards, providing certificates
- checking the creditworthiness of suppliers

For full services offering please visit the website of [AxonWell Europe Ltd.](#)

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Eurolink: Distributor and Importer of



Eurolink, an international trading company located in Sydney, Australia, is an importer of Carlsbad Mineral Water in Australia. **Eurolink** is committed to provide high quality consumer goods originating from Europe to its clients based in Australia.

What's so special about Carlsbad Mineral Water?

Mattoni

Mattoni, synonymous with mineral water in the Czech lands, is an exceptional mineral water with a balanced mineral content from the pristine nature of the Carlsbad region. Czechs order a 'matonka' when they want mineral water, irrespective of the brands available at the venue.

Magnesia

Magnesia is a Magnesium rich mineral water with 170mg of naturally occurring Magnesium in a litre, and at the same it's very low in Sodium which makes the water tasty, healthy and suitable for every day drinking.

Aquila

Aquila is a natural spring water from the pristine countryside around Karlovy Vary. It is suitable for infants and mums to enjoy every day.

How can I get Carlsbad Mineral Water in Australia?

Mattoni

NSW

- Tommy's Beer Cafe
- O'Connell Street Cafe
- Leura Health Foods
- Nio and Tony's North Bondi Grocery Store
- Wisteria Place Night

Aquila

NSW

- Nio and Tony's North Bondi Grocery Store
- Leura Health Foods

Magnesia

Please scan the QR Code below or click on it for all locations in Australia



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 [EurolinkAU](https://www.facebook.com/EurolinkAU)

Czech and Australian business community together in 2016

Czech toys Sourcing Day in Sydney



On April 7, 2016 the Consulate General of the Czech Republic in Sydney and CzechTrade office in Sydney organized presentation of Czech toys for Australian buyers. Traditional Czech handmade wooden, tin and croched toys from established Czech manufacturers were presented. This project of economic diplomacy was financially supported by the Ministry of Foreign Affairs.

The largest distributor of traditional hand-made toys in Australia is currently [HappyGoDucky](#), company which in 2016 launched both wholesale, retail sales, and online sale. [HappyGoDucky](#) represents five major Czech toy companies:

- **Kovap** company produces mechanical tin toys for children and;
- **Detoa** company produces quality wooden toys using the European wood and high-quality, certified and environmentally friendly paints and varnishes;
- **Miva Vacov**, company is a manufacturer of wooden toys on wheels, wooden musical toys, wooden puzzles and wooden figures;
- **CEEDA Cavity** company offers quality organic wooden toys - moving models of traffic and construction vehicles
- **Drevo detem**, which manufactures high quality wooden toys and wooden accessories such as

balance bikes, boats, cars, trucks, buggies, cots, kitchens, hanging decorations or puzzle and accessories for the kids room.

During the presentation event there was another product introduced. New generation balance bike made by a company called **Repello**, which is the only balance bike on the market with the full suspension.

For buyers of kindergartens and children centers there was also a unique product called **MagicBox** from a Czech company **Projektmedia**, whose first prototype was produced in 2013. It is a device that allows interactive teaching children directly on the ground, ie. it is not only suitable for preschool educational institutions but also for handicapped children..

Within the project of economic diplomacy to promote the export of Czech toys to Australia was information on the aforementioned Czech firms published in prestigious specialized magazine "Toy and Hobby Retailer", which is the leading Australian magazine in the toy industry. Advertisements about presentations and information about the companies were published at the first page of the Web magazine and in its electronic eNewsletter and appeared in the printed version of the magazine.

Are you interested in Czech toys? Contact Amy and Vojta for cooperation with [HappyGoDucky](#).

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Design Build brought new opportunities to four Czech companies

It was for the first time that CzechTrade Australia participated at Design Build Australia, the largest design, architectural, and building expo in Australia. Czech National Exposition included following companies: **PRECIOSA Lighting** - Traditional Czech manufacturer of iconic, and all custom made chandeliers; **NOVATOP** - Introduces a new comprehensive building system of large format components made of cross-laminated solid wood (CLT - cross-laminated timber); **GOLD - CRYSTAL** - one of the largest producers of decorated crystal glass in the Czech Republic; **Clima Insulation** - Representing one of the largest insulation material manufacturer in Europe.



Czech companies successfully exhibited at Dowerin Field Days



From 24th to 25th September the largest and most widely recognised agricultural event in Western Australia was held. Dowerin Field Days has built a strong reputation over its 50 years history and attracts over 25,000 visitors each year. There were four Czech companies represented among 700 exhibitors - SMS CZ, Kovobel, Tatra Trucks a Bednar Machinery. The exhibition brought new potential business partners to the Czech Companies. For example thanks to the Dowerin Field Days the SMS CZ and their New Zealand partner 4AG managed to negotiate important deals that help them to extend their business activities to the Western Australia.

Central European Business Forum in Melbourne

The Central European Business Forum in Melbourne took place on 24th August 2016 within the traditional Small Business Victoria Festival under the patronage of the government of the Australian state of Victoria. In addition to the countries of V4 (Czech Republic, Hungary, Slovakia and Poland) Slovenia and Romania also participated. The Business forum was organised by the Consulate General of Hungary in Melbourne in cooperation with the Swinburne University of Technology. Small Business Victoria Festival is an opportunity for small and medium-size businesses to get inspired, connect with other small businesses and learn some tips from the experts. During the forum the attendees could learn about history of mutual political and business relations between Central European countries and Australia or prospects of further cooperation in education, science and research. The Central European Countries representatives had presented the current economic situation and promising fields for investment.

Five Czech companies at Fine Food Australia 2016 in Melbourne



As a part of the biggest food related trade show on southern hemisphere Fine Food Australia (12th to 15th September 2016) five Czech food industry companies have been introduced to the Australian market.

At the Czech Republic stand the visitors could taste the Mattoni and Magnesia mineral waters of **Carlsbad Mineral Water**. A brand new Czech product has been introduced - highly oxygenated water Oxywater by the company OXYLIFE. Visitors of the FineFood could taste also healthy herbal syrups **Kitl**. A well-known Czech producer

of cereal and wholesome snacks - company **Emco** - presented a broad assortment of their products. A Czech producer of microbreweries - company **Pacovské strojířny** - also participated at the Fair by showing their catalogues.

During the trade show, which counted over 1000 exhibitors from 45 different world countries and around 25 000 visitors, many business meetings took place between the exhibitors, experts and professionals from overseas. Professional business presentation and friendly communication and interaction of the Czech exhibitors undoubtedly helped to build a good reputation and awareness of the Czech Republic and Czech products on the Australian market.

Presence of the Czech companies was possible thanks to financial assistance of the Czech ministry of foreign affairs, Czech ministry of agriculture, Czech ministry of industry and trade (Czech Trade agency) as a part of the project of the economic diplomacy.

Seminar V4 countries in Sydney

A Seminar organized by V4 countries (Czech Republic, Hungary, Poland and Slovakia) was held in Sydney on 21st September 2016. The Seminar focused mainly on trade and investment potential of V4 countries and on presenting the V4 region as an interesting tourist destination.

Ambassadors of V4 spoke to the audience about the history of V4, which is celebrating its 25th anniversary this year, and about their joint activities. The V4 countries can offer synergy in a number of areas and could be also an interesting tourist destination for distant territories. The economies of all four countries are currently at a very good level, with rising GDP and low unemployment rate.

Among the speakers the Australia government representatives together with Australian investors in V4, directors of Chambres of Commerce, successful

entrepreneurs in Australia from V4 countries were present. Guests mentioned the Australian multiculturalism and diversity from which the Australian society has been benefiting, moreover the potential of further business and academic cooperation was discussed.

In the second part of the Seminar V4 countries were presented as interesting tourist destinations. The Consul General of the Czech Republic in Sydney, Ms. Hana Flanderova, introduced the concept to promote the Czech Republic as a Country of stories and presented the activities of the agency CzechTourism.

Event of a similar magnitude, that was organized by all V4 countries, was held in Australia for the first time. The reactions have been very positive and the Seminar has certainly contributed to making V4 countries more visible in Australia.

Major tradeshows in 2017

**Toy Hobby & Licensing
Fair
Melbourne
5-8/3/2017**

Consulate General of the Czech Republic in Sydney and CzechTrade Australia invite you to the Toy Hobby & Licensing Fair, the most important exhibition in the industry. Join the attendees from US, UK, Europe, Asia Pacific and visit expositions of over 200 exhibitors.

**AUSTECH and
National Manufacturing
Week
Melbourne
9-12/5/2017**

CzechTrade Office cordially invites you to visit Austech organised together with National Manufacturing Week, the biggest manufacturing exhibition in Australia. Austech is the only show specifically targeted at the metalworking, machine tool and ancillary market held in Australia.

**Fine Food Australia
Sydney
12-15/9/2017**

Czech Trade Australia invites you to visit the country's leading trade show for the foodservice, hospitality and retail industries that presents new and innovative products from around Australia and from over 45 countries internationally, as well as live demonstrations, masterclasses and industry recognised competitions. The annual show is the largest trade show in the southern hemisphere, and attracts over 1,000 exhibitors from Australia and the world.

**Elmore Field Days
Elmore Victoria
3-5/10/2017**

The Elmore Field Days is an agricultural expo located in Victoria. If you decided to visit would enjoy showcasing the latest machinery, innovation and techniques used in the agricultural industry. It has over 50 years history and attract over 700 exhibitors range from manufacturers and distributors of farm machinery and allied equipment, rural services, information technology to a wide range of lifestyle and leisure products and services.

Business and trade websites and links



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



Czech Invest
www.czechinvest.org



General information
www.czech.cz



Czech supplier
www.supplier.cz



Czech-Australian
Chamber of Commerce in Sydney
www.czechchambersydney.com



Czech-New Zealand
Business Association in Auckland
www.cnzba.co.nz

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