



Czech Economy Briefs

The **Czech Finance Ministry revised its economic growth outlook for this year up to 2.7%** from 1.7% in April. For 2015, the ministry expects the economy to expand by 2.5% compared to a 2% growth in the April forecast. The economic growth for 2016 and 2017 is also projected at 2.5%. Average **inflation** could be only **0.6%** this year, but in 2015 it should accelerate to 1.7% according to the ministry's forecast. The **public finance deficit should reach 1.5% of GDP in 2014**, the same as last year.

The Czech Republic's **state budget surplus** grew to Kc4.5bn in July from June's Kc1.5bn, while last year in July, state budget ended in a Kc27.6bn deficit, the Finance Ministry announced in August.

The Czech Republic **trade surplus** reached Kc19.1bn in June, which was by about 4.1bn more than last year. The year on year exports grew by 12.9% and imports by 11.9%. The domestic automakers, which increased their market shares in a number of key markets after launching new car models, continued to make good. Also exports of machinery, computers and electric devices increased. The pace of the growth of imports is driven up mainly by a renewed domestic demand, both by enterprises and households.

Unemployment in the Czech Republic remained at 7.4% in July. Unemployment has been falling since January when it reached 8.6%.

Average interest rate on mortgage loans in the Czech Republic dropped to 2.72% in July, a new record low again since 2003 when the indicator started to be monitored, according to the Fincentrum Hypoindex data calculated by consulting company Fincentrum.

The **Czech National Bank (CNB) Board** kept interest rates unchanged at technical zero (0.05%) again on its last August meeting.

Czech exporters expect to lose contracts worth tens up to millions of Czech crowns at the most over the current **sanctions between the EU and Russia** in the next 12 months, according to a poll conducted by the Czech Economic Chamber among nearly 140 Czech firms. There are signals of a deteriorating payment discipline on the part of their Russian partners, which leads to a decrease in bilateral confidence. Entrepreneurs that will be affected by the sanctions are trying to adjust their production and business programmes and to find customers on alternative markets.

Business Briefs



Czech company **MSA**, manufacturer of industrial valves, won a tender to supply an Australian company Valve Distributors Pty Ltd. The order includes ball valves in nominal size 4", Class 600 in special design: valves will be equipped with underground set, gearbox will be under ground and valve will be operated by extension and square wrench. "This particular design is special and is not commonly used, but we have experience with this specific design from different projects realized in the past" describes order overseas territory sales director Stanislav Herudek.

First Czech Business Networking in Sydney organized by the Consulate of the Czech Republic and the CzechTrade office took place on the 7th August 2014. There were some 20 participants interested in the potential Czech exports to Australia and getting in touch with the government bodies and other business people.

The Czech government signed in July investment agreements with two South Korean companies – **NEXEN** (tyre maker) and **Hyundai Mobis**. The latter firm will invest up to Kc4bn to build a plant for car headlamps near Ostrava, northern Moravia. The NEXEN investment agreement is worth Kc22.8bn. In the first years Nexen will create at least 1,000 jobs in industrial zone Triangle in the Ustecky region, north Bohemia, where it will operate. In the future, Nexen may invest up to Kc40bn in the Triangle zone, which would be the highest investment a foreign company has ever made in the Czech Republic.

Prague is the 22nd most frequently visited city in the world and ninth most popular destination city in Europe, according to the Global Destination Cities Index for 2014, released by the MasterCard association. The Czech capital has overtaken Berlin, Madrid and Warsaw, for example, in popularity.

A Prague-based firm **Projektmedia** has developed a computerised, interactive device half teaching tool,



half toy, called a **Magic Box**. The device is a small box on wheels, equipped with a powerful data processor and projector, which screens interactive games, software and web-based programmes onto a large surface laid on the floor, enabling children to play and work together while learning how to use a computer. The Magic Box is proving very popular with children of different age and learning abilities. During first three months the company sold more than a hundred pieces. The Magic Box was the recipient of the Grand Prix award at the Trade Fair for Toys in Prague in 2013. The company has been working on several language mutations including Arabic, as Koweit and Saudi Arabia wish to buy 2000 devices.

Newly established exclusive distributions of Czech products in Australia

Kick Scooter Sydney www.kickscootersydney.com.au

Offers the widest range of scooters/footbikes for adults and dog scooters in Australia. All scooters are made in the Czech Republic.



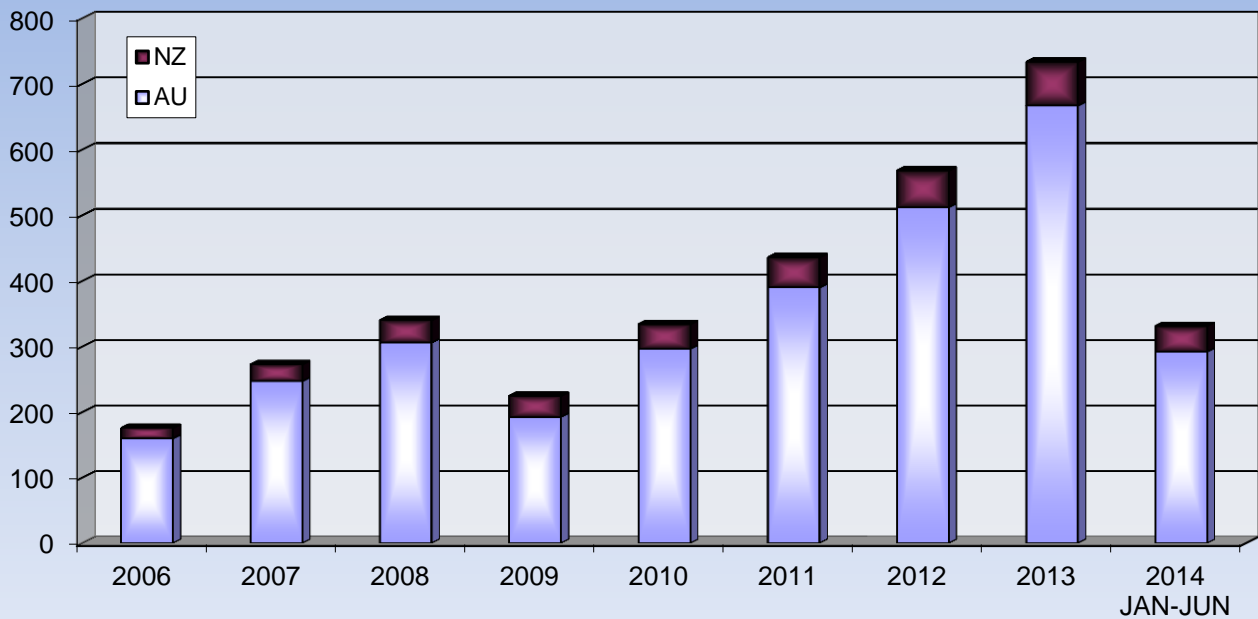
Active Dog www.activedog.net.au, www.manmat.com.au

Is no. 1 supplier of sled dog equipment in Australia. From our store you can get a ManMat equipment for all dryland mushing disciplines, walking and running with your dog. **ManMat** is well known Czech manufacturer of high quality gear for all sorts of dog-related activities and specialized horse riding equipment. All products and materials are manufactured in the Czech Republic.

Czech exports to Australia and New Zealand

According to the latest export data of the Czech Statistical Office, exports from the Czech Republic to Australia reached 292 mil.USD and exports to New Zealand 39 mil.USD from January to June 2014. In total it is 17% down compared to the same period in 2013. The fall is mostly due to lower exports of passenger vehicles to Australia. Total Czech exports to Australia have decreased by 21% y/y, on the other hand to New Zealand have increased by 31%.

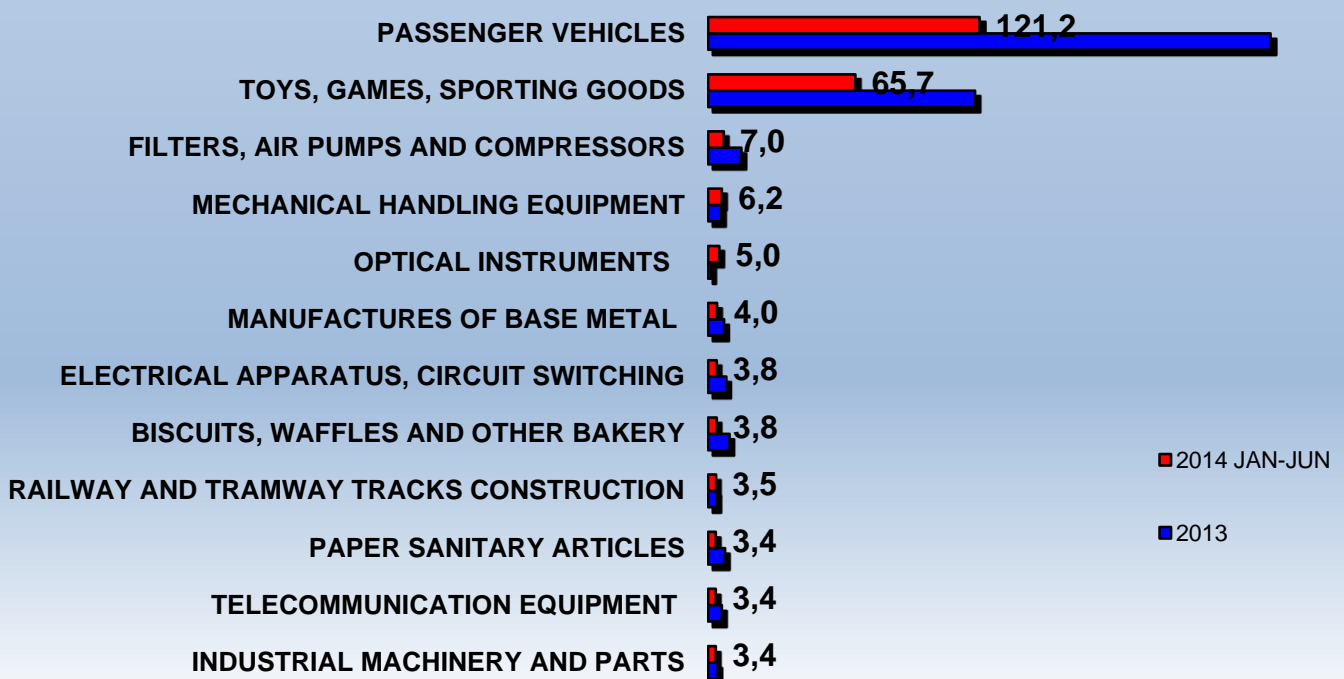
CZECH EXPORTS TO AUSTRALIA AND NEW ZEALAND (mil. USD)



Passenger vehicles and toys continue to be the leading export articles to Australia and New Zealand in 2014, with growing dominance of Škoda cars.

Following graph displays the dynamics of major commodity exports in 2013 and first half of 2014 in Australia:

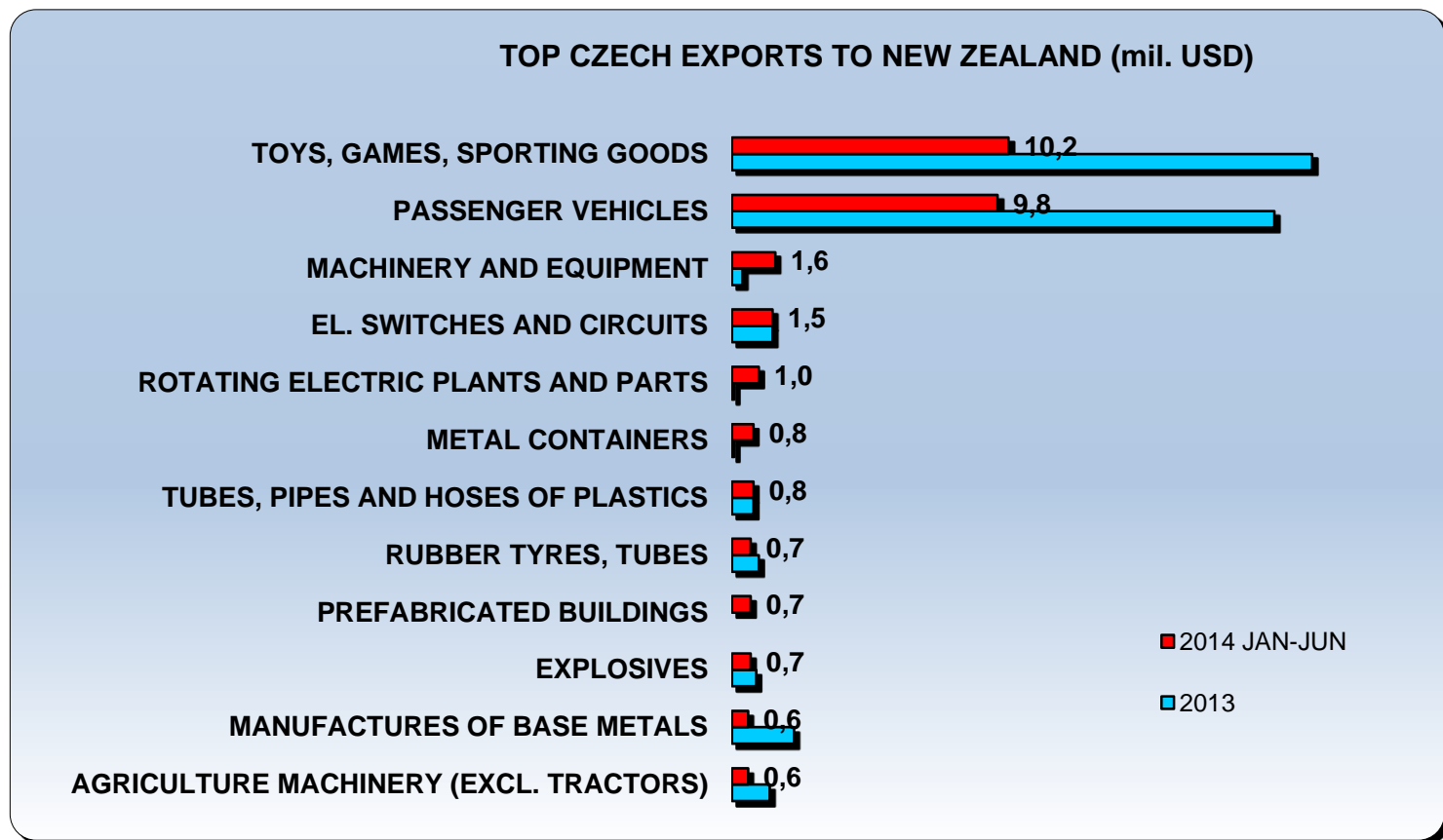
TOP CZECH EXPORTS TO AUSTRALIA (mil. USD)



In Australia, exports from the Czech Republic in the first six months of 2014 have decreased by significant 21% compared with the same period of 2013. Orders for passenger vehicles decreased by 7,5% and toys orders decreased by 4,5%. Czech Crown remains weak against Australian Dollar (mainly due to the interventions of the Czech Central Bank) which may contribute to the recovery of Czech exports in the

second half of 2014. Passenger vehicles market in Australia may however also be affected by recently signed FTAs between Australia and Japan and South Korea, reducing the price of Asian vehicles in Australia.

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



In New Zealand, a number of commodity categories increase in export volume in the first half of 2014 compared to the same period of 2013, indicating new export opportunities for industrial machinery, electric plants and generators, newly also for prefabricated buildings. Main export articles, LEGO toys orders remain slightly subdued, Škoda passenger vehicle orders increased by 78% in the period. Overall Czech export to New Zealand has increased by 31% in the period.

Czech companies seeking for Australian and New Zealand partners

NOMINAL

A family-run company has been operating since 1993. From the very beginning, the company has focused on natural food production to support a healthy lifestyle. Great emphasis is placed on the quality of the raw materials used, which in part comes from their own production. NOMINAL products are associated with healthy gluten-free foodstuffs of the highest quality on the Czech market.

We closely cooperate with Celiac Association of the Czech Republic, Society for Gluten-free Diet Prague and The Club of Celiac Disease Brno. We are happy that customers from other European countries are searching for our products, too. NOMINAL gluten-free products are regularly checked for gluten content, which directly corresponds to the new European directive.

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radíme se s přírodou...

ONDRÁŠOVKA Inc.

is a Czech company, which is a major manufacturer and distributor of mineral water and number three on the Czech market.



Mineral water

Ondrášovka is one of the oldest natural mineral waters in the Czech Republic. The source of this mineral water was first mentioned in 1260. The manufacturing plant is located in Ondrášov (20 km from Olomouc) and has two production lines with a total annual capacity of 82 million bottles. The product portfolio consists of - Ondrášovka mineral water, natural medical mineral water Šaratica, functional beverages Magnéziová and the isotonic drink Isotonic O1.

Natural mineral water Ondrášovka is collected from sources near Olomouc. It is medium mineralized mineral water. There are both the natural and flavored mineral waters.

Šaratica is one of the medical mineral waters with tradition since 1888. It treats efficiently digestive problems and its medicinal properties have been known not only in the Czech Republic, but also in France, Austria and Germany. The collecting area of Šaratica is located in South Moravia. More and more people are using Šaratica as a means for weight loss transition to a healthy lifestyle. The company successfully launched Šaratica in China in 2010.

The uniqueness of **Magnéziová** mineral water on a pan-European scale is its high magnesium yet low sodium content. Magnéziová is an ideal and natural source of magnesium and energy for the body. Magnéziová thus keeps you in good physical and mental condition.

The isotonic drink O1 is designed for active athletes. The tennis player Radek Stepanek is the face of this product. O1 possesses optimum minerals and three added vitamins. It provides effective hydration during sports load and significantly reduces the risk of muscle cramps. O1 drink is designed for both professional and recreational athletes.

Ondrášovka is looking for sales representative for Australia and New Zealand.

Contact: Mr. Daniel Kursa

Telephone: +420 777 033 524

E-mail: kursadaniel@fiza-international.com

Web: www.ondrasovka.cz

REMOSKA



The production of electric baking dish Remoska® began in 1957 and soon found great popularity in Czech households for its versatility preparing all kinds of food, its long life and low operating and maintenance costs.

The micro-triple combination (heat-grill-air) can bake nearly everything. Remoska® ORIGINAL Teflon® has up to four times lower power consumption. ORIGINAL Teflon® is up to five times more energy efficient than an electric oven. Due to the low power, regulation is not needed.

It is suitable for home, cabin, cottage, hostel, student dormitories, but also in camps and caravans during the holidays. REMOSKA® can be used to produce hot, high quality and delicious meals using the inverter 12 V or 24 V / 220 V and in cars, trucks during rest in the parking lots. REMOSKA® is the smallest mobile electric oven.

REMOSKA® can braise, fry, broil, toast prepare, heat and defrost. Prepare all kinds of meat, poultry, fish, vegetables, pizza, potato pancakes, pies, cakes, sponge cakes of the dough and the like.

All parts are manufactured in the Czech Republic. Redspeare&Co. is looking for sales representative for Australia and New Zealand.

Contact: Mr. Ivo Svoboda

Telephone: +420 556 802 601

E-mail: svoboda.ivo@iex.cz

Web: www.remoska.cz

COMPEX Ltd.

COMPEX Ltd. has been on market over 24 years specializing at professional cosmetic and medical devices including wellness centre equipment. Jett Plasma Lift is modern, trendy cosmetic machine produced in the European Union. It uses the revolutionary technology for professional cosmetic treatment, and the results are coming immediately after the first treatment.



COMPEX Ltd. is looking for an importer in Australia

Contact: Mr. Jiří Hladík

Telephone: +420 725 385 074

E-mail: export@compexbrno.cz

Web: <http://en.jettcosmetics.cz/jett-plasma-lift/>

ISOLIT-BRAVO introduces to the Australian market its innovative powered wheelbarrow - **Mobarrow**.



This increasingly popular utility apparatus is designed to perform various tasks for both professional and amateur users. The wheelbarrow is broadly used among gardeners, farmers, foresters, construction operatives and municipal service operators across the world.

ISOLIT-BRAVO is looking for a business partner for Australia.

Contact: Ms Sylva Huderlik

Telephone: +420 727 943 665

E-mail: huderlik@isolit-bravo.cz

Web: <http://mobarrow.cz/>

ZDT Nové Veselí

Czech Agricultural and transportation machinery Ltd. (ZDT Nové Veselí) has extensive experience of more than 20 years in the production of agricultural machines, maintenance of semi-trailers and manufacturing of steel structures.



The conception of **exchange system MEGA line** has become the main technology and it has become widely used in

farming in the Czech Republic and our export destinations - e.g. **Germany, The Netherlands and Denmark.**

We are looking for new business partners in Australia and New Zealand.

Contact: Mr. Jan Mraka

Mobile: +420 602 119 771

E-mail: jan.mraka@zdt.cz

Web: www.zdt.cz

Introducing: Skyleader in New Zealand

Bruce Conway of Sky Freedom Aviation has recently been appointed as the New Zealand dealer for Skyleader aircraft and is awaiting delivery of a carbon/composite GP One. Bruce selected this 2-seat aircraft after visiting ten aero clubs and flight schools. The GP One was seen as being affordable and of high quality - and Instructors, farmers and recreational flyers liked its 600kg MTOW, fuel-efficient shape and robust undercarriage. The GP One has been optimised as a trainer, having a radio, 80hp engine, adjustable prop, long-range tanks and in-built parachute. Flight schools and commercial operators will register the GP One as a Light Sport Aircraft for GA pilot training or adventure aviation, while individuals and clubs may register it as a Microlight.



About Skylader

Skylader have manufactured aircraft in the Czech Republic since 1996. Czech manufacturers, known for hi-tech gliders, durable microlights and innovative GA planes, actually claim over 25% share of the LSA market in USA and Skylader is not a small player. They are heavily involved in research and commercial aspects, including producing doors for the Airbus A320 airliner. They cooperate internationally on developing flight simulators and UAVs, with a key role in the record-breaking ENFICA-FC electric aeroplane project.

Skylader's range includes the GP One, plus the all-metal Skylader 100, 400, 500 and 600. They offer good value-for-money, including corrosion protection. Bruce reports that hundreds of Skylader aircraft are flown throughout the world, and are known for superb flying, low operating costs, ruggedness and safety. He adds that, "The spacious SL 600 'GA-feel' flagship shares its beefy trailing-link landing gear with the wide-body SL 500. The younger set will go for the sporty SL 400." Options include retractable gear, Fowler flaps, constant-speed prop and glass cockpit.



More details:

A number of purchase options are offered, including rewarding Skylader owners for demonstrating their aircraft, EarlyBird Specials, maintenance vouchers and learn-to-fly in your own aircraft. The SkyFreedom Aviation website www.skyfreedom.co.nz contains a wealth of information on Skylader aircraft. For other questions and pricing contact Bruce Conway on +64 275 773 111 or by email to: bruce@skyfreedom.co.nz

Tradeshows, Exhibitions, Events

Queensland Mining & Engineering Exhibition 2014

July 22 – 24, Mackay, QLD

This year, Czech Republic had its largest representation ever. **Czech TATRA Truck Company** is one of the oldest vehicle producers in the world. It has been represented already for more than 15 years by Mr. Larry Gill and his Offroad Trucks Australia. This year, Mr. Gill brought to the exhibition Czech KOVOBEL demountable containers in addition. They all were sold out during the first day of the show. The other exhibitor was **Slew Bearing Services Pty Ltd.**, a trusted supplier of high quality and custom built slew bearings for solid and segmented designs. Mr. Panovsky founded the company in 2008, and has already supplied bearings to South Africa, India, South-East Asia, Oceania, and South America. The last Czech footprint was **Bata Australia**, producing industrial shoes in Australia since 1961. World known Bata Shoe Corporation was founded in 1894 in Zlín, Czech Republic, and the company has its presence in over 60 countries. Since the foundation in Australia, Bata Industrial has produced more than 40 million pairs of shoes. The gumboots are being produced in Mornington, Victoria.

Fine Food Australia 2014

September 15 – 18, Melbourne

Eight Czech companies including Nova Paka Brewery or Rudolf Jelinek Distillery will be present at the leading Australian event in Food Industry. In total over 1000 exhibitors will be showcasing the latest products and equipment. The Czech Republic stand is being organized by the CzechTrade and the Consulate of the Czech Republic (as a project of economic diplomacy). The important part of the exhibition's costs are covered by three Czech Ministries: Foreign Affairs, Trade and Agriculture.

Czech and Slovak Film Festival in Sydney

September 2-7, 2014

This year, the festival is expanding to Sydney from Melbourne with a larger offering of new releases and past classics, featuring over 40 films, including documentaries and shorts. The 25th anniversary of the Velvet Revolution will be remembered as well. **Škoda Australia is a major sponsor.** Other Czech marks like **Becherovka, Green Fairy, Bakalář and Černovar** are the hospitality partners.

Business and Trade Websites and Links

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

CzechInvest www.czechinvest.org

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

Tradeshows www.veletrhyavystavy.cz

Doing Business in the Czech Republic
www.doingbusiness.cz

Czech-Australian Chamber of Commerce in Sydney



<http://czechchambersydney.com/>

Czech-New Zealand Business Association in Auckland



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

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