



## Czech Economy Briefs

The **Czech Finance Ministry** has lowered its forecast for the Czech economy and expects GDP to contract by 1.5 percent this year and to grow by 0.8 percent in 2014. The main reason for the fall this year will be a decrease in gross fixed capital formation. The government plans to increase investment spending, in particular in the areas of science, research, development and transport infrastructure. The ministry expects a 2.2 percent GDP growth in 2015 and a 2.6 percent GDP growth in 2016. Public finance deficit should fall to 2.8 percent of GDP this year. Public finance deficit last year was at 4.4 percent of GDP due to one-off accounting of church restitutions and problems with previous drawing of money from EU funds. Despite the increase in both VAT rates by one percentage point, average inflation this year should reach 1.6 percent and next year 1.4 percent. Unemployment is expected to increase from last year's 7 percent to 7.5 percent this year and 7.6 percent in 2014.

Czech economy **started recovering** in Q2 following contraction in the previous six quarters and GDP grew by 0.7 percent qtr/qtr but dropped by 1.2 percent annually, the **Czech Statistical Office** (CSU) has informed. A major positive contribution came from foreign trade. Exports grew by 1.4 percent but imports added only 0.3 percent annually. Final consumption expenditure of households was also below the level of the last year. Government

expenditure remained almost unchanged on an annual basis. Domestic demand for consumer and investment goods in particular remained weak. Agriculture, too, recorded a drop due to unfavorable climatic conditions, while financial and insurance activities showed positive results. GDP fall over the previous six quarters totaled 3.1 percent. Annual fall of the economy reached 1.8 percent in the first six months of the year, the CSU said.

**The United States and the European Union** launched talks to create one of the world's most ambitious free-trade zones that could boost the EU and US economies by more than \$100 billion a year each. The United States and the EU account for almost half of the world's total output and a third of its trade.

**E-mobility on the rise in Prague** - Interest in electric mobility in Prague is constantly growing. And it is also the reason why specialists from the energy provider Prazska energetika (PRE) are expanding the company's network of charging stations. Currently, PRE Group runs 28 stations in 16 locations around Prague. Besides constructing new stations, PRE is establishing a group of companies and institutions which should build up an "eco-sharing" network. Currently in the testing phase, the project has already been joined by Škoda Auto, Czech Railways and the Municipal Authority of the City of Prague.

## Business Briefs

Czech **Y Soft Corporation** is in the process of acquisition of Australian Equitrac Systems, distributor of print management solutions. "This acquisition presents us with an interesting opportunity to quickly expand our team in the APAC region. This will allow us to maintain a consistent level of quality for the services we offer, despite the significant increase in customers and sales opportunities that we have gained in this region over the past year," said Vaclav Muchna, CEO of Y Soft Corporation. "We are currently working on integrating the new company into our global organizational structure." Y Soft is a globally operating company providing scalable print

system management solutions (software and hardware) that enable companies and organizations to control costs, reduce waste, increase comfort for users and positively affect the environment.

**Avia**, iconic Czech manufacturer associated with aviation and automotive industry since 1919 has ceased its operation last month. Avia Ashok Leyland Motors, a Czech subsidiary of the Indian Ashok Leyland vehicle producer, who owns the brand since 2006, has announced the closure of its Prague plant earlier this year. Reportedly the closure is due to the global economic slowdown. The company's

management has decided to move the production of Avia trucks with a 66-years tradition from the Czech Republic to India. Avia trucks however may soon appear on Australian and New Zealand roads under new build dealership of [Avia Oceania](#) that is introducing Avia diesel truck as well as Smith electric truck, version that is using Avia chassis and cabs since 2007.

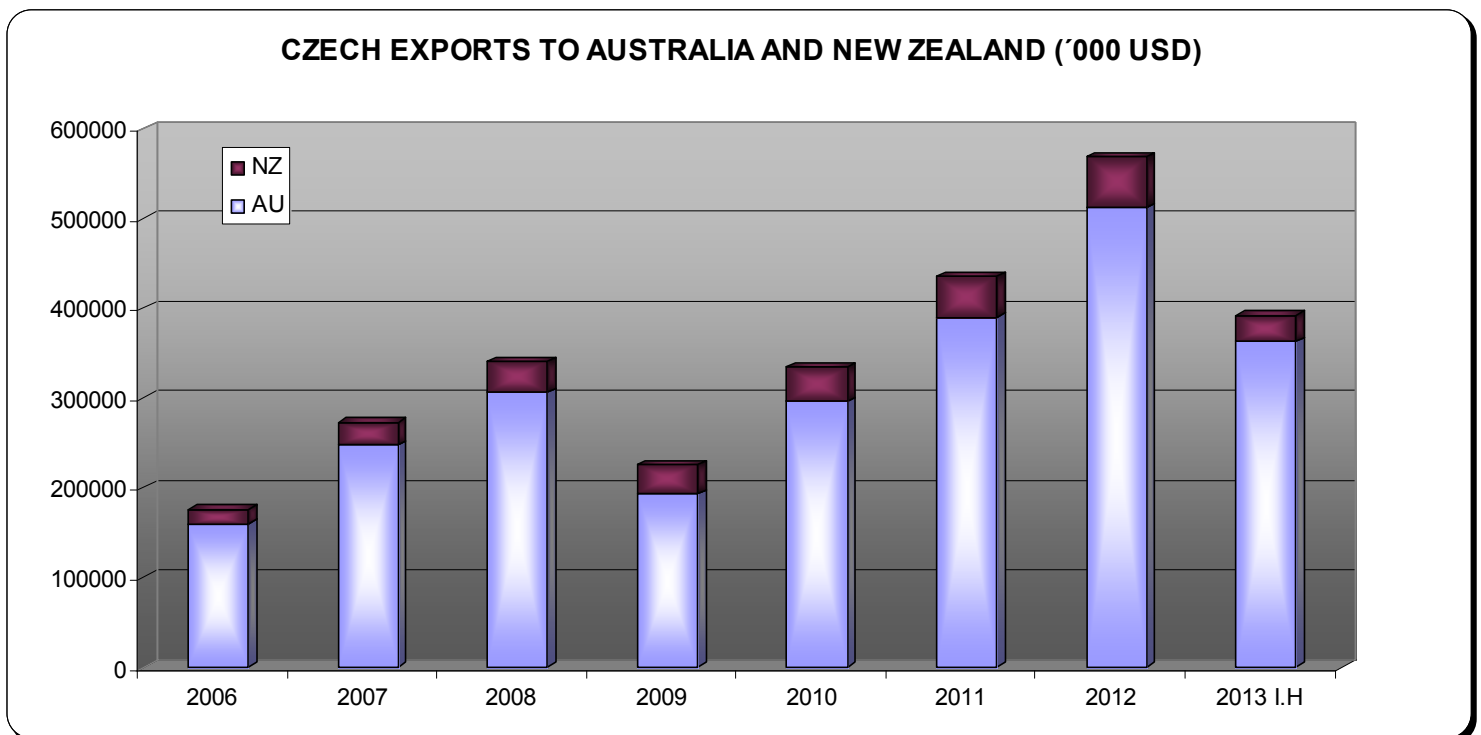
Šárka Ponroy Vamberová, the Czech commercial consul based in Sydney met **40 Czech exporting companies** in Prague on 26<sup>th</sup>-27<sup>th</sup> June 2013 during the annual consultations. A number of them have been already successfully operating in Australia and New Zealand; however majority of them is looking for new partners, investors and distributors. The companies represent various sectors: agriculture and

food, engineering, bio/nanotechnologies, ICT or services. This issue of The Trade Review as well as in the future is bringing some of them to your attention.

Two Czech mining technology companies are coming on business mission to Australia from 20<sup>th</sup> to 27<sup>th</sup> August. They visit Asia – Pacific’s International Mining Exhibition **AIMEX 2013** in Sydney and then continue to Queensland. [UNEX](#) is a supplier of castings and forgings, weldments and heavy steel structures and [FERRIT](#) is involved in construction of mechanical-drive machinery designated to work in environments that have a danger of explosion. Both companies are coming to explore their possibilities in Australian mining sector. The program of the mission has been prepared by the Czech consulate, logistics was proposed by travel agency Go2Australia.

## Czech exports to Australia and New Zealand

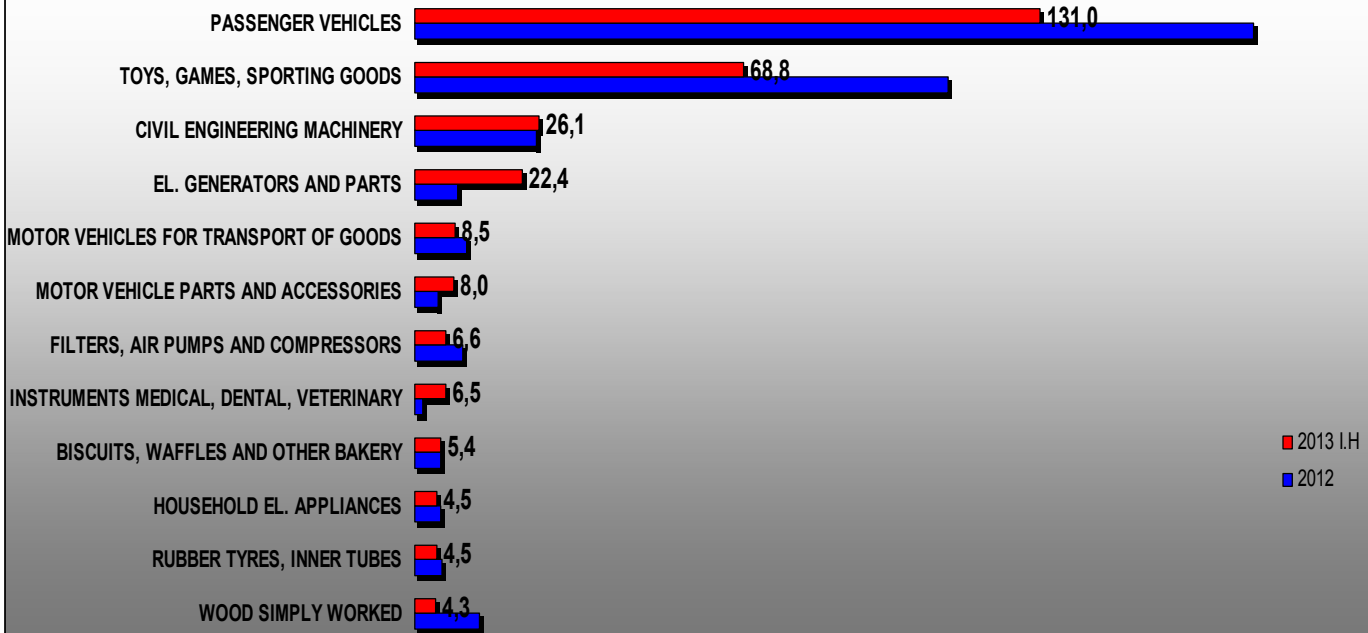
According to the latest export data of the Czech Statistical Office for the first half (I.H) of the 2013, exports from the Czech Republic to Australia have reached USD 362mil. and exports to New Zealand USD 29mil. Export figures indicate strong trade performance, posting again new record export volumes to both countries. Combined Czech exports to both countries in the period increased by 37% compared with the same period last year.



Passenger vehicles and toys remain the leading export articles to Australia and New Zealand in 2013.

Following graph displays the dynamics of major commodity exports in 2012 and I.H of 2013 in Australia:

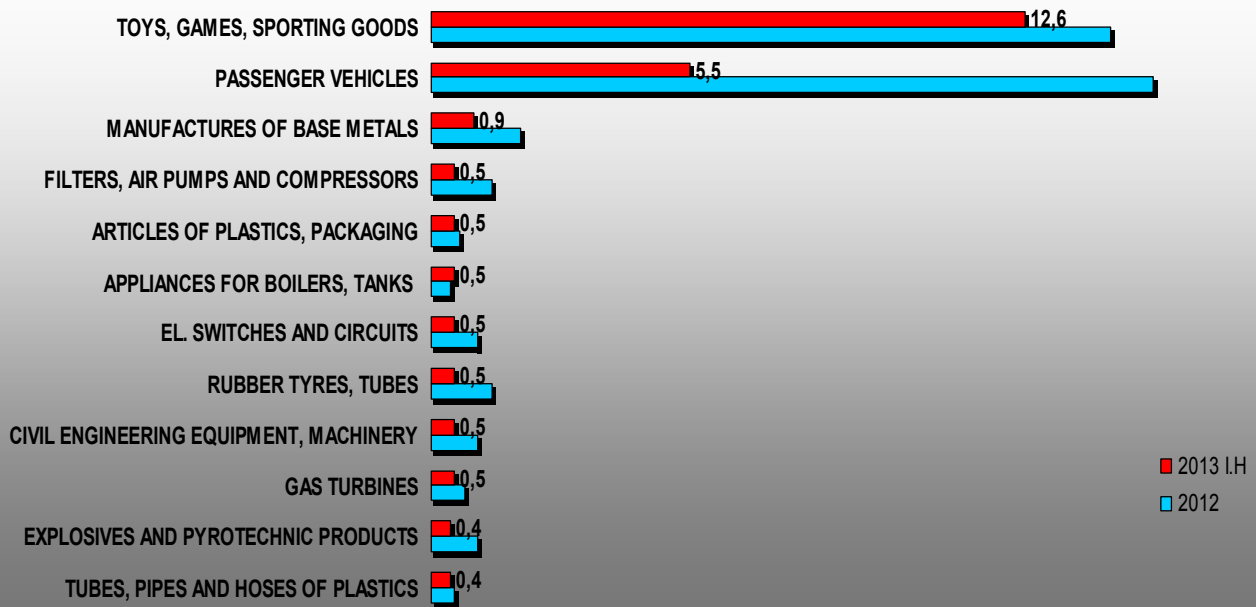
TOP CZECH EXPORTS TO AUSTRALIA (mil. USD)



Notable volume increases are mainly in high value added items such as motor vehicles (Škoda, Tatra) and parts, civil engineering machinery, el. generators and medical instruments. In particular civil engineering machinery and el. generators are returning to the pre GFC export volumes. Also new Czech products such as shavers and biscuits are finding their customers in Australia.

Following graph displays the dynamics of major commodity exports in 2012 and I.H of 2013 in New Zealand:

TOP CZECH EXPORTS TO NEW ZEALAND (mil. USD)



In New Zealand, the most notable increase in export volume is by toy manufacturer LEGO, where first six months of 2013 almost meet the volume of exports from 2012. Škoda cars remain the second largest export article in 2013 followed by other traditional manufacture.

**FILTREX** - Tradition, quality and good value for money. These attributes are carefully combined in the manufacturing and sale of **filters** that are irreplaceable for our customers **in the production of beer, wine, oils, medicine or cosmetics** in Europe and Africa. For more than twenty years, our filters have made it possible to save energy as well as the environment thanks to our unique engineering innovation that consists of two intake and two outlet ports. Our filters are very competitively priced while offering outstanding reliability and excellent performance.

We are looking for distributor in Australia and New Zealand. We will gladly answer any questions about our products, production or business terms.

**Contact:** Mr. Bohumil KOPECNY, Director  
**Telephone:** +420 461 535 186  
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**Web:** [www.filtrex.cz](http://www.filtrex.cz)

**PBS Velka Bites** – The **Precision Casting** Division of PBS Velka Bites is one of the leading foundries in Europe, manufacturing precision investment castings. The tradition of this production dates back to 1969. Thus, the division uses more than 40 years of experience in ensuring an optimized manufacturing process for the timely supply of high quality castings. The division casts complex castings from nickel and cobalt-based super alloys, high-alloyed and low-alloyed steels and high-alloyed cast iron. Casting materials are melted either in electric induction furnaces with subsequent stationary casting in air, or in vacuum furnaces, one of which enables rotational casting.

The Precision Casting Division is also able to ensure centrifugal casting, both in open and vacuum furnaces. The surface of the castings is processed by blasting or tumbling. The wide range of products includes turbocharger wheels in automotive industry, rotors in aerospace industry, spinner disks for glass wool production, knee replacements in medical sector, turbine wheels and rotors for gas turbines and many other applications.

In Australia and New Zealand we are looking for new customers and/or distribution partners.

**Contact:** Mr. Zdenek NOVAK, Sales Manager  
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**Web:** [www.pbsvb.cz](http://www.pbsvb.cz)

**MOUKA TISNOV** – is a family company with a long tradition (since 1842) in producing webbings. We can offer a wide range of **rigid webbings and trimmings** for various applications (e.g. climbing, paragliding, work safety harnesses, slackline, diving, police, fire-fighting equipment, pet and equestrian products, upholstery, textile and shoes, transport and carrying, auto-moto and others). We use both synthetic (polyamide, polypropylene, polyester, Dyneema® yarn) and natural (cotton, jute, rubber) materials for production. We can offer webbings with special treatments too (e.g. flame retardant treatment). Our company has quality control system according to ISO 9001 since 1999. Most of our webbings are exported directly or in our customers' products to the whole world.

We are looking for new customers (companies that use webbings for their production) in Australia and New Zealand.

**Contact:** Mr. Jiri KALA, Chief Executive  
**Telephone:** +420 549 412 237  
**E-mail:** [kala@mouka.cz](mailto:kala@mouka.cz)  
**Web:** [www.mouka.cz](http://www.mouka.cz)

**KALIBRGUN VALDY EU** – Our company deals with the development and production of **pre-charged air guns for hunting, sports and leisure**. Originally based in Russia, since 2012, we have launched production in the Czech Republic, where we can make use of the most recent numerically controlled machines. This increased our production from the original 1,500 pcs to the current 18,000 pcs per year. Thanks to the connection of the unique Russian know-how and the top-quality Czech technology, we have achieved world-wide unrivalled quality of our products.

Our products are very precise weapons of top quality, which we can modify according to the individual needs of the customer. We are fully prepared to cover the growing demand for our products, yet we want to address potential new clients. We would like to offer you a unique opportunity to trade our products. We are happy to provide you with more detailed information.

**Quality is the best advertising. Become our partners...**

**Contact:** Mr. Marek VLACHOVSKY, Export Manager  
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**Web:** [www.kalibrgun.ru](http://www.kalibrgun.ru)

**FORTELL** – is a Europe-wide leader in the field of **custom-made moulding of plastic parts, stamping of metal parts, and manufacturing of injection moulds for plastics**. Established in 1995 as a technical design house, the company has expanded over the years, setting up its own stamping department, tool shop and moulding department. Fortell supplies a range of custom-made products to many high profile companies across several sectors. These include the electrical (Siemens and AVX Kyocera), automotive (Audi, Mercedes, Porsche, BMW, Jaguar and Land Rover), consumer goods (Lexmark, Trodat and Nokia) and medical equipment industries.

“The biggest advantage we offer is being able to provide all services under one roof,” says Filip Ambroz, Sales and Marketing manager. “We are focused mainly on smaller and more complicated technical parts such as injection moulds up to 2.8 tonnes, moulding parts up to 0.5 kg and stamping parts with strip thickness up to 4 mm.

Fortell has a well-coordinated team of highly qualified and experienced professionals who represent the finest Czech engineering traditions.

Fortell has an annual turnover of around €7.3 million, with customers located all across EU, US and Japan. Continuing its expansion, the company is now

looking at entering market of Australia and New Zealand.

“The first group of potential partners we are seeking are moulding companies buying injection moulds for plastics. The second group includes manufacturing or assembling companies that are looking for manufacturers of moulding (including overmoulding), stamping or already assembled parts. For this, we would like to invite interested companies to contact us directly to discuss details.”

The company is committed to the region and is planning on making further inroads into the market at the National Manufacturing Week and EMEX exhibitions.

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## Introducing: Czech New Zealand Business Association

**Czech New Zealand**   
Business Association

### Czech New Zealand Business Association officially launched in New Zealand

The Czech New Zealand Business Association (CNZBA) was formally launched in July 2013 by the Honorable Murray McCully, Minister of Foreign Affairs for New Zealand, at the Skoda NZ showroom in Auckland.

In April, Mr. McCully met the Czech Republic First Deputy Prime Minister and Minister of Foreign Affairs Karel Schwarzenberg in Prague, where the

ministers discussed opportunities for development of bilateral relations and trade, and the recent establishment of the [Czech New Zealand Business Association](#).

“The CNZBA provides an important support base for growing bilateral trade and is a valuable resource for both New Zealand and Czech Republic-based businesses,” says New Zealand Foreign Minister Murray McCully.

According to the latest export data from the Czech Statistical Office the first three months of the 2013 saw Czech exports to the Australasian region increase by 36% in year on year comparison, reaching a total of USD 193 million. Exports from the Czech Republic to New Zealand have reached USD 15 million in the same period.



*Picture: Honorable Murray McCully, Gregory Shanahan Honorary Consul of the Czech Republic and the President of the CNZBA and Michal Kadlec CEO of the CNZBA.*



Export figures indicate strong trade growth going forward. The positive growth of export volumes significantly improved New Zealand's position in the Czech export rankings by five places to 69th [from 74th in 2012].

“It's great that Czech and New Zealand business interests have been recognized in this way. The trade relation between these two countries is dynamic, and the exports from both countries have been growing. Products made in New Zealand are very attractive to the Czech people,” says Michal Kadlec, CEO of the CNZBA.

The CNZBA was established in December 2012 and it is the officially recognized bilateral platform helping New Zealand and Czech Republic businesses to expand their business relations.

## **BECOME A MEMBER AND EXPAND YOUR BUSINESS OPPORTUNITIES**

As a valued Member of the Czech New Zealand Business Association Inc. you have an unique opportunity to foster and grow your business interests with like-minded businesses who are already trading with/ or are looking to trade with Czech Republic or New Zealand and are interested in promoting bilateral trade.

You will benefit from membership with the CNZBA in various ways:

### **NETWORK:**

- CNZBA Directory listing to present your services or products to other members and find clients and business partners within our members
- Establish valuable contacts to experts,

association and government bodies in both countries

- Be part of a forum which provides relevant information directly from the market
- Benefit from our members' exclusive offers
- Access to CNZBA events

### **BE INFORMED:**

- Receive CNZBA Newsletter free of charge with events calendar, our current members update, a profile of our new members, special offers exclusive to our members, and much more
- Stay informed about current Czech –New Zealand trade news through our website
- Recognize new business opportunities on the Czech-New Zealand markets

### **PROFILE YOUR BUSINESS:**

- Build your brand/ company awareness among CNZBA members and customers by advertising exclusively on our website
- Advertise and highlight your services and products through CNZBA publications and events

For more information about the CNZBA, available membership, sponsorship and advertising options please do not hesitate to contact [info@cnzba.co.nz](mailto:info@cnzba.co.nz).

**CNZBA is exclusively supported by:**

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## Tradeshows, Exhibitions, Events

<b>13th International NUTRITION &amp; DIAGNOSTICS Conference</b>	<b>26-29 August 2013, Olomouc, Czech Republic</b>	<b>INDC 2013</b> is an international conference and exhibition, covering sophisticated food analytical methods. Since the first meeting in 2001, the most important developments in nutrition, diagnostics, and instrumental analytical chemistry have been presented in this conference series. Taking place 26-29 August, 2013 at the Faculty of Science, Palacky University in Olomouc, Czech Republic, this conference offers you the chance to learn from some of the world's top experts in nutrition and diagnostics.
<b>Wood Expo Albury 2013</b>	<b>September 3-5, 2013, Albury, NSW</b>	<b>Biona Jersin</b> – the biggest Czech producer of bio-oils and plastic lubricants and one of the biggest European producers of these oils would like to invite you to meet at the Wood Expo. For more information, please contact: <a href="mailto:ladislav.zelenka@biona.cz">ladislav.zelenka@biona.cz</a> , <a href="mailto:info@cnzba.co.nz">info@cnzba.co.nz</a>
<b>The Royal Australian and New Zealand College of Obstetricians and Gynaecologists 2013 Annual Scientific Meeting</b>	<b>8-11 September 2013, Sydney Convention and Exhibition Centre</b>	Czech company <b>Borcad</b> is the leading manufacturer and supplier of medical technologies as well as of seats and berths for passenger carriages. In the area of medical technologies, Borcad focuses on the development, construction and production of birthing beds, gynaecological, transport and dialysis chairs. In these segments the company ranks among the world top brands, a fact well-documented by a series of prestigious design awards. Borcad representative would like to invite relevant professionals to meet at the event, where Borcad <a href="#">gynecological chair</a> will be introduced. Further information is available on request at: <a href="mailto:commerce_sydney@mzv.cz">commerce_sydney@mzv.cz</a> .
<b>Fine Food Australia</b>	<b>9-12 September 2013, Sydney Convention and Exhibition Centre</b>	Goldstein Eswood is the largest manufacturer of commercial kitchen and food service equipment in Australia. Australian made products cater for all kitchen sizes and menu requirements and are designed to be energy efficient. Customer support includes offices in all states and a service network that provides support throughout Australia. Goldstein Eswood is also exclusively distributing Czech made combi steamers <b>Retigo</b> and would like to invite you to their stand HH02 at the show.
<b>Investment Forum Ostrava</b>	<b>October 2 2013 Ostrava, Czech Republic</b>	A presentation of investment opportunities and conditions that the Region of Moravia-Silesia (North-East part of the Czech Republic) offers to potential investors. The Region will be introduced from different points of view as a dynamically developing unit with a large industrial base, high-quality transport infrastructure, flexible labour force and a comprehensive range of services focused on the support of investments.

## Business and Trade Websites and Links

General Information [www.czech.cz](http://www.czech.cz)  
 Czech Supplier [www.supplier.cz](http://www.supplier.cz)  
 CzechTrade [www.czechtrade.cz](http://www.czechtrade.cz)  
 CzechInvest [www.czechinvest.org](http://www.czechinvest.org)  
 Tradeshows [www.veletrhyavystavy.cz](http://www.veletrhyavystavy.cz)  
 Doing Business in the Czech Republic  
[www.doingbusiness.cz](http://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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