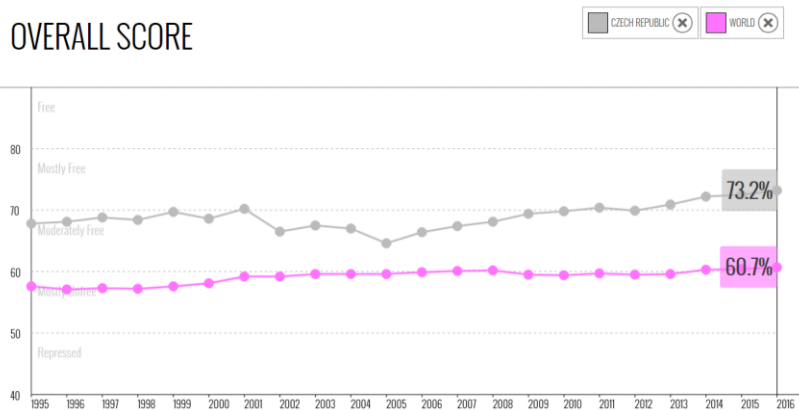




CZECH REPUBLIC TRADE REVIEW

Bits and pieces about Czech economy

Czech Republic reaches 21st place on Economic Freedom Index.



The Czech Republic has jumped three places on the Index of Economic Freedom, reaching the 21st position among the 178 countries included on the list.

The country's economic freedom score for 2015 is 73.2 out of a maximum 100, which is its best score ever.

The Index of Economic Freedom was introduced in 1995 by the Heritage Foundation and The Wall Street Journal. According to the assessment, Hong Kong is the most economically free country, while North Korea was placed at the bottom of the ladder.

Czech mortgage loans market surges in 2015.

The total worth of mortgage loans offered last year came to a record 184 billion crowns, according to figures released by the Ministry for Regional Development. The number of clients taking out loans

jumped to around 102,000. The main factor in the booming market was the low average interest rates on mortgages of around 2.14 percent. The mortgage loans total in 2014 came to around 143 billion crowns.

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Car production in Czech Republic reached all-time record in 2015.

Car production in the Czech Republic grew by 4.5 percent last year, reaching an all-time record for the year. Close to 1.3 million cars were manufactured in the country in 2015, which is about 50,000 more than in the previous year. Bus production grew by 30 percent last year, reaching a record of 4,200 vehicles. Škoda Auto remained the biggest car producer with nearly 700,000

cars, followed by Toyota, Peugeot, and Citroen plant, which recorded the biggest year-on-year growth of 9.7 percent.

Škoda Auto achieved a new sales record for the second year in a row, selling over 1 million vehicles. The brand's global deliveries in their 120th year increased 1.8 percent to 1,055,500 vehicles (2014: 1,037,200).



Continued interventions?

The Czech National Bank board confirmed its commitment to intervene on foreign exchange markets until the end of 2016 in order to weaken the crown and maintain an exchange rate of CZK 27/EUR. The board also agreed to keep interest rates, now at a historic low, unchanged. The two-week repo rate will be maintained at 0.05%, the discount rate at 0.05% and the Lombard rate at 0.25%.

Low inflation in CZ.

The average rate of inflation reached 0.3 percent in 2015 and was the lowest since the year 2003, the Czech Statistical Office (ČSÚ) announced.

Increase in minimum wages.

The minimum wage in the Czech Republic in January 2016 will increase by Kč 700 to Kč 9,900, an increase of 7.6 percent. The minimum wage for those with disabilities also increased by Kč 1,300 to Kč 9,300.

The Ministry of Labour and Social Affairs says some 2.3 percent of employees in the Czech Republic earn the minimum wage.

The government in its coalition agreement pledged that the minimum wage would gradually approach two-fifths of the average wage, which is currently at Kč 26,072. Two-fifths would equal Kč 10,429.

Czech exports reaching records.

Czech exports reached a record 3.9 trillion crowns in 2015, an increase of 7.2 percent year on year. Although exports to Russia dropped by over 30 percent higher exports to the country's traditional EU partners made up for the difference.

E-commerce in Czech Republic.

Czech e-commerce in 2015 was more successful than had been expected and the future looks promising, according to figures from the Association for Electronic Commerce (APEK). In 2016, APEK expects Czech e-commerce to grow by at least 15 percent.

Czech Republic one of the 20 top countries in manufacturing.

The Czech Republic should elbow its way into the top 20 countries in the world for manufacturing competitiveness by 2020 according to a survey by one of the world's top consultancy and advisory companies. That's very good news for a country for which manufacturing contributes to more wealth creation than any other European Union state.

The gross domestic production of the Czech Republic is growing?

According to the preliminary estimate in 2015, the gross domestic product (GDP) of the Czech Republic increased by 4.3 percent. In the Q4 2015, the GDP increased by 3.9 percent year-on-year, while in the quarter-on-quarter comparison it remained almost unchanged, says the Czech Statistical Office (ČSÚ).

Václav Havel Airport in Prague is becoming increasingly popular.

Prague's Václav Havel Airport handled a record number of passengers last year. The airport registered over 12 million arrivals and departures, an increase by 7.9 percent compared

to 2014 and the highest increase in the past decade. The numbers are expected to increase even further this year with the new regular long-distance flights.



Low unemployment rate in Czech Republic.

Among the EU member states, the lowest unemployment rates in November 2015 were recorded in Germany (4.5 percent), the Czech

Republic (4.6 percent) and Malta (5.1 percent), and the highest in Greece (24.6 percent in September (2015) and Spain (21.4 percent).

Good budget deficit.

The state budget in 2015 ended with a deficit of 62.8 billion crowns, which is 37.2 billion less than the approved deficit for the year. It was the best budget result the country reached since 2008.

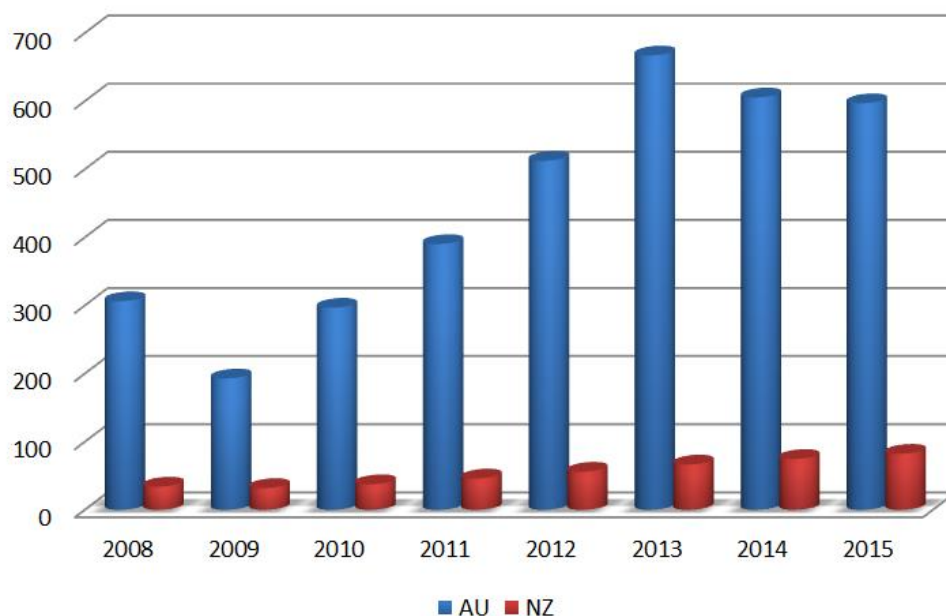


Special brews.

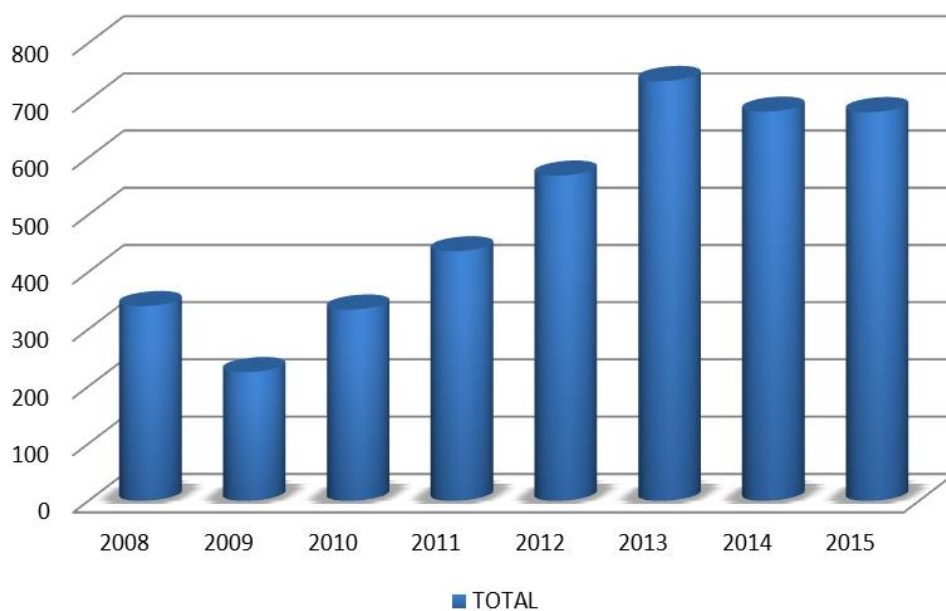
Small breweries significantly boost their annual sales at the end of the year by offering beer lovers special Christmas and New Year brews. Among those now on offer are mandarin, gingerbread, cinnamon and caramel brews for gourmets.

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 Zeland partners



BLAŽEK GLASS



The Blažek Glass co. glass file was awarded the highest prize at the Silicium Bohemica – Gold Crystal Exhibition. Many other significant awards all over the world followed after that.

The Czech Republic territory has always been associated with **glass** and its manufacture. Long ago glass was melted there from glass sand in the river basins of several Bohemian rivers. Glass was, however, not only melted but decorated using many techniques.

Blažek Glass Co., which is in its name closely connected with its founder Josef Blažek, **has been decorated crystal continuously** for almost **seven decades**. Blažek Glass Co. made good use of their experience in their products and offer both traditional and contemporary modern crystal.

The company has 65 employees and supplies original glass files, traditional decorated crystal, crystal urns, trophies, crystal jewellery and other glass products. Blažek Glass Co. is also very particular about quality of their products and still uses traditional procedures. The basic techniques of manual crystal

decoration are manual painting and pen drawing, crystal edging, crystal engraving, crystal cutting and grinding.

In 1997 Blažek Glass Co. produced the first **glass file** in the world. It attracted attention of both users and experts immediately. Nowadays Blažek Glass Co. supplies their original glass files in a wide range of sizes and decorations to all over the world. Their customers are, among others, the most significant cosmetic companies.

Antibacterial glass nail file the „Antibactif“ is a unique innovation of the original glass nail file, patented by Blažek Glass and manufactured under exclusive license agreement with the owner of the patent rights which are registered in many countries all over the world. The glass nail file is coated with a special layer which in contact with sunlight destroys bacteria, fungi and viruses completely.

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Since 1993 Tejas s.r.o. has been engaged in production and research of detection of chemical substances. Initial focus on military products has expanded by the research, development and production of alcohol detection in human breath by



chemical means. Fundamental intention was to develop a simple chemical detection of alcohol meeting the criteria for

easy operation and maximum safety for everyone. Therefore, from the beginning, we have targeted to replace worldwide commonly used very dangerous and very toxic chromium

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compounds by a reliable and safe chemical system.

Since 1997 as the ONLY producer in the world we have been producing reliable, safe and environmentally friendly detection tube ALTIK. To achieve maximum accuracy and sensitivity complete disposable alcoholtest set is composed of

detection tube ALTIK, measuring balloon and mouthpiece. This set is available in a wide range of packagings. Design of the packaging is adapted to the requirements of customers from many different market segments and usage.

The quality and reliability of ALTIK set is certified by independent laboratory and proved by the use in active

Police service throughout European countries. Identical set is used by our customers for various purposes on all continents.



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REPELLO®

Re pello® was founded by Jiri Marjan, who is an owner and design engineer of the brand. Re pello is from Latin and it means to head/head off. It symbolizes a movement that children use while riding balance bikes and also to be the first on the list, to lead. We have been creating our unique full

suspension balance bike Model J™ since 2015 in the Czech Republic in Mlada Boleslav.

Model J™ is the first full suspension wooden balance bike



on the market. Re pello® was the first brand to come out with such a revolutionary solution. Re pello® provides children with unforgettable experience and happiness from riding. It is because of the combination of a design, high quality materials and a very high standart of craftsmanship. Model J™ combines a perfect design, sophisticated ergonomics and a revolutionary suspension system.

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Happy Go Ducky: Grand Opening.

Happy Go Ducky is the biggest distributor of handcrafted Czech toys in Australia, who opened its new website and online store

www.happygoducky.com.au on 10 February, 2016.

Owners Amy and Vojta are bringing handmade, beautiful and high quality European toys to Australian children and families. Parents can choose from unique and eco-friendly wooden toys from producers Miva Vacov, Detoa, Wood for Kids and Ceeda Cavity, and authentic, traditionally manufactured and safe tin toys Kovap.

Amy and Vojta told us about their adventure with Happy Go Ducky, which started in July 2015.

“Our idea came about after a trip to the Czech Republic. It was my first trip overseas to where Vojta was born and grew up. I was pregnant with our beautiful boy Leo, so shopping for toys and clothes was an exciting and enjoyable part of our trip! Vojta happily showed me all the toys that he and his family had played with when they were little. I instantly fell in love with the **adorable wooden pull alongs and tin tractors**. I was amazed by the **quality, design and finish** as I'd never seen anything like it here in Australia.

When we returned home we talked at length about the importance of giving our son the best and to us that meant giving him toys that were **ethically and**

sustainably produced, as well as **safe, educational and free from toxic plastic materials**. We agreed that we couldn't be the only parents who felt this way about what their children play with.

After researching the market, and talking to other parents we decided to seize the opportunity and bring these amazing toys to Australia so that other children and families could enjoy them too.

It's been a very exciting journey for both of us which we are constantly learning from. We are extremely happy to be able to offer some of the most unique and beautifully handcrafted toys all the way from the heart of Europe, to children and families all over Australia.

Our toys are designed to not only **engage the imagination of children** and help them **learn important skills** but to also help create an environment where parents and family can be a part of this interaction with them to help enhance playtime and their overall learning experience.

Our goal is to encourage people to make a **more conscious choice** when purchasing toys to provide their children with a safer and more educational option that in turn helps to reduce the negative impact on our environment. Plastic toys tend to break more easily and are then thrown away into

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landfill which is where they will stay for hundreds of years. All of our toymakers share our focus and passion for **high quality, sustainable and eco friendly materials**. This ensures that each toy will stand the test of time so they can be played and shared with family and friends for many more years to come."

Happy Go Ducky represents following brands.

Dettoa is the largest and oldest producer of **wooden toys, parlour game components, wooden beads**, upright and grand piano mechanics and keyboards in the Czech Republic. Dettoa products are made from the highest quality wood, which is sourced from the mountain regions of Central Europe. All the paints and finishes are **high quality, certified, eco-friendly** and comply with the EN 71 standard. As most of Dettoa's toys are designed with the smallest children in mind, special attention is given to the technological process and the finish, which guarantees the lasting high quality of their products.

Kovap was established in 1946 by the Sedlak brothers. Each individual **tin toy** is assembled **by hand** and involves approximately 200 steps during this process, to produce them. They still use the same

traditional manufacturing tools, designs and processes that were used when the company first began, over 70 years ago. This commitment to standards and attention to detail allows the brand to retain the highest quality and value, for which they are renowned. Kovap is the only manufacturer of such particular toys in the world. They have always used **the highest quality materials**, which are all sourced from Czech Republic and still are to this day. Kovap are also well known for working closely with such brands as Volkswagen, Mercedes, John Deere, Porsche, and Fendt (to name a few) in designing and manufacturing limited edition replicas and models of their products.

Miva Vacov (originally trading as JAS) was established in 1946 by Frantiska Janoucha. Frantiska was credited with creating one of the most well known **wooden toy** designs in the world. Known as the famous 'clapping duck', it is still proudly produced and made in Czech Republic and sold to children and families all over the world. **All of their toys are handmade** by a small team of people who still use the same processes and machinery as those that were used when the company first began, all those years ago. This ensures that the quality, standards and designs of the toys remain the same today as they have always been. They use the highest

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Let's be adventurers together!

What do sheep count when they can't sleep?



Dettoa



Kovap



Miva Vacov

(Continued)

+

quality wood, which is sustainably sourced from the mountain regions of Central Europe.

Ceeda Cavity was established in 2005 by a father and son team who had long been dreaming of designing and producing their own wooden toys. It is still a family run company to this day and is rapidly growing into one of the most popular wooden toy manufactures in Czech Republic. They have always been proud to be an environmentally conscious company that produces **handmade wooden products** that are both eco **friendly and made from sustainably sourced materials**. Their products are made from high quality beech wood with elements of oak and ash, which is sourced

from various regions of Czech Republic. All of their toys are specifically designed to be **replicas of real traffic and construction machines**, with a great deal of focus and skill going into the finer details of each toy.

Wood For Kids started their toy production in 2009 with owner and creator Pavel Chvatal. Long before then Pavel always had a passion for working with wood and was blessed with a natural ability and skill set that is evident in all of his **handmade creations**. Each toy is **designed, created and tested by Pavel himself** which is a very involved and intricate process. Only around 30% of his ideas make it into final production which is why it is so easy to see the high level of quality and craftsmanship in each and every one of the **wooden toys** from the Wood For Kids range.



Ceeda Cavity

Trudy
Trolley



Wood For Kids



*The little country with
a big heart*

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Czech and Australian business community together in Q4 2015



As a part of the biggest food related trade show on southern hemisphere Fine Food Australia (20. – 23.9.2015) six Czech hospitality and gastronomy companies have been introduced to the Australian market. At the Czech Republic stand the visitors were not only able to admire the beauty of the white and colored porcelain from the Karlovy Vary based manufacturer G.Benedikt and kitchen appliances from Karlovy Vary based company Blex, but they had a chance taste the delicious traditional Czech honey cake from Kladno based bakery Kompek, quality Czech chocolates from Carla from Dvur Kralove, healthy herbal cordials from the Jablonec nad Nisou based company Kitl and last, but not least, the high quality Czech Royal Beer.

During the trade show, which counted over 900 exhibitors from 45 different world countries, many business meetings took place between the exhibitors, experts and professionals not only from Australia and New Zealand but also from China and Singapore. Professional business presentation and friendly communication and interaction of the Czech exhibitors no doubt 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.

Business networking in Sydney 1.10.2015.

Consulate of the Czech Republic in Sydney together with CzechTrade Office in Sydney and Czech Australian Chamber of Commerce organised another meeting with the Czech – Australian business community. Amongst about 35 participants were people interested in importing Czech goods to Australia and also people who already import Czech products.

New Head of Commerce and Economy at the Consulate of the Czech Republic Mrs. Michaela Jerabkova introduced herself and briefly talked about possibilities of promotion of Czech companies abroad as part of the new strategy of economic diplomacy. Director of CzechTrade Office in Sydney Mr. Vojtech Helikar then spoke about the possibilities of assistance from CzechTrade for Czech entrepreneurs,

while both Michaela and Vojtech want to promote mutual cooperation of the Czech Consulate and CzechTrade Office.

As a part of the event there was a presentation by Kitl Australia owners Mr. and Mrs. Broucek, who also offered the samples of their organic herbal syrups Kitl made in Jablonec nad Nisou. Kitl Australia is the exclusive importer of the product.

Second presentation was by Mr. Vojtech Vorel. Vojtech spoke about his company “Happy Go Ducky”, which imports traditional wooden toys from the Czech Republic. He explained the process and also mentioned the struggles and difficulties of importing such products to Australia and obtaining necessary EU and Australian certification.

Tradeshows, exhibitions, events in 2016

CZECH TOYS for you
Sydney
7/4/2016

Consulate General of the Czech Republic in Sydney and CzechTrade Australia invite you to the Czech Toy Sourcing Day full of wooden toys, tin toys, full suspension wooden first bikes, interactive technologies and more. Are you looking for a new supplier of European and high quality toys? Visit us and meet reliable and suitable business partners from the heart of Europe!

DesignBUILD
Melbourne
4-6/5/2016

CzechTrade Office cordially invites you to visit our Czech National Exposition at DesignBUILD 2016. Come visit Czech National Exposition, and meet successful Czech companies **Preciosa Lighting** with their stunning chandeliers, **NOVATOP** with airy and brighten wooden structures and **Ciur a.s.** specialised in smart energy savings systems and products.

New Zealand National
FIELDAYS
Mystery Creek
15-18/6/2016

CzechTrade Office invites you to visit our Czech National Exposition at New Zealand National Fieldays 2016 in Mystery Creek, Hamilton, New Zealand. The New Zealand National Agricultural Fieldays is the largest agribusiness expo in the Southern Hemisphere and Czech Republic is going to hold its very first national exposition there. Come to visit our exposition to Mystery Creek in June, 15th to 18th.

Dowerin Machinery
Field Days
Dowerin
24-25/8/2016

The Dowerin GWN7 Machinery Field Days is an agricultural expo located in the Central Wheatbelt of Western Australia, it is also the largest event of its kind in the state. The number of visitors grew to over 24 000 the last year. 670 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. The Dowerin Field Days are a valuable shop window to the farming community and CzechTrade is going to hold an exposition there.

Fine Food Australia
Melbourne
12-15/9/2016

Czech Trade Australia invites you to visit Czech Food Exposition at Fine Food Australia, which is 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.

Business and trade websites and links

CzechTrade

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



Trade shows

www.veletrhyavystavy.cz

Czech Invest

www.czechinvest.org



Doing business in the Czech Republic

www.doingbusiness.cz

General information

www.czech.cz



Czech-Australian Chamber of Commerce in Sydney



www.czechchambersydney.com

Czech supplier

www.supplier.cz



Czech-New Zealand Business Association in Auckland



www.cnzba.co.nz

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