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a European Union Member

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OF THE EU IN THE FIRST HALF OF 2009

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# Czech Republic – a European Union Member 2009

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## Half a Century of Peace and Prosperity

The European Community has come a long way in the half century since the signing of the Treaties of Rome. On this occasion many people are asking what new content we should give to European integration, which new objectives should we place before it, what new message should we present its citizens. In my opinion, there is no need for this. Let us adhere to the values upon which the original community was established: peace, security, prosperity, freedom.

Our first president, T.G.Masaryk, said that states are maintained by the ideals which they were founded upon. The original goals of European integration are so powerful, so viable, and so universal that they have survived for fifty years and will easily survive for centuries to come. All that could be added (artificially) will only be weaker, less inspiring, and more difficult to share universally.

The original goals of the Coal and Steel Community already contain the fundamental values without which human life loses its crucial quality. Today we consider these goals a matter of course, but this should certainly not lead us to forget which stones form the true foundations of European integration: peaceful cooperation among former enemies, and emphasis on the role of the free market as the most efficient tool of general prosperity.

Not a single one of the fundamental values was considered matter-of-course in the period after the Second World War. Trust among the nations of Europe was strongly shaken. Free market had tough opponents in the rising socialism as well as in the surviving mercantilist protectionism. Despite that, the founding fathers succeeded in giving the European community dynamics which remain until the present day. They succeeded in spite of the bad historical experience, in spite of confrontation with the ideological machinery of the evil empire.

It is this destiny-defying success that is the fundamental message we should communicate to the citizens of a peaceful and prosperous Europe. Anything beyond this is a small-minded attempt to further one's own immediate political aims against the backdrop of historical success. Mentions of global warming, institutional reform, social rights of the third generation – and potentially a number of other things – merely dilute the spirit of European integration and unnecessarily sow the seed of discord among EU countries. Let us adhere to what has proven successful and what unites us rather than embark on a road of experiments which will obviously only divide us.

Peace, security, prosperity, freedom. These are no small goals - and at the same time they are goals that are never fulfilled and thus never exhausted. There is a long way for Europe to go to strengthen its own security. At present, it is not able to defend itself against terrorist threats, let alone stand the test of a real war, and thus virtually depends completely on US assistance. The EU remains a weak player on the international field.

Much also has to be done for the long-term guarantee of prosperity. Full liberalisation of the internal market is not yet complete, discrimination in access to the four fundamental freedoms has not been eliminated, nor have barriers to doing business, unnecessary regulation and bureaucracy been removed. The EU must also be more united and stronger in defending its global commercial interests.

Ambition, courage, success, these are the words heard all over Europe now. Yes, let us have the ambition and courage to successfully implement the original and ever-living ideals of European integration. Let us rise above the current ideological disputes and measure the future by the impressive half century. Let us not dilute Europe into small change.

**Mirek Topolánek**

Prime Minister of the Czech Republic



## Dear Reader,

In spring of the next year, the Czech Republic will celebrate five years since its entry into the European Union. At a time when the whole EU will mark the historic enlargement that completed the return of a group of post-communist countries from the yoke of Soviet totalitarianism back to a democratic Europe, the Czech Republic will be heading the club which presently comprises 27 states and almost half a billion Europeans. Our country has gone a long way since its Velvet Revolution in 1989, to the exacting accession negotiations with the EU, to the prestigious role of a presiding country. Twenty years ago, because of the harsh historical destiny, it was part of backward East, today it is a standard and self-confident member of the European Union. In 1989, we were separated from the civilised Western world by the impenetrable Iron Curtain, today we are part of the Schengen area, where people travel freely and identify the borders only by information panels. The Czech Republic has basically caught up with West European countries in terms of economy, technology, and other criteria, and is an equal partner to them. Therefore, it is now the CR's natural ambition to pursue an active and at the same time responsible European policy. In the EU we should not be afraid to propose our own initiatives and defend our interests. On the other hand, we must respect the rules of the game and the team spirit. We are expected to be able to moderate the European debate and assume responsibility for others as well.

The European Union Presidency that we are to hold in the first half of next year is an ideal opportunity to prove our abilities and confirm our role of a developed country which has a firm place among the other states of the European Union. At the same time we are fully aware of the demands of this task. The Presidency is a great organisational and political challenge for each member state, and the more so for a country which will try this role for the first time. The European Union is a diverse community with many contradictory interests, which are often hard to fit together. Moreover, the Czech Republic will head it in a rather difficult period, when Europe is trying to cope with turbulences in the financial markets and is painstakingly seeking agreement on reforms of its institutions. We are seriously preparing for our Presidency, fully aware of all the stumbling blocks. Over two years we have had to cope with hundreds of organisational details, the language training of our staff, as well as the political challenges of leading the EU. However, I have no doubt that we will stand this test of our maturity and succeed as a presiding country.

Membership of the European Union is a long-term key pillar of Czech foreign policy. However, we cannot content ourselves with passively watching where the European project is heading. We should have our own views on what kind of European Union we want and how we want to contribute to its prosperity. It is in our national interest that the EU be a transparent organisation which functions effectively and is able to succeed in the global economic competition. Therefore we support all reform trends within the European Union which aim at greater transparency, flexibility, reduction of bureaucracy and strengthening of competitiveness. We also want to work for the EU to fulfil the original goals of integration - the four basic freedoms: the free movement of persons, goods, capital, and services. We must also remember those Europeans who have so far remained outside the gates of the European Union. We have the experience of a country which knew for decades the effects of being excluded from the Western civilised area. Therefore we want the European Union to further stabilise the European continent and continue its project of enlargement.

**Alexandr Vondra**  
Deputy Prime Minister for European Affairs



## Dear Reader,

Allow me, as a permanent representative of the Czech Republic and head of its Permanent Representation to the EU, to say a few words about the important task, which awaits us in the forthcoming months. From 1 January to 30 June 2009, the Czech Republic will hold the Presidency of the EU Council. This means the Czech Republic will preside over all sessions of the EU Council, its preparatory committees and working groups and will negotiate solutions to the benefit of all Europe. This will involve almost 3 000 meetings at different levels, not only in Brussels or Luxembourg, but also in a number of places in the Czech Republic – amounting to approximately 25 meetings a day on average. We shall represent the EU Council in dealings with other EU institutions and sections, such as the European Commission and the European Parliament, and will represent the EU in international organisations and during negotiations with countries which are not EU members. The presiding country is responsible for creating conditions to make the work of the EU Council most efficient and for putting forward compromise proposals during negotiations in order to mediate agreement among member states. Each country that takes on the EU Presidency faces an important organisational challenge. The Czech Republic will have to coordinate a large number of conferences all over the world and some 150 meetings held in all the country's regions. It will be responsible for creating suitable work conditions for the conference participants and for representatives of the media. We expect the presidency will have a favourable influence on the presentation of our country as a tourist destination and that it will raise interest in Czech culture.

The main motto of the Czech Presidency is "Europe without Barriers". We shall focus on debates on completing market liberalisation in terms of the restrictions to free movement of labour still applied by some of the "old" EU member states. One of the priorities the Czech Republic has set for itself during its Presidency is to participate in the initial steps towards the draft reform budget for 2014-2020. It will also seek to re-open discussions on the potential future amendment of the EU services directive. The Czech Republic looks upon EU Presidency as a great opportunity for the country, a chance to show its potential, to present itself as an important and trustworthy partner on the international field, and to show that during the past two decades since 1989 we have covered a long and demanding path of political, economic, and cultural renaissance. Our Presidency will be an opportunity for us to bring the EU closer to its citizens, as our country has never before participated so widely in EU affairs. It will also be a severe test for the public administration and a test of our ability to cooperate with other countries on an everyday basis. In the year marking the fifth anniversary of our membership of the EU, the Presidency is also an important instrument for the presentation of our national interests. There will also be elections to the European Parliament. In the first half of our Presidency, the European Parliament will be working intensively to finish the legislative projects now in the pipeline so as to have a "clean slate" before the elections, and also to make it possible for members of the European Parliament to highlight the results that have been achieved in their election campaigns. From April 2009, the members of the European Parliament will thus be busy campaigning. This means the Czech Presidency will only have three months to get all the required legislative proposals approved. The remaining part of the term will be used to debate a number of non-legislative texts. For example, we intend to open the debate on the future EU budget after the year 2013.

There is no denying that such a demanding role is a tremendous task even for much larger countries than our own. From my experience, however, I know the entire Czech public administration is preparing for this task with the utmost sense of responsibility. This applies equally to the Permanent Representation of the Czech Republic to the EU, which I am in charge of. For more than two hundred diplomats and other officials, this will be the climax of their careers to date, and none of them is prepared to leave the next six months to chance. I am convinced the largest mission of the Czech Republic the world over, as well as the Czech public administration as a whole, will be well prepared for their task on 1 January 2009.

Ambassador **Milena Vicensová**  
Permanent Representative of the Czech Republic to the European Union

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photo: Tomáš Bělka

### **The Bluethroat (*Luscinia svecica*)**

The Bluethroat is the size of a sparrow, although slimmer. It dwells predominantly aground. Its song during the day is a typical "chack", "chack" noise. The Bluethroat sings long into the night and its song is reminiscent of the sound of a flute. During one such night of singing the Bluethroat loses up to 10% of its weight. It lays 6 to 7 eggs. Both the male and female sit on the eggs, although at midday it is always the male. Nesting lasts approximately 14 days. For the same amount of time, the brood remain in the nest and are fed by the parents. This bird originally inhabited only the south and southwest of Bohemia. Since the mid-nineties, when the desulphurisation of ČEZ power stations was carried out, it has become very widespread in the Ústí Region, especially in wet areas of recultivated land and in the forelands of coal mines. The Bluethroat is a migratory species. During the course of September and October it migrates to the Mediterranean. Although it can fly to anywhere in Europe, each March it returns to our country. And why so?



**Severočeské doly a.s.**  
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# Useful Information



## State Symbols of the Czech Republic



Large State  
Coat of Arms



State Flag

The Czech Republic is situated in Central Europe, neighbouring the Federal Republic of Germany, Austria, Slovakia, and Poland.

**The President of the Czech Republic is Václav Klaus.**

The Czech Republic is a **member** of the European Union, the United Nations, NATO, the WTO, the International Monetary Fund, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, the OECD, as well as many other organisations.

The **UNESCO World Heritage List** includes the following cities and sites: Prague, Český Krumlov, Kutná Hora, the Litomyšl Chateau, Telč, the Lednice-Valtice area, Zelená Hora – St John of Nepomuk Church, Holašovice, Kroměříž (chateau and gardens), the Holy Trinity Column in Olomouc, the Tugendhat Villa in Brno (designed by architect Ludwig Mies van der Rohe), and St Procopius Basilica and the Jewish Cemetery in Třebíč. For more information, please see [www.unesco-czech.cz](http://www.unesco-czech.cz).

The Czechs are described as a very cultural nation which has contributed to the world a large number of **prominent figures**. The most significant rulers and heads of state include emperor Charles IV and presidents T. G. Masaryk, Edvard Beneš, and Václav Havel. Names of world renown include Jan Amos Komenský (Comenius) "the Teacher of Nations", scientists Jaroslav Heyrovský (Nobel Prize laureate for chemistry), Otto Wichterle, a Czech chemist who invented contact lenses, and Antonín Holý (professor of honour in medicinal chemistry), who discovered drugs against AIDS. Famous people of culture include composers Bedřich Smetana, Leoš Janáček, Antonín Dvořák, and Bohuslav Martinů, writers Franz Kafka, Karel Čapek, Jaroslav Seifert (Nobel Prize laureate), Jaroslav Hašek, Bohumil Hrabal, and Milan Kundera. Winners of the American Academy Award are film directors Miloš Forman (born in former Czechoslovakia), Jiří Menzel, Jan Svěrák, and the singer Markéta Irglová. Painters to be named are František Kupka and Alfons Mucha. Athletes of world renown include Emil Zátopek, Petr Čech, Jaromír Jágr, Dominik Hašek, Pavel Nedvěd, Jan Železný, Kateřina Neumannová, and many others. Kateřina Emmons, Barbora Špotáková and David Kostelecký won gold medals at the Beijing Olympic Games in 2008. Martina Navrátilová and Ivan Lendl are also of Czech origin.

## Basic data

Population	10 424 926 (30 June 2008)
Area:	78 864 sq.km
The capital city	Praha (Prague)
System of government	a republic
Language	Czech
Highest peak	Sněžka (Snow) Mountain (1602 m above sea level)
Time zone	Central European Time GMT + 1, summer time GMT + 2
Monetary unit	1 Czech crown (Kč/CZK) = 100 halers
Internet domain	.cz

## Practical Information

Country dialling code: +420. Details regarding phone numbers are available at the following website: [www.zlatestranky.cz](http://www.zlatestranky.cz).

Licences to operate mobile phone networks in the Czech Republic have been awarded to the following companies: Telefónica O2 Czech Republic, a.s., T-Mobile Czech Republic a.s., Vodafone Czech Republic a.s., and MobilKom, a.s.

The most commonly used credit cards in the Czech Republic are: Eurocard/MasterCard, Maestro, and Visa.

Other useful information on the Czech Republic is at [www.czech.cz](http://www.czech.cz)

## The biggest cities of the Czech Republic

city	number of inhabitants
1. Praha	1 180 100
2. Brno	369 000
3. Ostrava	313 000
4. Plzeň	164 000
5. Olomouc	102 000
6. Liberec	98 000
7. České Budějovice	95 000
8. Ústí nad Labem	95 000
9. Hradec Králové	94 000
10. Pardubice	88 000

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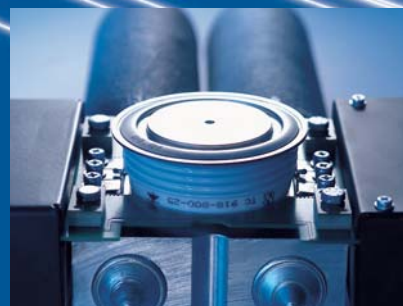


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Main activities – renewable energy projects, infrastructure, power, oil and gas, ecology, electrical and electronics devices and products, customer services including of modernisation, retrofits spare parts and consultancy.

# The Czech Republic, a Full-fledged EU Member

The Czech Republic became a member of the European Union on 1 May 2004. This moment crowned the political effort launched after profound political changes under the slogan "Back to Europe" at the very beginning of the 1990s. The then Czechoslovak federation signed the Cooperation Agreement with the European Communities in May 1990 and subsequently started to negotiate on association in 1991.

Following Czechoslovakia's dissolution, association agreements (so-called Europe Agreements after upgrades) were renegotiated for both successor states. For the Czech Republic it came into force in February 1995. However, its very important trade part was provisionally implemented from as early as March 1992 (for Czechoslovakia) and from January 1994 (for the Czech Republic) in the form of the so-called Provisional Agreement and its Additional Protocol. This greatly facilitated the access of Czech products to the market of the European Communities at that time, enabled Czech foreign trade to re-orientate from the collapsing eastern markets to West Europe, and helped the overall economic transformation of the country.

## Joining the EU

In January 1996, the Czech Republic's application for EU membership was submitted to the Italian EU Presidency by the then Czech Prime Minister Václav Klaus. The European Council meeting in Luxembourg decided in December 1997 that the EU would begin accession negotiations with the Czech Republic (and five other countries). This happened in March 1998 and the negotiations continued until the final stage at the European Council in Copenhagen in December 2002, when the Czech delegation was headed by Prime Minister Vladimír Špidla. The negotiations were concluded with the EU demanding interim periods in relation to the Czech Republic regarding complete application of the *acquis* (especially concerning the free movement of persons and payments in agriculture), but interim periods were also obtained by the Czech Republic (especially in areas of the environment and the free movement of capital).

During the following two years, the ratification process was implemented in all the member states (15 at the time) of the European Union, as well as in the Czech Republic, where it involved a referendum. The Czech Republic became a member of the EU as of May 2004, i.e. more than eight years after submitting its application. The EU changed as well, in the early 1990s the association agreement was negotiated between the federal Czechoslovak state and the 12-member European Communities, then operating on the basis of the Treaties of Rome and the Single European Act. The application for membership was submitted already to a 15-member European Union based on the Maastricht Treaty. The Czech Republic opened accession negotiations with the 15-member European Union according to the provisions of the

Treaty of Amsterdam. At the time of the Czech Republic's entry the European Union already functioned on the basis of the Treaty of Nice, was enlarged to 25 states, which rose to 27 later, when Romania and Bulgaria became members of the EU.

## Schengen and the Czech Republic

The Czech Republic has not yet decided when it will take the last irrevocable steps towards launching the procedure at the end of which it will drop the Czech currency (Czech crown) and adopt the euro. However, it has already met all the prerequisites for being able to become a part of the Schengen area with a free movement of persons without border controls and with the common regime of checks on its external borders. The Czech Republic became involved in the Schengen cooperation on 21 December 2007. For Czech citizens and millions of other Europeans from post-communist countries this step fulfilled one of the fundamental objectives of European integration - the free movement of persons. The lifting of border controls on land communications and at international airports put a symbolic stop to the period of the virtual division of Europe into "East" and "West". The Czech Republic satisfied in time the rigorous requirements of entry into the Schengen area and also worked for the eastward expansion to apply to the widest possible group of countries. The entry into the Schengen system also brings a strengthening of the police and judicial cooperation of member states. As of 1 September 2007, Czech authorities have access to the Schengen Information System (SIS) and apply it to share and exchange information important to safeguard the security of the common area.

## Challenge of the Presidency

When the Czech Republic assumes the Presidency of the EU Council in the first half of 2009, it will be the second country to do so (after Slovenia) of the twelve that have enlarged the EU beginning from 2004. This will happen at an interesting time, when the mandate of the present European Commission and the mandate of the European Parliament will expire. The Czech Presidency will also be a period when decision will be sought on the future destiny of the Lisbon Treaty, which is to replace the current Treaty of Nice. The latter constitutes the latest valid version of the treaties which form the basis for EU functioning and will most likely provide the framework also for the time when the Czech Republic will perform its presidential functions.



The programme of the Presidency is roughly set out by the legislative plan of the European Commission, the relevant conclusions of the European Council and other EU bodies, international commitments of the EU and other circumstances. It is important for the Czech Presidency that the programme of its work has been prepared in coordination with the preceding French Presidency and subsequent Swedish Presidency. The aim of every presidency is to fulfil the maximum of its programme, which represents the common tasks of the EU for the given period, and thus to achieve progress in EU legislation and in the preparation and implementation of major EU decisions and international agreements.

Neither the outlined programme of work nor the ethical requirements

of the presidential role allow the presiding country much scope for promoting its own national agenda. On the other hand, unforeseen coincidences may confront the presiding country with new unexpected tasks.

For several months already the Czech Republic has been determined to undertake its presidential role with the symbolic motto "Europe without Barriers". This slogan is a reflection of how the Czech Republic views the main problems of the EU today and what it considers to be an optimum approach to addressing them. The Czech Republic is aware of the main tendencies in the present-day world, with the fast advancing globalisation and toughening economic competition. It sees the long-term problems regarding the availability of energy sources, the risks associated with world climate change, the weaknesses in the economic and demographic development of the EU, as well as the shifts and tensions on the geopolitical map of the world. The Czech Republic is aware that the EU economy is not making full use of its potential and that its competitiveness on the world scale is not ensured. Therefore the Czech priorities will include the removal of all obstacles, especially in community legislation, which jeopardise this competitiveness. At the same time it wants to work primarily to strengthen the sources, especially the role of science and education, from which European economies can enhance their competitiveness. It will also strive to prevent the world from slipping into trade protectionism.

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# Priorities of Czech EU Presidency 2009

On 1 January 2009, less than five years since its accession to the European Union, the Czech Republic will assume the reins of this most important European club. It will be taking over at a time when European waters, and indeed all international waters, are unprecedentedly turbulent, and the presiding country will be carrying an even greater burden of responsibility than usual. To cope with this task, in addition to working at full stretch, it will need some good fortune. As the saying goes, fortune usually favours those who are well prepared. Bearing this in mind, Czech representatives responsible for the Presidency are preparing for it most thoroughly and systematically.

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The preceding French Presidency is nevertheless a good example of a situation where the programme and the priorities of the presiding country may become totally upset literally overnight by an unexpected development on the international scene. The dramatic events in Georgia and on the world financial markets have boldly demarcated the territory on which the forthcoming Czech Presidency will be moving. Also, most of its activities will be marked by the June elections to the European Parliament and the expiring mandate of the European Commission, and all this against the background of the uncertain fate of the Lisbon Treaty. The Czech Presidency will be seeking solutions to topical issues in close co-operation with all the Union members and in accordance with the strategic documents of the EU, primarily the 18-month programme of the French, Czech, and Swedish Presidencies.

In the current turbulent political and economic situation, the Czech Presidency is coming forward with a vision of a Europe without barriers – Europe, which is making full use of its economic, human, and cultural potential, thanks to which it will be able to stand its ground in the face of global political and economic competition. A Europe without barriers, however, does not mean a Europe without frontiers. The removal of barriers obstructing the use of the EU potential must go hand in hand with protection against illegal activities jeopardising the safety and interests of Europeans. During the six months of its Presidency, the Czech Republic, in pursuit of these targets, will focus on three main programme areas: 1. Competitive Europe, 2. Energy and climate change, and 3. Open and safe Europe.

## Competitive Europe

In the key area of competitiveness, the Czech Presidency will push for measures that will lead to the development of the single internal market, which will take full advantage of what the globalised economy has to offer. The principal platform to cope with the new world economic situation will be a revised Lisbon strategy for growth and jobs. In its spirit, the Czech Presidency will focus on the advance of all freedoms of the internal market, improvement of the administration environment, job creation, and flexibility of the labour market. At the same time it will be necessary to carry on efforts for the elimination of external barriers – without

acquiescing in the halting of the process of world trade liberalisation, unfair competition, and inadequate protection of the intellectual and industrial property in other countries. The EU may not shut itself off from the rest of the world, but on the contrary must strive for the greatest possible openness of world trade and make the most of it.

## Energy and Climate Change

In the debate of the climate and energy package, the Czech Presidency will summon up all its strength for the fulfilment of the principal task of today, that is, to ensure safe, competitive, and sustainable energy supplies for Europe. Emphasis must be placed on securing energy supplies by the economic use of energy, substitution of imported fossil fuels with the help of new technologies, and greater territorial diversification of supplies. Other tasks will be to ensure efficient coordination of transmission system operators, complete the single internal electricity and gas market and build the missing parts of the existing transmission and transport infrastructure. As regards climate change, the Czech Presidency will strive for the full implementation of the Kyoto commitments and pave the way for a broad international consensus to be attained in Copenhagen at the end of 2009, which will simultaneously reflect the current development of the global economy.

## Open and Safe Europe

In relation to external countries, the EU must see to its interests and the interests of its inhabitants in the world, while realising the responsibility ensuing from its position as a global player. This position will depend primarily on the development of transatlantic partnership, which is and will continue to be the most reliable basis for the maintenance and dissemination of our common civilisation values. The Czech Presidency will therefore place emphasis on an intensive dialogue with the representatives of the new US administration in the key areas of security, economy, and energy supply.

Of crucial importance for the position of the EU in the world will be the position, which the member states will assume in negotiating a new partnership agreement with Russia. The events of



the past few years, and in particular months, raise a number of questions and accentuate the necessity of a united approach of the entire EU. Negotiations with Russia must be organically combined with the intensification of the eastern dimension of European neighbourhood policy by strengthening cooperation with countries in the region (primarily the Ukraine), as well as with countries in the Transcaucasian and Caspian areas.

During the term of the Czech Presidency, talks will continue on the accession of the candidate countries – Croatia, Turkey, and Macedonia. In the case of Croatia, whose accession process is nearing a successful consummation, the Presidency will do its utmost for the EU to be enlarged by Croatia's admission as soon as possible. The positive example of Croatia is a necessary prerequisite for other West Balkan states to maintain their European prospects.

The Czech Presidency is also prepared to continue promoting the southern dimension of the European neighbourhood policy and improving relations with partner countries in the framework of this project. This also includes strengthening relations between the EU and Israel and the Middle East peace process in general.

Current security risks are increasingly spilling over into the internal security area. Building an area of freedom, security, and law is the common interest of the EU, which affects the lives of all citizens. Against this background, the Czech Presidency will strive for further progress in cooperation in the framework of the Schengen Convention, in police and customs cooperation and in cooperation with other EU member states in matters of civil and criminal law. As regards common asylum and migration policy, the Czech Presidency will be building on the foundations laid by the European Council in October 2008 in the form of the European Pact on Immigration and Asylum. The Presidency will focus on issues linked with the use of modern safety technologies and the safe use of modern technologies.

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### **WH(Q) 105 CNC**

is a high-power machine with continuous control. It is used for the efficient machining of box-shaped pieces from several sides and for machining moulds and other workpieces of complicated shape.

# 15 Czech Records!

## Did you know that...

### - the most often visited historic landmark in the Czech Republic is Prague Castle?

In the year 2007 alone, this architectonic jewel was visited by 1.42 million visitors. According to the Guinness Book of Records, Prague Castle is the largest populated castle in the world. According to archaeological findings and the oldest written sources, it is inferred that the Prague Castle was founded around 880 by Prince Bořivoj of the Přemyslid dynasty. Apart from being the seat of the Head of State (the President), Prague Castle is also a significant cultural and historical monument. The crown jewels, the remains of Czech kings, precious Christian relics, artistic treasures as well as historical documents are kept here. [More at www.hrad.cz](http://www.hrad.cz).



### - the world's largest stadium is in Prague?

The Strahov Stadium with an area of 63 000 square metres is the largest stadium in the world. The construction work started as early as in 1926. It was first used by members of the Sokol gymnastics organisation and later by members of sports associations. At the moment, there is FC Sparta training centre there. On occasion, concerts of famous stars such as The Rolling Stones are held there.



### - the oldest university in Europe is Charles University?

Prague University was founded by the Czech King and Holy Roman Emperor Charles IV in 1348 as the first university (studium generale) north of the Alps and east of Paris. It followed the example of the universities in Bologna and Paris and soon it became internationally renowned. Today there are 42 000 students studying there. [More at www.cuni.cz](http://www.cuni.cz).

### - the first sugar cube was made in Dačice?

In 1829 the brothers František and Tomáš Grebner established a sugar refinery – using sugar beet – in Kostelní Vydří near Dačice. After realising that neither the climate nor the soil in the area was suitable for growing sugar beet, František decided to establish a refinery that formed raw sugar into various shapes and textures – icing sugar, caster sugar, coarse sugar, sugar loaves, sugar cubes, and chips. In 1840 Swiss-born businessman Jakub Kryštof Rad became the director of the Dačice refinery. His wife gave him the idea and in 1841 he manufactured the first 300 white and pink cubes of beet sugar. Rad moulded them in an apparatus he himself had invented. Thus an invention was born, whose practical use was soon to be discovered by the whole world.

[More at www.dacice-mesto.cz](http://www.dacice-mesto.cz).

### - many inventions and discoveries such as contact lenses were made by Czech scientists?

Otto Wichterle, Czech chemist and the founder of the Institute of Macromolecular Chemistry in Prague, was the inventor of soft contact lenses. He is also considered the founder of macromolecular chemistry and is the author of about 150 inventions. In 1993, one of the planetoids was named after Wichterle. The physicist and chemist Jaroslav Heyrovský was the first Czech scientist to win the Nobel Prize. It was awarded to him in 1959 for the discovery of the polarographic method and its use in electroanalytical chemistry. The outstanding Czech orientalist Bedřich Hrozný, who lived at the turn of the 20th century, became famous for deciphering the ancient Hittite language. In November 1915 he announced that he was able to read the writing of the ancient Hittites, the official language of the Hittite empire. The first sentence he deciphered was: "Now you shall eat bread, and water you shall drink..."



### - the Czech Republic places first on the list of beer consumption per capita?

Beer is considered the national drink by the Czechs; there are almost 500 kinds of beer. Among the most popular are top-quality light and dark lager beers. According to the Czech Statistical Office, each Czech consumes 163 litres of beer per year.



### - the best airline company in Central Europe are Czech Airlines?

In 2008, Czech Airlines defended the title "The Best Airline Company in Central Europe". This title is awarded each year by the independent organisation Skytrax as a part of The World Airline Awards based on the votes of millions of travellers from the whole world. Apart from the total victory in the Central European region the Czech Airlines aircrews were also awarded – they won the "Best On-Board Service" in the Central European region, in the European region they placed second.

[More at www.csa.cz.](http://www.csa.cz)

### - the most famous Czech song is the Beer Barrel Polka?

The Beer Barrel Polka, or Roll Out the Barrels, is probably the best known Czech song in the world. It has become popular in many countries during the Second World War. It was composed in 1927 by Jaromír Vejvoda as an instrumental piece of music. He adapted it in 1929, and in 1934 Václav Zeman wrote the Czech lyrics and called it Škoda lásky (Wasted Love). It became a popular song with the allied armies as well as Czechoslovak pilots in the Battle of Britain. Its popularity is testified also by the fact that it accompanied astronauts on the Discovery Space Shuttle; it was also played in the popular series M.A.S.H. The Vejvoda family archive records 14 names of the song and 27 versions of lyrics in various languages.

[More at www.j-vejvoda.cz.](http://www.j-vejvoda.cz)

### - the first radioactive spa was established in Jáchymov?

The Jáchymov Spa is a very famous spa centre, where the first spa with radioactive waters was established. At the beginning of the 20th century strong radioactive springs were discovered there and subsequently in 1906, the first radon spa in the world was established. The spa was established after Pierre and Marie Curie, Nobel Prize winners, had isolated the first radioactive elements – polonium and radium – from the waste from the Jáchymov uranium ore, the uranite. The thermal and radioactive springs improve the condition of patients with metabolic disorders, ailments of the nervous system, locomotive system disorders. Metabolic illnesses (diabetes and gout) are also treated here as well as age-related illnesses.

[More at www.jachymov.cz.](http://www.jachymov.cz)

### - the largest equestrian statue is on Vítkov?

The largest European equestrian statue cast in bronze stands on Vítkov Hill in Prague. The statue of the Hussite leader Jan Žižka of Trocnov weighs 16.5 tonnes and is 9 meters high, 9.6 metres long, and 5 meters wide.



### - the unique nanospider technology originated in Liberec?

Nanospider is a unique technology enabling the production of nanofibre textiles on an industrial scale. Nanofibres are fibres measuring 20 to 500 nm in diameter. The use of these materials is wide, they can be used in medicine, in car industry, power engineering and other fields such as construction, cosmetics, environmental protection, for protective equipment etc. Nanofibres and their application are considered material of the third millennium by specialists from around the globe. Professor Oldřich Jirsák and his team from the Department of Nonwovens at the Technical University of Liberec were the first in the world to design machinery for the production of nanofibre textile on an industrial scale.

[More at www.elmarco.com](http://www.elmarco.com) or [www.vslib.cz.](http://www.vslib.cz)



### - Czech Taťána Kuchařová won the title of Miss World in 2006?

In 2006 the Miss World international competition for the most beautiful woman in the world took place in the Polish capital, Warsaw, and the then 18-year-old Taťána Kuchařová won the title. The competition started in 1951, and it is the oldest international beauty contest for girls from the whole world. In 2006 there were 106 contestants.

[More at www.missworld.com.](http://www.missworld.com)

### -many famous personalities are of Czech origin?

For example the former US Secretary of State Madeleine Albright was born in Prague (in 1937) in the family of the Czech diplomat Josef Korbel. Miloš Forman, the film director and winner of two Academy Awards for the films Amadeus and One Flew Over the Cuckoo's Nest, moved to the United States in 1968. Martina Navrátilová, top tennis player, is a former world number one in women's tennis and is generally considered one of the best women tennis players of all time. She is originally from Czechoslovakia but she emigrated to the United States in 1975. Another famous tennis player, the winner of 94 tennis tournaments, Ivan Lendl, or Alena Vrzáňová, the famous figure skater and two-time World Champion, are both of Czech origin.

### - medicine against cancer has been invented by a Czech scientist?

In 2004, Antonín Holý, chemist from the Institute of Organic Chemistry and Biochemistry at the Czech Academy of Science, presented the result of his collaboration with American colleagues. It is a tablet which significantly prolongs the life of AIDS patients. In 2008, a new substance intended for treating lymphoma and chronic leukaemia came under testing at five Czech and five American clinics. Professor Antonín Holý co-developed six drugs used worldwide and sixty Czech and foreign patents. In 2007 he was proclaimed the best Czech scientist.

[More at www.uochb.cas.cz.](http://www.uochb.cas.cz)

### - the words robot and dollar are of Czech origin?

The word robot was first used in 1920 in the dramatic play R.U.R. – Rossum's Universal Robots, written by the well-known Czech playwright and journalist Karel Čapek. The word was suggested to him by his brother Josef, after Karel had asked him what name he should give to the artificial being. The originally intended "labor" sounded too artificial. The word dollar is close to the Old Czech word tolar, which is related to the German Taler, a shortened version of the original Joachimstaler, meaning "of Joachimstal (St. Joachim's Valley)". This was the name of a silver coin which Count Shlik started to mint in 1518 in Czech Jáchymov.

# Czech Manufacture Combines Tradition with Modern Technologies

A large number of Czech industrial products have won fame for themselves at home and abroad.

The renown of Czech products covers a number of areas and branches.

## The Automotive Industry

Only four car factories the world over can boast a tradition of more than a hundred years. One of them is the Czech Škoda Works, founded by Václav Klement and Václav Laurin in Mladá Boleslav in 1895 under the name of Laurin & Klement. In 1925, the company was taken over by the Škoda concern, which began making a successful car series. In 1991, Škoda Auto became the fourth car brand of the Volkswagen concern, and today, in addition to the Czech Republic, Škoda cars are manufactured in the Ukraine, India, Bosnia and Herzegovina, Kazakhstan, China, and Russia. Škoda Auto is a successful group within the VW concern: for example, in the first three quarters of 2008, its operating results amounted to EUR 455 million (more at [www.skoda-auto.com](http://www.skoda-auto.com)).

In the early 1920s, the foundations of tractor industry were laid in Bohemia. In 1927, Škoda Works in Plzeň began the assembly of tractors of a modern design. The predecessor of today's Zetor tractors was made in one of the largest and most recognised engineering works in Czechoslovakia, the Zbrojovka Brno concern, in 1945. Soon, Zetor products became popular with farmers in many countries the world over. The main reason was the affinity between the use value and the price of the products. In technical terms and quality, the products are comparable with those of rival firms in their categories. Although in the early 1990s Zetor had financial problems, today the Zetor group is the largest manufacturer of tractors within the new EU member states. (More at [www.zetor.cz](http://www.zetor.cz)).

With its history of more than 150 years, TATRA is one of the world's oldest automobile factories. Key milestones in Tatra's history occurred in 1897, when the first car made in Central Europe, the "Präsident", rolled off the mill in Kopřivnice, and in 1898, when the first Tatra lorry saw the light of day. Currently, the company's core programme is heavy-duty off-road vehicles and automobiles for combined terrain and road transport, which TATRA exports to markets in Russia and the former CIS countries, to India and European states. In addition, many of its important clients are based in Hungary and Slovakia. TATRA lorries are marked for their unique design of the undercarriage and their reliability making them suitable for use in the most adverse terrain and climatic conditions (more at [www.tatra.cz](http://www.tatra.cz)).

## Engineering

Engineering was the most important branch of industry already in pre-war Czechoslovakia. Today, too, this industry is a significant part of the Czech economy. In 2008, it employed 144 000 people in more than 1100 engineering companies. The industry's undeniable leader is the car

industry, with subcontractor firms in the area of electrical engineering and electronics, the rubber industry, and the manufacture of rail vehicles – a sector which resumed its formerly very successful activities.

Well known worldwide are tramcars made by Škoda Holding, the same as the first-class measuring and gauging devices manufactured by ZPA CZ and Metra Šumperk. The Czech Republic is also well known for the manufacture of machine tools. Doing well, among other manufacturers, are TOS Varnsdorf and Plzeň's Škoda Machine Tools, and top-standard forming machines are made by Šmeral Brno. In addition, Czech engineering concerns hold several pioneering patents, including light-emitting diodes known under the abbreviation LED and liquid crystal displays (LCD).

Other successful items are products for military use, such as the Vera passive surveillance system, which, as an independent source of information about the situation in the air, can be used as a control and reserve radar flight control system. The product is made by ETA in Pardubice, whose other products are also marked for their high precision and performance. In the past two years, Era Corporation has succeeded in most tendering procedures for ADS-B and monitoring systems all over the world, including Beijing, Dublin, New York, Kuala Lumpur, Singapore, Thailand, and Johannesburg.

## Czech Beer

Czech beer is one of the best-known and most popular beers the world over. In Bohemia, beer has always been brewed from malt, water and hops, and practically anyone having the opportunity and the necessary raw materials could make it, especially feudal lords and clerics. Royal towns founded in the 13th century had various privileges, one of them being the brewing privilege. Today, in addition to the well-known brands, such as Pilsner Urquell, Budweiser Budvar, Drinks Union (now part of the Heineken concern, which owns e.g. the Zlatopramen trademark) and Prague Staropramen, there is a large number of local brands with their own specific tastes. In the past, e.g. in the 18th century, there were more than 1200 of them. Today there are about 50 local brands. In addition, beer drinkers have the choice of beers from about twenty restaurant breweries, where they can follow the brewing process while consuming the ale. Probably the best-known of them is the U Fleků brewery in Prague, which has been brewing beer since 1499.

## Liqueurs

A number of unique liqueurs are made in the Czech Republic. For example, the Jan Becher Company makes the Becherovka liqueur

according to a traditional secret recipe, based on Karlovy Vary special water and containing high-quality spirit, natural sugar, and a very specific blend of selected herbs and spices. One of the most favourite alcoholic beverages in the Czech Republic is Fernet Stock, a bitter liqueur flavoured with 14 different herbs, made here since 1927.

## Consumer Goods Industry

Bohemian glass is one of the Czech Republic's important attributes. When hearing the word Crystal, most people will visualise this country, which harbours a large number of glassworks on its territory, the quality of which is the highest to be found anywhere in the world. Glassmaking has a very long tradition in what is today the Czech Republic. It dates back to the 13th century, and to this day Czech companies supply a wide range of cut glass, glass figures, Christmas decorations, utility glass, and chandeliers. For example, the Moser glassworks has been making its luxury drinking and decorative glass of classical and modern design for more than 150 years. Brand porcelain, too, has a long tradition in the Czech Republic. Porcelain making in this country was made possible by the favourable regional conditions, such as the abundance of high-quality raw materials for manufacturing porcelain, as well as the supply

of timber and coal for heating the furnaces. One of the most renowned brands today is Thun porcelain from Karlovy Vary and nearby Dubí.

Czech Garnets, jewels tinted with iron and chromium into flame-coloured to dark red, are to be found exclusively in Bohemia. The heyday for this precious stone was the time during the reign of Emperor Rudolf II (1576-1610), who supported grinders and instituted the pre-emptive right for this stone. After 1700, Czech garnets became popular in jewellery making in general. The tradition of Czech garnet jewellery making and the dissemination of the prominence of these purely Czech jewels has been taken up by Czech grinders and goldsmiths in the company Granát, d.u.v. in Turnov, the largest manufacturer of jewellery based on Czech garnets.

Who would not know shoes bearing the Baťa trademark, to this day a symbol of quality in a number of countries! The Baťa shoemaking firm was founded by Tomáš Baťa, a shoemaker in the Moravian town of Zlín, in 1894. Baťa applied many new ideas in the manufacture and sale of his products. His methods and technologies were revolutionary and are still used as examples of top-quality management. Today's Bata Shoe Organization (BSO) comprises 50 manufacturing plants in 68 countries, which sell 221 million pairs of shoes a year.

## Czech Foods and Farm Produce which Have Obtained Name Protection from the European Union

*Since the CR's accession to the European Union, Czech manufacturers have applied to the EU for protected designation of origin, the traditional speciality guaranteed status and the protected geographical indication status for a number of their products to be protected against counterfeiting. On 1 November 2008, the Czech Republic had 16 such designations.*

### Protected Geographical Indication

**Hořice Tubes** – rolled wafers, the manufacture of which began in Hořice in 1812, when Napoleon's cook reportedly made a recipe for making them readily available.

**Lomnice Biscuits** – unlike dietary biscuits, they are sweet slices; in 1927, they gained the highest award for a food product at the World Exhibition in Paris.

**Pardubice Gingerbread** – honey pastry, manufactured in Pardubice since the 14th century.

**Beer from Chodová Planá** – brewed by the Chodovar brewery. It owes its unique taste to mineralised water and storage in 800-year old cellars.

**Karlovy Vary Biscuit** – a unique product linked with Karlovy Vary made with local thermal water and salt.

**Beer from České Budějovice** – The right to use the geographical indication České Budějovice Beer, Budějovice Beer and Budějovice Burghers' Brew was created in 2004. The České Budějovice Beer trademark is used by Budějovice Budvar, the indication Budějovice Burghers' Brew belongs to the Budějovice Burghers' Brewery and both brewers may use the name Budějovice Beer.

**Štramberk Ears** – Special bakery product made of flour, sugar, eggs, water, baking powder, spices, and honey or caramel. The dough is rolled out into small circular scones, which are rolled up into the shape of cones after baking.

**Třeboň Carp** – The Třeboň carp has very good meat with a minimum content of fat and a specific taste. Cereals are used for their fattening. The Třeboň Carp indication has been used for more than a hundred years.

**Všestary Onions** – The conditions in Všestary and its environs are ideal for onion growing. Všestary onions are exceptional for their high iron content (about 25% more than other onions) and they contain practically no noxious agents.

**Czech Beer** – To obtain the Czech Beer designation, the beer must meet three conditions: to be brewed on the territory of the Czech Republic, use traditional raw materials and exclusive traditional technologies. Two-phase fermentation – the main fermentation process must be separated from maturing – is also a condition.

### Protected Geographical Indication

**Žatec Hops** – This protected indication only applies to semi-early red fine-aroma Žatec hops cultivated in the Žatec hop-growing region, which is situated in a "rain shadow". The climatic conditions, together with the geographical position and soil composition combine to create ideal conditions for hop cultivation. Žatec hops are cultivated in the traditional region for more than a thousand years.

**Pohořelice Carp** – South Bohemia has the Třeboň carp, South Moravia the Pohořelice carp. The entire production process, from swabbing to growth to feeding takes place exclusively in the fishpond area around Pohořelice. The fish feed on natural food from the ponds; additional feeding with cereals takes place at certain times of the year, with granules being used only exceptionally.

**Nošovice Sauerkraut** – The specific properties of Nošovice sauerkraut, which distinguish it from other sauerkrauts, are given by the locality, in which they are grown, and by the original recipe. The cabbage is first sliced, salted, and flavoured with caraway and mustard seed, after which it is placed in vats. There it is treaded as in olden times. This is followed by six-day fermentation. The result is golden yellow sauerkraut with its typical acid to finely bitter taste, which has a high C-vitamin content.

**Czech Caraway Seed** – Czech caraway seed is much in demand on world markets, where it enjoys high acclaim. Three caraway seed varieties cultivated in the Píbylslav region – Record, Prochan, and Kepron – are valued especially for their typical aroma. Caraway seeds began to appear in the Vysočina Region about 150 years ago. Currently, caraway is grown in the whole of the Czech Republic on about 1600 hectares.

**Chamomilla Bohemica** – This Latin name is the protected designation of the EU belonging to the blossom of wild chamomile grown in Bohemia. Unlike chamomile from other areas, it has a higher content of the main agent responsible for chamomile's anti-inflammatory effect.



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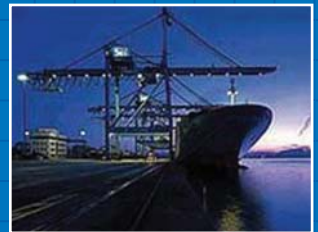
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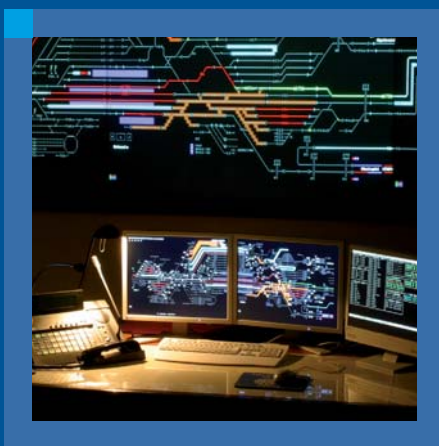
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# Czech Economy: the Pulsating Heart of Europe

The years 2005-2007 can be characterised as economically the most favourable period of the Czech Republic. The small open economy, with a robust growth reducing imbalances, low-inflation environment, strengthening currency and cheap money logically came significantly closer to the economic level of the whole European Union. Developments in 2008 suggest a soft landing. While the real economy is slowing down, the growth rates still remain relatively high in the European context.

The Czech Republic has one of the most open economies in the world. Generally such a fact is connected with the risks of cyclical fluctuations in the countries of key trade partners, but the Czech Republic's economy was spared large-scale effects, probably owing to its ability to flexibly change the trade flows to the different territories. The most prominent feature of the Czech economy thus was the significant acceleration in the growth rate of the gross domestic product (GDP) in the years 2005-2007.

## Three Times Quicker Growth

For most of 2000-2007 the Czech economy experienced the growth phase with a climax in the years 2005-2007. In the last three years GDP increases in real terms began with the number six every year – after the regular revision of data made by the Czech Statistical Office at the end of September 2008, GDP growth in 2007 in constant prices was exactly 6%, as against +6.6% announced before the revision.

However, the downward revision of the GDP 2007 figures changed nothing in the fact that the years 2005-2007 were the most favourable period for the economy since the birth of the Czech Republic in 1993. Compared to development in the "old" countries of the European Union (EU 15), the dynamics of the Czech GDP was twice to three times quicker. While in the period after the Czech Republic's accession to the EU (2004-2007) the Czech Republic's rate of economic growth amounted to 5.9% on average every year, the old EU countries (EU 15) were growing at an average annual rate of 2.4%. A higher convergence growth is evident also over the longer term, as in the 1995-2007 period Czech GDP grew by 3.6% annually, while the EU 15 by a rate of 2.3% annually. The growth of the Czech economy culminated in 2006. Since then the rate has been gradually decreasing, but even in 2008 – according to available data for the first and second quarters – it is still faster than the economic growth in the EU 15 and also EU 27. If in the first quarter of 2008 the economy in the EU 15 increased by 1.7% year on year, Czech GDP rose by 5.4%. In the 2008 second quarter the rates did not differ so markedly (4.5% in the Czech Republic against 1.8% in the EU 15). However, it is still considerable and means that the Czech Republic's economic level is approximating developed countries of Europe.

## Sources of Growth of the Czech Economy

An important part in the long cyclical phase of the Czech economy, with the beginning of growth in 2002, was played by foreign trade, as is evident

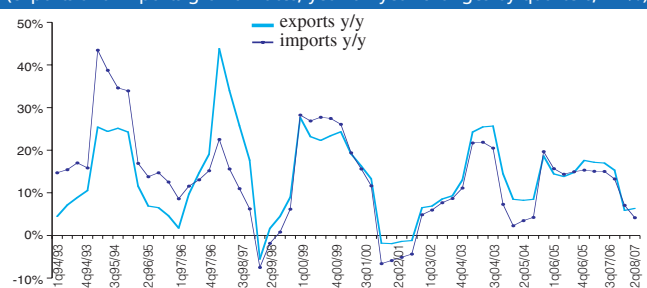
from the growth rates of imports and exports in Graph 1. The development of investments (gross fixed capital formation), usually fluctuating strongly, did not differ in its year-on-year increases from the overall GDP dynamics (Graph 2). Significant increases were recorded in household consumption, fed on the one hand by growth in disposable income and on the other by credits to households which have been rising steadily by a rate of about 30% annually since 2003. However, this development is accompanied by a falling rate of households' gross savings. Almost three quarters of credits to households go to housing, which considerably decreases the risks of this segment for the banks and building and loan associations providing the credits.

## Manufacturing Industry Predominates

The supply side of the Czech economy continues to be still dominated by the secondary sector. Industry, which has experienced structural changes, keeps its strong positions in gross value added creation as well as employment in the Czech economy.

In 2007 the manufacturing industry accounted for 92.7% of overall revenues from sales from industrial activities, and production of transport equipment alone for 22%, which is a very high share. The car making industry recorded a significant increase, because in 2001 its share in overall sales from industrial activities was only 15.4%. Figures concerning employment showed a similar development. While in 2001 car makers in the Czech Republic employed 8.2% of the overall number of people

**Graph 1: Dynamics of Foreign Trade in Goods**  
(exports and imports growth rates, year-on-year changes by quarters, in %)



Source: Czech Statistical Office

employed in Czech industry, in 2007 this figure was 11.7%. Car production thus increasingly determines the specialisation profile of the Czech economy. Risks resulting from the business cycle which influences vehicle sales – given the predominance of the car making industry, they would negatively affect also GDP growth – are partly reduced in the Czech Republic by the structure of the product range (since the launching of production in the TPCA works at Kolin, also smaller than lower medium class cars are on offer).

### Great Openness of the Economy

The Czech Republic has one of the most open economies in the world, measured by the share of foreign trade in GDP. The annual value of the exports of goods and services, as well as the annual value of their imports, reach high amounts – in 2007 they were close to four-fifths of the nominal GDP (79.6%) in the case of exports, and almost to three-quarters (74.6%) in the case of imports. Goods trade indicates great openness as well, as the share of goods exports in GDP was 69.7% and the share of imports of goods exceeded two-thirds (66.4%) of GDP created in 2007.

Worthy of note is the considerable increase in the shares of the Czech Republic's foreign trade in relation to its GDP over a very short time - in 2003, the shares of goods and services were just under 62% in exports and 64% in total imports (the respective shares of the goods trade alone were 53% and 56% of nominal GDP in 2003). The increased openness of the Czech economy can thus also be attributed to the country's entry into the single European market. Although the shares indicate a potentially high vulnerability, in addition combined with the territorial structure of trades (more than four-fifths of goods exports as well as four-fifths of imports concern EU countries), it has not so far been apparent to any significant degree in the Czech Republic's economic performance.

### Good Results of Public Finance

While in the years 2000-2007 the average deficit of the Czech Republic's public finances was about 4.2% of the nominal GDP, in the years 2005-2007 it improved to 3.6 %, 2.7 %, and 1.0 % of the nominal GDP respectively. This confirmed the decisive role of economic expansion in the reduction of internal imbalance measured by public budgets deficit. In the last two years, the Czech Republic has been fulfilling the Maastricht convergence criteria – allowing a maximum deficit of 3% of nominal GDP – and was thus removed from the Excessive Deficit Procedure due to its relatively favourable outlook for the fulfilment of the convergence programme in the following years. However, this requires that a significant decline does not occur in the business cycle.

Though it is true that the debt of the government sector has been rising nominally, the ratio watched by the convergence criteria (max. 60% of nominal GDP) has been at about 30% in the Czech Republic since 2002, in 2007 it amounted to 28.9% of GDP. The relatively favourable Czech position in government sector debt is also evident from international comparison.

### Improved External Imbalance

The improving trade balance was in the black figures for the first time in 2005, when the surplus of exports over imports was facilitated by the considerable increase in trade after the country had become a member of the EU in 2004. The earlier balance of trade deficit had thrown the Czech economy off its external balance, although the trade deficit was being reduced after 2000. Development of foreign trade in goods and services especially since 2005 is an element helping to improve the external balance of the Czech economy, while the balance of yields – due to the repatriation of foreign investors' profits in the form of dividends – is the main factor significantly worsening the current account of the Czech Republic's balance of payments. The second was the balance of incomes and expenditures from work abroad, when the volume of wages of foreign employees in the Czech Republic is about double the volume of wages brought home by Czechs for their work abroad – and these "scissors" are opening ever more.

### Only Slight Increase in Prices

Czech economic growth proceeded in a low-inflation environment. In the years 2000-2007 the Harmonised Index of Consumer Prices (HICP)

showed an average annual change of +2.4 %, i.e. slightly more than the figure for the EU 15 (+2 %) and less than for the EU 27 (+2.7 %). However, in 2007 the HICP growth was higher (+3 %) than in both groups and consumer inflation remained at a higher level even up to the middle of 2008.

After the deflation episode of 2002 and 2003 (year-on-year falls in average annual indices of 0.5% and 0.3% respectively), the prices of industrial products in the 2004-2007 period rose annually on average faster (+1.8%) than consumer prices (in this period HICP averaged 1.2%). Import inflation is dampened by the appreciation of the Czech crown.

### Low Share of Jobless

From 2000, the unemployment rate in the Czech Republic was roughly on the level of the unemployment rate in the EU 15. However, since 2005 it has been falling significantly, in contrast to figures in the EU group of "old" countries – in 2000 it amounted to 8.3 % against 7.3 % in the EU 15, in 2002 it was 7.5 % compared to 7.8 % in the EU 15, and in 2007 this ratio was already 4.9 % to 6.8 % (in August 2008 data the continuing trend showed the Czech unemployment rate at 4.3 % and EU 27 at 6.8 %). Employment was rising and in the 2nd quarter of 2008 more than 5 million inhabitants were employed in the Czech Republic. In this respect the economy apparently operates on the level of its potential.

### The Fastest Strengthening Currency in the World

The Czech currency became a currency sought-after by investors due to the favourable foundations of the economy, a sound and profit-making banking sector, and its association with the generally well assessed central European region of young market economies. In a situation when stability is valued highly amid the turbulences on the world financial markets, the relatively small Czech market has thus become relatively attractive. The Czech crown was strengthening significantly in relation to the main currencies since 2002. If it traded at 35.61 to the euro and 38.59 to the USD in 2000, then in 2007 the average annual exchange rate was 27.75 CZK/EUR and 20.31 CZK/USD. A strong appreciation in 2008 propelled the exchange rate in June even below CZK 23 to the euro or 14.50 to the USD. The speed of the appreciation thus made the Czech crown the fastest strengthening currency in the world.

### Low Interest Rates

The strengthening of the Czech crown vis-à-vis the euro and the US dollar reflects the solid foundations of the Czech economy, but the level of appreciation in 2007 to mid-2008 went probably beyond this cause (in the July 2007-July 2008 period the Czech crown was the fastest strengthening currency of the world). Profits of companies remain high. The price of money was low, especially in the years 2003-2007, and permitted a credit expansion which was driving economic growth. Between the 4th quarter of 2004 and the summer of 2008, the level of interest rates in the interbank market on money lent for three months was lower than the corresponding level of rates of this maturity in the EU 15. Since 2006 they have been rising slightly.

**Drahomíra Dubská**

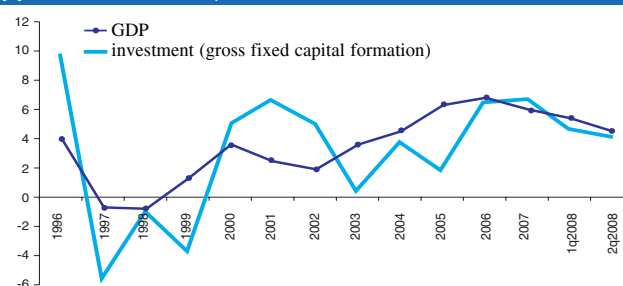
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**Graph 2: Investment and Economic Growth**  
(y/y in %, 2000 constant prices)



Source: Czech Statistical Office

# Euro Adoption Must Be Advantageous for Both the Citizens and the Economy

The adoption of the euro is one of the commitments resulting from the Czech Republic's membership of the European Union. As in the case of any other EU state, the condition for the Czech economy to join the Euro Area is attaining a high degree of sustainable convergence, which is measured by convergence criteria. These criteria, also known as the Maastricht Criteria, can be divided into budgetary and monetary. While budgetary criteria fix the ratio of government deficit and public debt to gross domestic product, monetary criteria are concerned with the inflation rate, the interest rate, and exchange rate stability. A necessary condition is the sustainability of those criteria and their observance over a certain period of time.

## The Date Has Not Been Set

Presently, there is no fixed date for the adoption of the euro by the Czech Republic. The date will be fixed definitely by the Government and it will be derived from the preparedness of the Czech Republic to becoming a member of the Euro Area. The Government deals with this issue in the autumn of each year. An important document for its decision-making is the "Assessment of the Fulfilment of the Maastricht Convergence Criteria and the Degree of Economic Alignment of the Czech Republic with the Euro Area", prepared by the Ministry of Finance and the Czech National Bank. The document reviews the current state of the country's meeting the convergence criteria and the prospects of meeting them in the future, as well as the ability of the Czech economy to operate within the Euro Area, based on the assessment of the harmonisation of the Czech economy with the Euro Area. The expectations for the year 2008 are that in view of inflationary pressures caused by indirect tax changes and other factors, the price stability criterion will not be met. Another setback is the non-observance of the public finance criterion, where, although the budgets are below the required 3% limit, this does not signify an improvement of the structural characteristics of the budget ensuring the long-term sustainability of public finance. The assessment of economic analyses indicates a gradual improvement of the functioning of the Czech economy and a number of factors speak in favour of adopting the euro – such as the already high and still broadening openness of the Czech economy, commercial entwining with Euro Area states, the stability of the banking sector, and the advancing process of real convergence. Nevertheless, there are still areas where no improvement has taken place and which hinder the ability of the Czech economy to adjust to potential negative economic disorders – the report mentions in particular the inadequate role of stabilisation fiscal policy and continuing inflexibility of the labour market.

Instead of a rapid adoption of the euro, the current Government, headed by Mirek Topolánek, prefers to first carry out the much needed

domestic reforms that will facilitate making full use of the advantages of the common currency. These reforms are primarily the reform of the pension and healthcare systems that will ensure the long-term sustainability of public finance and a successful stabilisation of the country's fiscal policy after the power to exercise an autonomous currency policy will be transferred from the Czech National Bank to the European Central Bank.

## Euro Adoption Schedule

The government decision on the date of joining the single currency system will be followed by three essential steps: the Czech crown will be incorporated in the ERM II exchange rate mechanism for a minimum of two years. This step will be taken as soon as it becomes clear that the Czech Republic is meeting the Maastricht criteria as, in view of the character of the Czech economy – a small, open, and converging economy – participation in the ERM II exchange rate mechanism involves certain risks. The optimum strategy for meeting the Maastricht exchange rate criterion is to stay within the mechanism for not more than an indispensable period of time. The second phase of joining the single currency system will start with the announcement by the European Council of the conversion rate in the form  $EUR\ 1 = CZK\ XX.XXXX$ . Within a month of the announcement of the rate at the latest, most economic entities will be obliged to state the prices of their goods and services in both the crowns and euros for consumers to get used to the value of the new currency. The third step is the actual adoption of the euro, which will take place in accordance with a scenario approved by the Government. This scenario, also referred to as the Big Bang, envisages the simultaneous introduction of the euro in both cash and non-cash circulation. The first fourteen days are referred to as a dual circulation period. Businessmen will be obliged to accept payments in both crowns and euros, but they will only be allowed to return euro banknotes and coins, whereby the original currency will be gradually withdrawn from

circulation. Even after that period, citizens and businessmen will be able to change Czech crowns to euros in banks.

### The Czech Government Stakes on Being Well Prepared

The adoption of the euro is a demanding process, which, in addition, is rather costly and requires thorough preparation. The experiences of states which adopted the euro before us show that the preparations must start well in advance. That is why the Czech Republic, too, has taken measures to acquaint ordinary people, businessmen, and public administration with the steps to be taken during the process. This will make it possible for all to prepare for the adoption of the new currency well in advance so as to avoid problems and reduce the costs. For this purpose, the basic institutional structure has been created, which is headed by the National Coordination Group for the Adoption of the Euro in the Czech Republic. It is a central co-ordination and control body consisting of the National Coordinator, a member of the CNB Bank Council, deputy ministers whose ministries are most concerned with the adoption of the euro (i.e. Ministry of Industry and Trade, Ministry of Foreign Affairs, Ministry of Justice, Ministry of the Interior) and the Deputy Prime Minister for European Affairs. The National Coordination Group has six working groups concerned with specific tasks. They are:

- | Working Group for Legislation
- | Working Group for the Financial Sector
- | Working Group for Informatics and Statistics
- | Working Group for Public Finance and Public Administration
- | Working Group for the Non-financial Sector and Protection of Consumers
- | Working Group for Communication.

Current preparations are taking place on the basis of the National Plan for the Adoption of the Euro approved by the Government. The document approved in April 2007 comprises a description and the schedule of technical, organisational, and legislative steps, which are essential for the smooth transition to the new currency. Work is currently in progress on documents dealing with more specific areas. They involve the timetable and the fundamentals for the "umbrella law" on the adoption of the euro, guidelines on rounding and smoothing of prices, methods to prepare small and medium-sized enterprises for the adoption of the euro, recommended procedures for dual marking of consumer prices, etc.

The principles of introducing the euro in the Czech Republic are well known, including the two-week period of the dual circulation of both currencies. Other principle is the continuity of legal instruments, which means that the introduction of the euro cannot be reason for changing or terminating any contract. In connection with the introduction of the euro it will be necessary to convert all amounts stated in crowns into euros, which will be done according to the rules for the conversion and rounding-off of amounts of money using the official conversion coefficient.

More information about the introduction of the euro in the Czech Republic can be found at [www.zavedenieura.cz](http://www.zavedenieura.cz)

**Ing. Vilma Dingova**

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# Common Commercial Policy

By joining the common commercial policy, it has become possible for the Czech Republic to enjoy generally more favourable conditions for trade with countries outside of the enlarged EU in comparison to the period prior to 1 May 2004. The Czech Republic has more partners with preferential agreements and only nine developed non-European countries to trade with, with no customs concessions whatsoever. We are a part of the community market and its interests which the EU is very good at protecting. We have the Union's information databases on conditions for export to third countries at our disposal and we can lodge complaints against trade barriers and expect the Union's bodies to address them. The fact that EU membership has boosted the Czech Republic's credibility as a partner with customers is also valuable.

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The commercial policy of the European Union in relation to third countries – the main and most integrated area of the EU's external relations – is a uniform and common policy for the 27 Member States. It is one of the areas for which the Member States delegated their competences<sup>1)</sup>, to the bodies of the EU (or European Communities) in their entirety. The exclusive competences of the Community include not only trade in goods, but also services, commercial aspects of intellectual property rights and, after the ratification of the Lisbon Treaty, foreign direct investment will also be added. Furthermore, it concerns the trade relations of the EU on multilateral level in the World Trade Organisation, bilateral and regional relations, trade policy instruments, sectoral and topical issues such as ensuring raw material and energy security, and the relationship between trade and the environment.

## Integration of the Czech Republic into the EU

Nearly five years after the Czech Republic's accession to the EU, we can note a high degree of our integration not only from the point of view of economic indicators, but also in terms of our participation in decision-making processes influencing the EU's overall trends.

The growing rate of geopolitical development we have been witnessing in recent years is accompanied by indications of shifts in the layout of the world's economic centres, especially in consequence of the continuing and ever fiercer onset of the fast-developing/emerging economies of Asia and Latin America. This development is, to a certain degree, at the expense of existing key players, including Europe, and it is necessary for the EU to respond to these new challenges in an adequate and timely manner. As acknowledged by the revised Lisbon strategy, the common commercial policy occupies an important position among the instruments necessary to carry out these efforts.

The search for an answer to the question: "How can the EU's commercial policy contribute towards an adjustment to the new situation?" acted as an impulse for the adoption of the strategic framework programme entitled "Global Europe: Competing in the World". The strategy is based on the opinion that strengthened economic performance is an indispensable prerequisite for the

EU's success on a global scale, and at the same time outlines how to implement commercial policy in order to increase competitiveness.

The following are to become the means to accomplish these set targets: individual mutually interconnected initiatives related to the liberalisation negotiations in the World Trade Organisation (Doha Development Agenda), conclusion of a new generation of bilateral free trade agreements, new strategy vis-à-vis China, protection and enforcement of intellectual property rights, identification and elimination of trade barriers, improved approach of the EU's bodies towards public tenders, and a revision of the trade-defence instruments in place. A timely and consistent achievement of the set targets will make the EU's common commercial policy a more flexible and more effective tool for promoting the interests of the Union's business entities on third country markets.

## The Czech Republic Supports a Competitive and Open Europe

In the coming years, the big political issues in Europe will concern the question of whether to go down the open or the closed path. In order to import and export effectively, one thing is required: to eliminate all types of barriers that influence or disturb trade flow to the maximum possible extent. In other words, it is necessary to carry out a maximum liberalisation of international trade in all its particular segments while respecting the needs of developing countries.

The EU, as a whole, is a proponent of a liberal approach to trade even though differences of opinion, regarding certain issues, are discernible between the Member States of the northern liberal wing, which the Czech Republic is a part of, and the southern wing that advocates a more protectionist approaches.

This is why liberal trade policies are a part of the main priority of the Czech Presidency entitled "Competitive and Open Europe". The Czech Republic rejects protectionism. It is in favour of a Europe that does not close itself off from trade and investments, and, instead, strives to bring third countries to reciprocally lower the protection of their markets, and create equal conditions for mutual trade. The Czech Republic will focus on all the particular agendas under the adopted

initiative "Global Europe: Competing in the World", both on finishing those in preparatory or negotiation phases, and implementing the agendas already resolved.

The Czech Republic still considers the multilateral trade system of the World Trade Organisation (WTO) to be the most effective platform for expanding and managing world trade. The WTO approach involves efforts to reach an agreement under the Doha Development Agenda (DDA). A discussion on reforming the activities and future operation of the WTO is not out of the question.

### We Want to Continue Free Trade Agreements

Complementary to multilateral trade negotiations, the Czech Republic will also support the conclusion of free trade agreements that are in compliance with WTO rules and that concern key issues, including investments, public procurement, competition, and the enforcement of intellectual property rights, which remain outside of the WTO's scope at present. Unless agreements with India, South Korea, and the countries of Central America are concluded by that time, the Czech Republic will press for a maximum real advancement of negotiations. We will evaluate the state of negotiations with the Association of Southeast Asian Nations (ASEAN) and the Andean Community of Nations, and possibly change the strategy of negotiations.

In terms of developing relations with our closest neighbours, the Czech Republic will endeavour to continue the launched negotiations successfully. These include negotiations on a free trade agreement with the Ukraine, and an agreement on partnership and cooperation with Russia. Also, when Russia satisfies the conditions for accession to the WTO and becomes a member of this organisation, the Czech Republic will want the EU to start negotiations on deeper liberalisation leading to the conclusion of a free trade agreement.

The priority for ongoing negotiations on a Partnership and Cooperation Agreement with China, which includes the updating of the trade and economic cooperation agreement from 1985, will be to achieve maximum concessions from the People's Republic of China, especially in terms of non-tariff trade barriers and the protection of

intellectual property rights. Under the Transatlantic Economic Dialogue, the Czech Republic will strive for the closest possible cooperation with the USA within the Transatlantic Economic Council negotiations and work on the new contractual framework with Canada.

Attention will be given to the implementation of the revised Market Access Strategy based on a partnership of the Commission bodies, economic diplomacy of the Member States and of the business sector for the effective monitoring and elimination of barriers. These priorities also include the renewal of discussions on the revision of trade defence measures, which must lead to further liberalisation of trade and respect for the Union's economic interests. Last but not least, all possible means will be used to improve the protection and enforceability of intellectual property rights of the EU subjects on both third country markets and within the EU, including negotiated bilateral agreements, plurilateral agreements (such as the Anti-Counterfeiting Trade Agreement/ACTA), multilateral negotiations, and closer cooperation with key partners.

For the most part, it is an agenda that has already been formed during the last period. Hence, to measure success, it will have to be determined to what degree the Czech Republic will have succeeded in the role of an intermediary between the interests of the individual Member States of the EU, the Commission, third countries, and whether it will have managed to contribute to the realisation of initiatives specified in the Global Europe trade and political strategy.

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<sup>1)</sup> Export promotion (pro-export policy) is not part of the common commercial policy and remains within the jurisdiction of member states.



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Welded steel constructions

# Amazing Investment Potential in the Heart of Central Europe

The investment potential of the Czech Republic is indeed amazing. This is shown by the surging wave of foreign investments, which have been streaming into the Czech Republic for quite a number of years. In addition – while only a few years ago, most investments were targeted at production, today, according to statistics, the list is topped by strategic services and research and development.

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More than one billion dollars worth of investments and 70 new projects in the first half of 2008 are the results scored by CzechInvest Investment and Business Development Agency a government agency which is charged with attracting new investors into the Czech Republic. The largest number of new projects was prepared by companies concerned with the development of software. With CzechInvest's assistance, 16 new programming centres worth CZK 233.35 million (EUR 8.4 million) are currently under construction, in which more than 2 560 experts will find employment. The traditional car manufacturing champions and their sub-contractors rank second with only 13 projects, and 13 more companies will engage in research and development in the area of engineering. This is the trend started several years ago, when the share of this kind of investments began to grow steadily, rising from one such project in 1999 to one-quarter of a total of 182 investment projects in 2008.

## **Eight Priorities**

The Czech Republic is one of the world's most successful transition economies. The institution of investment incentives in 1998 triggered a massive flow of new investments into the country, and this flow is continuing. The standard of the Czech entrepreneurial environment is borne out, for example, by the fact that according to a survey carried out by the Ministry of Industry and Trade, 90% of branches set up by foreign owners exceed the economic results of their investments in other states, or at least are on the same level with them.

CzechInvest Agency, whose aim it is to attract exceptional foreign investments into the country, has pinpointed eight priority sectors, in which the Czech Republic can offer the most. Besides the traditionally strong sectors, such as the automotive industry or engineering, the list includes, for example, avionics, electronics, medical technology, IT and the development of software, biotechnology, and nanotechnology.

In particular the two latter sectors – biotechnology and nanotechnology – are interesting and promising for the near future. One of the companies which have a good reason to pride themselves on their achievements, is Optaglio, whose original Czech holographic technology is used, for example, by Calvin Klein to protect its brand clothing against piracy, or the United Arab Emirates in issuing non-forgable driving licences.

## The Target is High-Tech

The Czech Republic is the home for a number of revolutionary scientific discoveries and technologies. Polarography, soft contact lenses, the most efficient drug against AIDS, and the electron microscope technology all originate in the Czech Republic.

These are projects on which the Czech Republic has focused in attracting investments. An advantage in this respect is the fact that at least until 2013 it can offer co-financing of these projects not only from national resources, but also from EU funds. The latter are used to support the investments of individual companies – the establishment of research centres and shared service centres, including software development. In addition, EU grants help to build the necessary background of auxiliary facilities for research and development.

Some 50 scientific and technical parks are scattered all over the Czech Republic, and more than 9 000 students graduate from Czech universities each year. All this means that the Czech Republic's research and development potential has reached a level suitable for the establishment of new clusters and spin-offs, an ideal environment for high-tech investments.

## Excellent Conditions for Investment

The Czech Republic has an excellent geographical position in the very heart of Europe; this advantage is augmented by its adherence to the Schengen area, in consequence of which it has no physical boundaries separating it from other EU member states. No flight from the Czech Republic to any of Europe's business centres takes more than two hours. The country is also perfectly connected to all important European transport networks, and with its 0.7 kilometres of roads and motorways per square kilometre of its surface, the Czech Republic ranks among countries with the densest transport systems in Europe.

The Czech Republic joined the European Union in 2004 and is part of the Schengen area. It joined NATO in 1999 and is a member of a number of other international organisations, including OECD, the United Nations, the World Trade Organisation, and the International Monetary Fund.

Over the past three years, the Czech Republic's gross domestic product has been growing by 6% annually. Its other asset is its low inflation rate, ranging around 2% on a long-term basis, which is among the lowest in Europe. A certain exception is the year 2008, when, due to the reform of the pension and social systems, inflation jumped to over 5%. This rise,

however, is only a transient occurrence. The country's monetary and fiscal policy is targeted at its joining the eurozone.

## Supporting Investment

The Czech investment promotion system comprises tax reliefs, job creation grants, subsidies for training and re-qualification and also for the construction and development of business property. Its focus is on investments both in the manufacturing industry and in companies wishing to establish their own research and development centres or shared commercial service centres.

Aid is also available from EU sources – businessmen and entrepreneurs can benefit from the Business and Innovation Operating Programme (BIOP). Both sources of aid – incentives and BIOP – are administered by CzechInvest Investment and Business Development Agency. Its services, however, go much farther. The Agency's specialists will help with the choice of suitable business localities and seeking out Czech trade partners, and with after-care for investors already operating in the Czech Republic.

In the years to come, the Czech economy will focus increasingly on sectors with high added value, on demanding production, on research and development, and on services. Other sectors, besides the traditional engineering and car-making industries, will come to dominate the economy, such as the development of software, biotechnology, micro-electronics, and pharmacy.

## CzechInvest Is Here to Help

CzechInvest Investment and Business Development Agency came into being in 1992. Since then it has participated in 1092 investment projects worth CZK 637 billion (EUR 22.9 billion). More than 197 450 people have found work directly in projects mediated by CzechInvest, and thousands more jobs have been created in follow-up investment projects. CzechInvest greatly facilitates the entry of new investors into the country. Its principal mission is to gain new projects for the Czech Republic in different areas – production, research and development, and services, including the finding of new partners for existing Czech enterprises.

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## IBM Is Moving to Prague

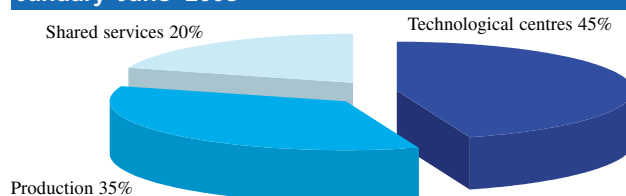
The trends of recent years clearly reveal that manufacture sensitive to the cost of labour is giving way to production depending on knowledge and skills. This claim is supported by the fact that the most interesting investment project of the year 2008 is also one in the area of information technology. The US company IBM has decided to move its central offices from Vienna to the Czech Republic. IBM, which has been present in this country for a number of years, operates development centres in Prague and Brno. IBM made its decision to move its central offices to Prague on the basis of its experience with the good work of Czech development specialists and the Czech business environment, which was instrumental in the company's decision to opt for Prague. A number of large multinational companies have come to the Czech Republic since 1993 and have invested billions in this country. For example, one of DHL's three world control centres is based in Prague, the American company Honeywell moved its European central offices to Prague from Paris. The German company Siemens has employed more than 12 000 people in the CR, a facility based in Prague is developing software for the German stock exchange, in Central Moravia, the company Olympus is developing endoscopes and making prototypes of these devices. Other important projects are, for example, a new software development centre of the US giant Sun Microsystems and the only foreign production branch and development centre of the Danish manufacturer of exclusive audio-visual equipment Bang&Olufsen in North Moravia. The year 2008 saw the first car of Korea's Hyundai Company leave its new factory in the North-east of the Czech Republic, in the construction of which the company invested one billion euros.

## Investment projects of CzechInvest Agency: 1993–June 2008

Type of investment project	Num-ber	jobs	cost of project (CZK millions)
Production	828	165 396	611 160
Shared services	132	26 637	16 939
Technological centres	132	5 420	8 628
Total	1 092	197 453	636 726

Source: CzechInvest

## Number of projects classified by investment type, January–June 2008



Source: CzechInvest

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# Czech Republic's Foreign Trade with European Union

Foreign trade has gone through a number of changes following the accession of the Czech Republic to the European Union in 2004. The Czech Republic has, as a member of the EU, become a part of the largest free trade zone in the world.

After the removal of customs barriers and obstacles on the borders with the European Union, the Czech Republic became a part of the enormous inner market of the European Union that expanded to include the 10 new member states, and was home to more than 459 million inhabitants; this market grew by another almost 30 million people when Bulgaria and Romania acceded to the EU in 2007. Czech companies have experienced a significant improvement in business conditions and a drop of transaction costs, which has reflected positively in the development of foreign trade. Import and export dynamics have picked up speed in comparison to the period before the accession to the EU, the balance of foreign trade has improved significantly, and the territorial and commodity structure of foreign trade have changed.

The development of the Czech Republic's foreign trade<sup>1)</sup>, as well as the development of foreign trade in a number of other new member states of the European Union, has been characterised by high, mostly two-digit, year-on-year export and import growth rates. The foreign trade dynamics of these new member states have been much more favourable than that of the average export and import growth rates in the European Union as a whole<sup>2)</sup> and even in the EU 15, which has led to an improvement of the position of these states in the total exports and imports of the whole EU 27. While exports of the new EU member states only amounted to 8.0% of the overall EU 27 exports in 2004, it reached 10.2% in 2007; imports of these states represented a share of

9.4% and 11.7% respectively of the total EU 27 imports in the same period.

## Czech Economy Is More Open

After the accession to the European Union, the Czech Republic's foreign trade achieved the best results in 2007. If compared to 2003, the turnover in 2007 increased twofold and reached EUR 175.3 billion, with exports increased by 107.5% (EUR 46.3 billion) and imports by 88.1% (EUR 40.3 billion). The Czech economy has thus become one of the most open economies in the European Union. While the ratio of the foreign trade turnover to the GDP in current prices was all of 110% in 2003, it was almost 138% in 2007. For comparison, this indicator was 158% in Slovakia, 138% in Hungary, and 72% in Poland in 2007. Understandably, small economies are more open while bigger economies (such as Poland's) tend to be more self-sufficient, and their participation in world economy is lower.

The position of Czech foreign trade with the EU 27 strengthened during this period. The Czech export share of the total EU 27 exports grew from 1.8% in 2004 to 2.3% in 2007, and Czech import share grew from 1.9% of the total EU 27 imports in 2004 to 2.1% in 2007.

The Czech Republic's balance of trade has experienced a significant change after the accession to the EU. Due to the faster growth of exports than imports, the foreign trade deficit the Czech Republic had had before it acceded to the EU (EUR 2.2 billion in 2003), and during

## Foreign Trade of European Union Countries

	Exports		Imports		Trade balance	
	2007	2007/2004	2007	2007/2004	2004	2007
	EUR billion	index	EUR billion	index	EUR billion	
EU 27	3 885.3	128.5	3 998.5	132.4	3.7	-113.2
of which:						
- EU 15	3 487.1	125.3	3 532.2	129.0	45.6	-45.1
- EU 12 <sup>3)</sup>	398.2	165.2	466.3	164.8	-41.9	-68.1
of which:						
Czech Republic	89.3	161.1	86.0	152.9	- 0.8	3.3
Slovakia	42.4	191.1	43.9	183.8	- 1.7	- 1.5
Poland	102.3	169.5	120.9	167.7	-11.8	-18.6
Hungary	69.6	155.8	69.7	143.3	-4.0	- 0.1



the first year of membership (EUR 0.8 billion), has turned into a foreign trade surplus since 2005. The predominance of exports over imports resulted in a record foreign trade surplus in the history of the Czech Republic in 2007, exceeding the surplus from 2005 by almost EUR 2 billion. The Czech Republic is one of the few EU member states (of nine in 2007) and the only one of the new member states to record a trade surplus for several consecutive years. The balance of trade improved by over EUR 5 billion between 2003 and 2007.

It has been the Czech Republic's foreign trade with the EU 27 states that has played a key role in the favourable development of the overall balance of trade. Foreign trade with these states has been accompanied by high increases of exports and imports and a trade surplus that has been growing year after year since 2004. Czech exports to the EU 27 states reached EUR 76.2 billion in 2007, which was EUR 38.6 billion more than in 2003. Czech imports from the EU 27 states amounted to EUR 61.0 billion in 2007, which was EUR 28.6 billion more than in 2003. The trade surplus with the EU 27 states reached EUR 15.2 billion in 2007 (the rate of coverage of imports by exports amounted to 124.8% as opposed to 115.7% in 2003), which was over EUR 10 billion more than in 2003. During that whole period, the foreign trade surplus with the EU 27 states compensated for growing foreign trade deficits with non-EU 27 countries (mainly

China, Russia, and Japan). The foreign trade deficit with non-EU 27 countries reached EUR 12.0 billion in 2007, exceeding the amount from 2003 by EUR 4.6 billion.

### Strong Orientation of Foreign Trade on EU States

The greatest part of the Czech Republic's foreign trade is realised with the EU 27 states, resulting in these states occupying a long-term dominant position in total Czech exports and imports, even though their share of the Czech Republic's foreign trade has slightly decreased since the CR's accession to the EU (from 87.1% in 2004 to 85.3% in 2007 for exports, and from 72.3% to 70.8% in the same period for imports). The territorial structure of Czech exports has experienced a growth of share of the Commonwealth of Independent States, the states of the European Free Trade Association (EFTA) and the European transition economies, and, to a lesser extent, other countries (China, Cuba, Laos, Mongolia, North Korea, and Vietnam) and developing economies. The positions of other developed economies, such as the United States of America and Japan, have weakened. The territorial structure of imports has seen the strengthening of positions of mainly other countries (because of imports from China) and the Commonwealth of Independent States (because of imports from Russia).

**Comparison of export dynamics of EU 27 and selected EU states**

	EU 27	CZ	SK	PL	HU
	year-on-year changes in %				
2004	9.7	28.8	15.2	26.9	17.2
2005	8.0	13.2	15.9	19.2	13.2
2006	11.9	20.4	29.4	22.7	18.5
2007	6.3	18.2	27.4	15.9	16.1

**Comparison of import dynamics of EU 27 and selected EU states**

	EU 27	CZ	SK	PL	HU
	year-on-year changes in %				
2004	9.5	23.0	20.1	19.5	15.2
2005	9.9	9.3	19.0	13.3	9.9
2006	13.5	20.7	25.4	23.8	16.5
2007	6.1	15.9	23.1	19.5	11.9

**The following factors have had a positive effect on the achieved foreign trade results:**

Industrial production growth, the deciding factor being the expansion of production in different areas of the manufacturing industry. The gradual growth of exports of manufacturing industry products has had an overbearing influence (around 95%) on the increase of overall exports in the past few years. The favourable development of industrial production has been supported by a higher foreign demand for chiefly engineering products, but also for basic metals and metallurgical products. This demand has been satisfied through expansion of production capacities of the different branches of the manufacturing industry by either building new or modernising existing capacities. This process has been significantly aided by the inflow of foreign direct investment to the Czech Republic. The manufacturing industry has been the recipient of the greatest amount of foreign direct investment in recent years. The total amount of foreign direct investment in the Czech Republic reached EUR 60.6 billion in 2006. As regards the industry structure of the capital invested in the Czech Republic, EUR 21.9 billion has gone into the manufacturing industry, with the biggest portion going to the production of motor vehicles, crude oil processing, and the manufacture of chemical, rubber, and plastic products, production of metal and metal products, production of machines and appliances, electrical machines and instruments, and the food processing industry and tobacco processing. The crucial part of the foreign direct investment in the Czech Republic has been realised by investors from the European Union, mainly from the Netherlands, Germany, Austria, Luxembourg, France, Spain, and Belgium. Other investors have come from the United States of America, Switzerland, Korea, and Japan.

Economic development in the states of the European Union which has also influenced the economy in the Czech Republic which is (as mentioned before) highly open and heavily dependent on exports to the EU 27 states, as these represent the key markets for the Czech economy. The critical factor for Czech foreign trade has been the development of the German economy, as the biggest part of the total Czech exports is intended for Germany (30.7% in 2007). The increase of Czech exports has also been helped by the fast growth of the Slovak economy which, with a share of 8.7%, represented the second strongest export destination in 2007.

### Changes in Commodity Structure

The commodity structure of foreign trade has gone through some changes following the accession to the European Union. These changes have mainly strengthened the position of machinery and transport equipment, especially in the total exports (from 50.9% in 2004 to 54.2% in 2007), but also in the total imports (from 42.3% to 43.0% in the same period). In the structure of exports, there has been a decrease in the share of semi-finished products and materials and miscellaneous manufactured articles, and an increase in the share of chemical products. The structure of imports has seen the strengthening

Territorial grouping	Shares in % of total Czech			
	exports		imports	
	2004	2007	2004	2007
EU 27	87.1	85.3	72.3	70.8
EFTA	1.6	2.0	2.2	1.6
Other developed market economies	4.0	3.8	7.9	6.9
Developing economies	3.2	3.4	6.3	5.8
Other countries	0.5	0.6	5.3	7.9
Commonwealth of Independent States	2.5	3.7	5.7	6.6
European transition economies	0.8	1.1	0.1	0.3

of the position of mineral fuels and food products, and a decrease in the share of chemical products and miscellaneous manufactured articles.

Machinery and transport equipment has been the most dynamic group of the manufacturing industry's exports. The most important long-term engineering export article are road vehicles, which contributed 16.6% to the total exports in 2007 (14.9% in 2004), of which the most important are passenger cars (8.3% in 2007) and parts and accessories for motor vehicles (6.9% in 2007). The majority of exports of passenger cars (88.4%) and parts and motor vehicle accessories (90,3%) is intended for European Union markets.

### Expected Development of Foreign Trade

Current results of foreign trade in 2008 indicate that we can probably expect a slow-down of the export and import dynamics in the future. The development of foreign trade will be negatively affected by a number of both internal and external influences. There will be the predominant influence of the slow-down of economic growth in the EU states, which is the result of problems on financial markets and the related deceleration of the economy in the United States of America, the strong Euro, and the increased inflation pressures caused by the rise of world prices of a number of commodities (e.g. crude oil, natural gas, and some food products). We can assume that, even in this situation, the countries of the European Union will remain the dominant market for Czech foreign trade.

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<sup>1)</sup> All data are sourced from Eurostat and the Czech Statistical Office (CSÚ). Eurostat data are valid as of 21 August 2008 and CSÚ data are valid as of 28 August 2008.

<sup>2)</sup> To maintain comparability, all data from 2004/2003 or later are converted to a comparable membership valid as of 2007.

<sup>3)</sup> States that have become European Union members in 2004 (CZ, EE, CY, LT, LV, HU, MT, PL, SI, SK), and in 2007 (BG, RO).

### Commodity structure of the Czech Republic's foreign trade in 2007

SITC classes	Exports in EUR billion	Share of exports to EU 27	Imports in EUR billion	Share of imports from EU 27 in %	Balance of trade	
					total in EUR billion	with EU27
0+1+4 – agricultural and food crude materials and products	3.2	90.6	4.4	84.4	-1.2	-0.8
2+3 – crude materials, inedible, and mineral fuels	4.8	93.7	9.0	39.4	-4.2	0.9
5 – chemicals and related products	5.2	79.8	8.9	86.4	-3.7	-3.6
6 – manufactured goods classified chiefly by material	18.0	85.0	18.0	84.1	0.0	0.2
7 – machinery and transport equipment	48.5	84.6	37.1	68.1	11.4	15.8
8+9 – miscellaneous manufactured articles, commodities, and transactions n.e.c.	9.7	85.6	8.8	64.6	0.9	2.7

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wrapping production, textile industry, steel industry, paper industry, tanning industry, plastic materials industry, furniture industry, chemical industry, food industry, electrical engineering, glass industry, mechanical engineering



# Car Manufacture - Leader of Czech Industry

The Czech Republic is one of few countries the world over with the longest uninterrupted history of car manufacture. The first car, The Präsident, was manufactured here in 1898, and since then the manufacture of cars and car accessories and parts has continued to this day without interruption. This testifies to the outstanding technical skills of the car makers, the country's infrastructure, the broad knowledge of world technical and quality standards and the high standard of technical education. In combination with the country's political stability, economic advantages and closeness to the "old" EU states, the technical potential of the workforce makes the Czech Republic an attractive country for investors in the area of the automotive industry.

## Record Results of Czech Automotive Industry

In 2007, the Czech automotive industry witnessed a rapid development. Especially gratifying was the fact that after several years, all final manufacturers showed a growth. As a matter of fact, while the manufacture of cars, buses, and trailers was growing in previous years, the production of commercial vehicles and motorcycles was stagnant. In 2007, a distinct growth was recorded in all categories. In the case of road vehicles as a whole, final production scored a historic record, and the results for the first eight months of 2008 signal a further 10% growth. The year 2008 thus might reach the "magic" one-million mark in the manufacture of road vehicles. The question, however, is, whether this favourable trend will not be halted by the current global economic crisis.

In 2007, the output of road vehicles in the Czech Republic was on the level of 962 788, which is 10% more than in 2006. The dominant position was held by the car-making companies ŠKODA AUTO and Toyota Peugeot Citroën Automobile Czech (TPCA Czech). In 2007, ŠKODA AUTO made 622 811 cars and N1 light commercial vehicles. TPCA Czech turned out a record number of 308 478 cars. To make the list complete, an additional 8 Kaipan and 1 Gordon sporting cars were made in the CR in 2007. In total, the output in 2007 totalled 931 298 cars and light commercial vehicles, which is nearly 10% more than in 2006 and a historic maximum.

Production in the other vehicle categories grew even more rapidly on a year-on-year basis. Specifically, the industry turned out 3 168 N2 and N3 category lorries (Avia Ashok Leyland Motors, Tatra and TEDOM, which turned out its first lorries), 3 182 buses (especially Irisbus buses made by Iveco Czech Republic and SOR Libchavy buses, and the first 17 TEDOM buses), 2 140 motorcycles (JAWA), 2 330 O3 and O4 trailers (Panav and Schwarzmüller) and 20 763 small O1 and O2 trailers (Agados). The manufacture of lorries grew by 58.96% in comparison with the previous year, as did the production of buses (by 7.94%). The manufacture of large O3 and O4 trailers rose by 16.91% and the output of the company Agados, the dominant manufacturer of small trailers for cars and small utility vans,

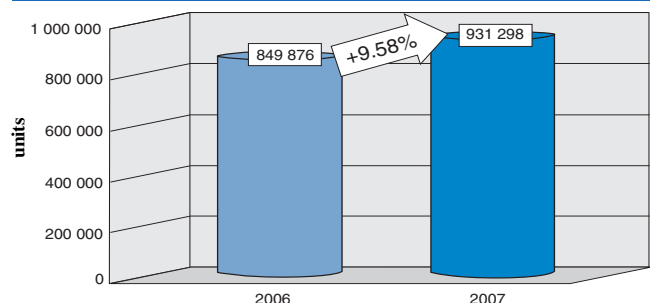
by as much as 19.89%. In terms of percentage growth, the highest increase was recorded by motorcycles, whose production rose by a full 110.84%, albeit from the relatively low base of the year 2006.

## The Role of the Automotive Industry in Czech Economy

The automotive industry plays a very important role in the economy of the Czech Republic. In 2007, companies grouped in the Automotive Industry Association (AIA) accounted for 20.2% of the country's overall industrial production, and by coincidence also for 20.2% of Czech exports. In 2007, the output of AIA members was worth CZK 641 billion (EUR 3 billion), 14.3% more than in 2006 (2006: CZK 560.5 billion, or EUR 20.2 billion).

In exports, the year-on-year growth was even higher (by 20.2%). In 2007, the exports of automotive industry companies were worth CZK 498.5 billion (EUR 18 billion), in comparison with CZK 414.8 billion (EUR 15 billion) in 2006. Nearly 87% of the total exports of AIA companies went to EU markets. Thanks to its strong export potential, the automotive industry is largely responsible for the Czech Republic's highly favourable balance of

### Manufacture of cars and light commercial vehicles in the CR



Source: Automotive Industry Association of the Czech Republic

trade. Last year, the favourable balance between the industry's imports used for its own consumption and imports of investment character was CZK 266.7 billion in comparison with its recorded exports.

Since the beginning of this millennium, a characteristic feature of the Czech automotive industry has been the high share of the supplier sector. Last year, suppliers accounted for nearly 57% of the volume of the industry's production and for 50% of its exports. Sales revenues of suppliers grew by 15% on a year-on-year basis (final manufacturers by 12%). Suppliers' exports grew by 20% on a year-on-year basis and those of final manufacturers by 19%. Suppliers form the majority of the membership base and they employ 72% of AIA workers.

The Czech automotive industry is also an important employer. AIA companies currently employ directly more than 125 000 people. The automotive industry can offer them stable employment and very fair wages, which are about 14% above the Czech national average. In the first half of 2008, average wages in AIA CR companies amounted to CZK 25 056 a month (EUR 902.5)

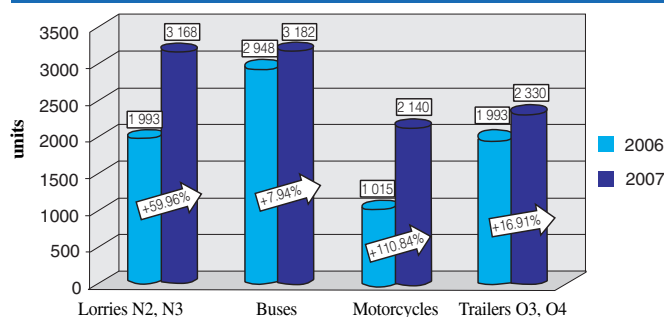
### Trends

Final manufacturers, such as Škoda Auto, TPCA Czech, and Hyundai, hold the dominant position in the Czech automotive industry. When the Hyundai factory in Nošovice becomes fully operational, the Czech Republic will be making more than one million cars a year and the Czech Republic may become the world's number one country in per capita car production! Bus manufacture, too, will increase, and with it the importance of the Czech Republic as a production base of this category of vehicles on the European scale. This is true in a situation when in 2007 bus manufacture in the EU declined by 24%, while in the Czech Republic it grew by 8%, and a similar growth is expected for the year 2008.

In the medium term, car part and car accessory manufacturers will continue generating approximately 60% of the revenues of the Czech automotive industry. The subcontractors are gradually moving over to products with high value added ("intelligent" lighting equipment, electronic systems, etc.). Czech firms are also intensively engaged in building their own research and development bases. The number of R&D workers is growing and co-operation with universities and external organisations is broadening. The future competitiveness of the Czech automotive industry is supported by a number of projects aimed at the development of human resources. Two basic trends can be observed in this respect – the building of company educational centres and active co-operation with national and regional institutions. One of the projects belonging to the latter area is "IQ Auto", initiated by AIA in 2004. On the basis of this project, a system of cooperation has been built between schools, regional employers, and local labour offices, aimed at training highly skilled people for the automotive industry.

The main challenges in the environmental area, on which the Czech automotive industry is working already now, are achieving exhaust fume limits (EURO 5 as of October 2009, EURO 6 as of 2014), achieving CO<sub>2</sub>

### Manufacture of vehicles in the CR



Source: Automotive Industry Association of the Czech Republic

### Year-on-year changes in the volume of production in the automotive industry 2002-2007

	2003/2002	2004/2003	2005/2004	2006/2005	2007/2006
Change (growth) of volume of production (%)	+ 6.7	+ 10.7	+ 19.0	+ 22.1	+ 14.3

Source: Automotive Industry Association of the Czech Republic

emission limits (within the EU for cars 120 g/km as of 2012) and the recycling of end-of-life vehicles. As the Czech Republic is a member of the European Union and as Czech manufacturers are very closely linked with the European automotive industry, all the requirements mentioned above are being addressed in accordance with European legislation, with other European states and manufacturers. In future, Czech car manufacturers will co-ordinate their steps increasingly with their European colleagues grouped in the European Automobile Manufacturers' Association (ACEA). This trend can be observed already now, as the entire European automotive industry, including Czech manufacturers, oppose their excessive burdening with requirements which can be solved differently (by legislation, development of transport infrastructure, education of drivers, etc.).

The characteristics of the current situation and the trends mentioned above indicate unequivocally that the automotive industry is a dynamically developing and competitive sector of the Czech economy with a high investment potential and a trade partner with good prospects.

**Antonín Šípek**

Secretary General

Automotive Industry Association

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Note: The 2007 average annual exchange rate has been used for conversion, which is CZK/EUR 27.762.





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# Research and Development in the Czech Republic

Research and development (R&D) in the Czech Republic has gone through a number of significant changes since the restoration of a democratic social order in 1989. Orientation towards market economy, massive privatisation of state companies, and other factors have changed the structures of research organisations and influenced administration, management, and financing of R&D in a significant way. Other changes are related to the planned reform of the national research, development, and innovation system. The aim of the reform is to provide for better utilisation of research and development for the benefit of economical and social development of the Czech Republic, and to create favourable conditions for a high standard of living for the Czech Republic's citizens.

## Administration and Management

The state administration's central body for the area of research and development is, by law, the Ministry of Education, Youth, and Sports (MŠMT), which is also responsible for international collaboration in this field.

The Research and Development Council, an expert and advisory body to the Government of the Czech Republic, also plays an important role. The Council prepares conceptual and strategic materials concerning R&D, carries out regular annual analyses and evaluations of research and development, and drafts proposals for R&D support from public funds.

There are other institutions of state administration that are concerned with research and development on resort levels, especially the Ministry of Industry and Trade, Ministry of Agriculture, Ministry of Labour and Social Affairs, Ministry of Transport, Ministry of Health, and Ministry of the Environment.

## Financing

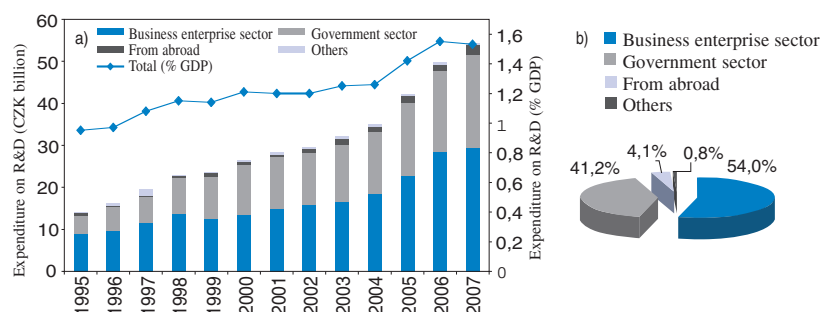
Gross Expenditures on Research and Development (GERD) in the CR have been growing continuously in the last decade, and neared CZK 55 billion (EUR 1.98 billion) in 2007. The growth of expenditures was most pronounced in the business sector, whereas the growth of the overall support calculated as the ratio to the gross domestic product (GDP) saw a slight decline in 2007, which was caused by the dynamic growth of GDP in that period. Even though the Czech Republic shows the fastest growth of gross expenditures on research and development from the new member states of the EU, with 1.53% of GDP in 2007, it will not be possible to fulfil one of the declared goals of the Lisbon Strategy, which asked for the gross

expenditures on research and development to reach 3% of GDP by 2010. The structure of these expenditures is relatively favourable, as the private sector participates by contributing 54% of the gross expenditures.

The main source of public support for R&D in the Czech Republic is the state budget and, since 2004, also EU Structural Funds. Other financial resources are acquired through European Union programmes and initiatives, especially the EU Framework Programmes for Research and Technological Development.

Public support for R&D is provided in institutional and target-oriented forms. Institutional support is mainly directed at the MŠMT (from where it is provided to universities) and the Academy of Sciences of the Czech Republic. Target-oriented support for research and development is realised on the basis of public competition results, especially through grant agencies, of which the Czech Science Foundation (GACR) distributes the greatest amount of finances.

**Gross Expenditures on Research and Development (GERD) in the Czech Republic in 1995–2007 (a) and expenditure share of different sectors in 2007 (b)**



Source: Eurostat, Czech Statistical Office

## Research Institutions

In the Czech Republic, research and development is carried out at universities, the Academy of Sciences of the CR, and in institutions of applied research. A notable part of research and development is also realised in the private business sector by small, medium, and big companies.

## Universities

Universities have always played an important role in the history of Czech research and development. There are 24 public and one private university in the Czech Republic, along with two state schools of university type, with 129 faculties overall.

Charles University in Prague is the oldest university in the country and one of the oldest universities in Europe. It was founded by the Czech King and Holy Roman Emperor Charles IV in 1348. The University had four faculties when it was founded – of Arts, Medicine, Law, and Theology – which corresponded with the medieval idea of university education. In present day, the University consists of 17 faculties with over 45 000 students, which represents one-fifth of all university students in the CR.

Czech Technical University in Prague is the oldest technical university in central Europe. The University continues the tradition of the Royal Czech Polytechnic Institute, which was founded by Emperor Francis in 1803, and tuition began in 1806. The University has 7 faculties now, with over 22 000 students.

Masaryk University in Brno was established in 1919, soon after the establishment of the independent Czechoslovakia. The establishing of the University was the result of long-standing efforts to create a second centre of national learning and culture. The original four faculties – of Law, Medicine, Science, and Arts – have been later supplemented by another five. Almost 32 000 students attend the University.

Brno University of Technology is the oldest university in Brno, with origins in 1849, when a German-Czech technical training college had been established in the bilingual Brno. The Czech University of Technology was then opened in 1899. The University has 8 faculties now, with over 20 000 students.

VŠB – Technical University of Ostrava gradually developed from mining schools in Jáchymov and Příbram in the 18th and 19th centuries. The school was moved to Ostrava, the industrial centre of North Moravia and Silesia, in 1945. There are 8 faculties at the university – Faculty of Economics, Faculty of Civil Engineering, Faculty of Mechanical Engineering, Faculty of Electrical Engineering and Computer Science, Faculty of Mining and Geology, Faculty of Metallurgy and Materials Engineering, and Faculty of Safety Engineering – with over 22 000 students.

Palacký University Olomouc is the second oldest university in the Czech Republic after Charles University. Originally a Jesuit College founded in 1566, it gained university status in 1573. There are 8 faculties at the University – Sts Cyril and Methodius Faculty of Theology, Faculty of Medicine and Dentistry, Philosophical Faculty, Faculty of Science, Faculty of Education, Faculty of Physical Culture, and Faculty of Law. Over 21 000 students attend the University.

University of West Bohemia in Plzeň is a relatively young university, which came into existence by the merging of the University of Mechanical and Electrical Engineering and the Faculty of Education in Plzeň in 1991. There are 8 faculties at the University – Faculty of Applied Sciences, Faculty of Economics, Faculty of Electrical Engineering, Faculty of Philosophy and Arts, Faculty of Education, Faculty of Law, Faculty of Mechanical Engineering, and Faculty of Health Care Studies – with the number of students exceeding 18 000.

University of Economics, Prague is the successor of the College of Business, which was established as an independent faculty of the Czech Technical University in Prague in 1919. The already independent university went through a major reorganisation in 1990. 16 000 students attend the University's six faculties – Faculty of Finance and Accounting, Faculty of International Relations, Faculty of Business Administration, Faculty of Informatics and Statistics, Faculty of Economics and Public Administration, and Faculty of Management. There are many foreign students – 2 500 students from 49 countries in 2007.



Czech University of Life Sciences Prague separated from the Czech Technical University in Prague in 1952. There are 6 faculties for over 14 000 students – Faculty of Agrobiological Sciences, Faculty of Food and Natural Resources, Faculty of Economics and Management, Faculty of Engineering, Faculty of Environmental Science, and Faculty of Forestry, Wildlife, and Wood Sciences.

Institute of Chemical Technology Prague has a tradition of nearly two hundred years. Originally, it had been a part of the Czech Technical University in Prague, from which it became independent in 1952. There are 4 faculties at the University – Faculty of Chemical Technology, Faculty of Environmental Technology, Faculty of Food and Biochemical Technology, and Faculty of Chemical Engineering – with almost 4 000 students.

### Number of institutes and employees of the Academy of Sciences of the CR based on sections in 2007

Section	Number of institutes	Number of employees (full employment)	
		Overall	University graduates
Mathematics, Physics and Computer Science	6	1 335.1	795.5
Applied Physics	7	823.7	450.5
Earth Sciences	5	464.4	276.4
Chemical Sciences	6	1 100.4	705.9
Biological and Medical Sciences	7	1 555.8	908.0
Bio-Ecological Sciences	4	797.0	405.8
Social and Economic Sciences	5	315.5	132.9
Historical Sciences	6	396.7	217.6
Humanities and Philology	6	465.8	362.2
Service Institutes	2	361.0	0
AS CR overall	54	7 615.3	4 254.9

Other universities were established in other big towns in the Czech Republic – the University of South Bohemia in České Budějovice, Jan Evangelista Purkyně University in Ústí nad Labem, the Silesian University in Opava, the University of Ostrava, Tomáš Bata University in Zlín, the University of Pardubice, the University of Veterinary and Pharmaceutical Sciences Brno, the Technical University of Liberec, Mendel University of Agriculture and Forestry in Brno, and the University of Hradec Králové.

### Academy of Sciences of the Czech Republic

The Academy of Sciences of the Czech Republic (AS CR) is the biggest national non-university research organisation. It is set up as a complex of 54 public research institutes, doing mostly fundamental research. The AS CR participates in a number of national and international research programmes, develops science education, and supports both collaboration with the application level and the development of learning and culture.

The present-day AS CR was established by law in 1992, and continues the activities of the former Czechoslovak Academy of Sciences, which had been established in 1953, even though its predecessors can be found much earlier in history. The oldest long-lasting learned society was the Royal Czech Society of Sciences, founded in 1784. The development during the next century had resulted in the founding of a modern national and language-differentiated institution: Emperor Franz Josef Czech Academy for Sciences, Literature, and the Arts – which later became the Czech Academy of Sciences and the Arts. The Academy had significant financial support from the Czech architect and builder Josef Hlávka, who also became its first President.

The historical development leading to the current form of the Academy of Sciences of the CR brought about a number of world class results. One of the most important ones is the discovery of polarography, for which the Nobel Prize for Chemistry was awarded to Jaroslav Heyrovský in 1959.

Another significant example of a world class result is the invention of soft contact lenses by Otto Wichterle in the 1950's. Wichterle became the first President of the Academy following the revival of democracy in Czechoslovakia in 1989.

The institutes of the Academy of Sciences of the CR are divided into three areas of science – Mathematics, Physics, and Earth Sciences, Life and Chemical Sciences, and Humanities and Social Sciences. These scientific fields are then further divided into 9 sections. The AS CR structure is completed by service institutes.

### Other Research Organisations

An important part of research and development in the Czech Republic is carried out by organisations that had been established by individual ministries in the past and then partially privatised in the 1990's or turned into public research institutions in January 2007. Other research centres were created in the private sector. The Association of Research Organisations has 70 members and thus represents the interests of over 7 500 workers who participate in applied research.

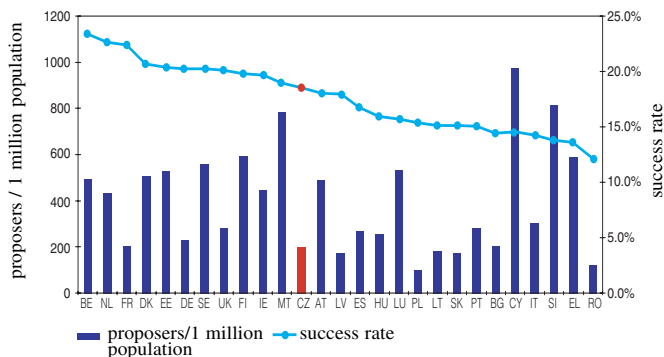
The Czech Republic's research potential is complemented by research centres in big companies and research and development activities of small and medium businesses.

### Czech Republic and European Research Area

European cooperation in research and development is facilitated through a wide range of transnational activities and programmes. The most significant of these, with regard to budget and scope of collaboration, are the Framework Programmes for Research and Technological Development that commenced in 1984. The framework programmes are the European Union's strongest tool for creating the so-called European Research Area which is the base for integrated cooperation leading to a stronger position and better competitiveness of the EU on global scale. The budget of the current Seventh Framework Programme (2007-2013) has reached EUR 50.5 billion; research teams from all of the member states participate.

The Czech Republic only started to participate more actively in projects from the Fourth Framework Programme (1994-1998) which saw

### Success rate of the Czech Republic in the EU's Sixth Framework Programme for RTD



Source: Technology Centre AS CR

the participation of nearly 250 teams from the CR. The country's participation in European research collaboration was accelerated by the CR's accession to the European Union. 6 224 Czech research teams participated in preparations of 4 776 projects for the Sixth Framework Programme between 2002 and 2006. Based on evaluations performed by groups of international experts, the European Commission then provided financial support for 876 projects carried out by international partnerships with the participation of Czech researchers. The Czech teams thus collaborated with 14 395 teams from all over the world and the requested financial support for the Czech teams reached EUR 133 million. It is evident the Sixth Framework Programme created conditions for an unprecedented scope of international cooperation for the Czech teams.

Based on participant success rate in the Seventh Framework Programme which is expressed as a ratio of participants in project proposals that received European Commission funding to the number of participants in all proposals, the Czech Republic places in the more successful half of the EU 27 states. This proves the quality of Czech teams that participate in prestigious European partnerships working on demanding research and development projects.

### Reform of Research, Development, and Innovations System

The Research and Development Council, an expert and advisory body to the Government of the Czech Republic, initiated preparations for a reform of the national research, development, and innovation system in 2007. The following are the main reasons for the reform:

1. Unsatisfactory contributions of publicly funded research and development to the economical and social development of the Czech Republic.
2. The current system for the support of research and development is obsolete, lacks sufficient links to achieved results, and supports averageness at the expense of excellence.
3. Czech research is thematically fractioned and public financial funds are not appropriately directed to priority research.

A number of analytical documents were prepared in 2007 and 2008, including the Green and White Papers on Research, Development, and Innovation in the Czech Republic. The Government of the CR then approved the reform in March 2008. Preparation of the new National Research, Development, and Innovation Policy, which will be submitted to the Government of the Czech Republic for approval in March 2009, is an important part of the reform.

**Karel Klusáček**  
Director, Technology Centre AS CR

# Achievements of Czech Scientists

There are many great periods in Czech history when culture, education, the arts, architecture, and sciences were thriving and when these and related areas enjoyed the favour and support of those in power. In this sense, a prominent historic period was the reign of King of Bohemia and later Roman Emperor Charles IV, whose name is connected with the founding of the first university in Central Europe – Prague (now Charles) University – in 1348.

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## A Look Back into History

At the turn of the 16th and the 17th centuries, an important impression was made on Czech history by Emperor Rudolf II, who changed Prague into a prominent place of European economic and cultural life. During his reign astronomy, astrology, mathematics, and alchemy flourished at the imperial court in an unprecedented way and artists, scientists, but also charlatans, converged on Prague from all over the world. The most famous visitors to the imperial court included the Danish astronomer, astrologer, and alchemist Tycho Brahe, and the German mathematician, astrologer, and astronomer Johannes Kepler, who formulated in Prague two of his three laws of planetary motion.

The rationalist 18th century was occupied with the development of technologies and technical sciences for the benefit of social progress – the Estates' Institute of Engineering Education was founded in Prague and later became the basis of the Czech Technical University in Prague. The Royal Czech Society of Sciences was established at the end of the 18th century, and its activities are followed up today by the Academy of Sciences of the Czech Republic (ASCR).

Many Czech scientists, technicians, inventors, and thinkers influenced national and world science, progress, and knowledge. The scientist Johann Gregor Mendel gained world renown in the 19th century as the founder of the theory of inheritance. The first ship screw propeller was patented by Josef Ressel in the early 19th century, the outstanding Czech orientalist Bedřich Hrozný achieved fame at the beginning of the 20th century by deciphering ancient cuneiform Hittite, and in the same period the electrical engineer František Křižík made radical improvements to the electric arc lamp, which was used at that time. In 1959 the Czech physical chemist Jaroslav Heyrovský received the Nobel Prize for the invention of the polarograph, and in the middle of the 20th century the Czech chemist Otto Wichterle invented soft contact lenses.

Some Czech scientists, inventors, and thinkers, had to leave their country for various reasons and rose to fame abroad, while other prominent personalities came from foreign countries and made their principal discoveries in the Czech Lands. To give examples of these many figures, in the former group it was the philosopher and educationist Jan Amos Komenský (Comenius), known as "Teacher of Nations", examples in the latter group can be the physicist Christian Doppler of Salzburg, the French geologist Joachim Barrande, and the Austrian-born inventor of the water turbine Viktor Kaplan.

## Prominent Scientists of the Present Time

Czech scientists, whose achievements at the present time have enriched world scientific knowledge, have brought important practical applications and often attracted even the interest of the broad public, include representatives of various branches. It is difficult to choose only some of them, indeed the importance of scientific work is often evaluated only by the future. Prominent Czech scientists of the present include without a doubt scholars working in their homeland as well as scientists of Czech origin working at top research institutions all over the world.

The chemist Antonín Holý ranks undoubtedly among the most prominent Czech scientists of the 20th century. Professor Holý works at the Institute of Organic Chemistry and Biochemistry of the Academy of Sciences of the Czech Republic. His best known discoveries include drugs for AIDS and type B viral hepatitis patients. His work, which represents an excellent combination of groundbreaking science with commercially successful applications, earned him the Descartes Award of the European Union for scientific research in 2002.

One of the most cited scientists in chemistry is Pavel Hobza, who works at the Institute of Organic Chemistry and Biochemistry of the ASCR. Professor Hobza's interest is focused on theoretical quantum chemistry. His branch is computational chemistry and molecular simulations, his results, which are known world wide, include the discovery of improper hydrogen bonding and explanation of the role of dispersion energy in biomacromolecules.

A prominent scientist of world-wide reputation and Czech origin is Josef Michl, who works at the University of Colorado in the United States. His position is documented by his nomination for the Nobel Prize in 1995. He won international renown for his work in the areas of quantum chemistry, physical organic chemistry, photochemistry, and he is also engaged in nanotechnology research. With more than 15 000 citations, professor Michl is the most cited scientist of Czech origin at present.

Prominent researchers of Czech origin working at the Institute of Cancer Biology in Copenhagen are Jiří Bártek and Jiřina Bártková, who are engaged in research into the regulatory mechanisms of cancerous cells division and mechanisms leading to tumours.

One of the most highly cited Czech scientists is Václav Hořejší, who specialises in molecular immunology. Professor Hořejší works at the Institute of Molecular Genetics of the ASCR.



The chemist Antonín Holý

A leading place among Czech astronomers is held by Petr Harmanec, who studies close binary stars. He works at the Astronomical Institute of Charles University in Prague.

World fame has been achieved by Czech physicist Petr Hořava, who works at the University of California at Berkeley. His interest is focused on string theory and supergravity in multidimensional space.

Petr Vopěnka, who concerns himself with set theory and is the founder of alternative set theory, is a prominent Czech mathematician. He also devotes himself to philosophical questions of science, especially mathematics.

Czech mathematician Jaroslav Kurzweil, who concentrates on the theory of ordinary differential equations, has worked out a theory leading to the Kurzweil-Henstock integral and made a significant

contribution to mathematical theory of optimum regulation. Professor Kurzweil works at the Mathematical Institute of the ACSR. An internationally renowned scientist of Czech origin is George J. Klír, who works at State University of New York at Binghamton. The main branches of Professor Klír's research are general systems theory and fuzzy logic. Due to their geographic position in the heart of Europe, the Czech Lands experienced complicated and difficult periods succeeded by times of rise and prosperity. As the economic and political situation in the country was changing, so were the conditions for science and development of knowledge. In good times the country attracted great thinkers and inventors from abroad, in the problematic stages of its history the best often left it involuntarily. Creativeness and desire for knowledge, typical of the Czech nation, won recognition at all times and all over the world, and Czech scientists and inventors made and are making an incontestable contribution to scientific progress, development of human knowledge and, last but not least, to the use of scientific effort in the form of practical and useful inventions.

**Karel Klusáček**

Director

Technology Centre of the Academy of Sciences of the Czech Republic

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# Setting Up a Company in the Czech Republic

If you decide to do business in the Czech Republic by setting up a company, you first have to ask yourself whether you wish to form a corporate enterprise, or a single-person corporation. The basis of single-person corporations is personal participation of partners in the business, whereas the basis of corporate enterprises is capital participation of the partners. There is no legal requirement for an investment contribution in the case of single-person corporations, partners bear joint and several liability for the corporation's obligations, their entire property stands as security. In the case of corporate enterprises, the Commercial Code specifies minimum registered capital. Partners are required to deposit this amount but are not liable for the enterprise's obligations after these deposits have been made.

The Commercial Code regulates all types of companies that can be set up in the Czech Republic. It is possible to choose between a general commercial partnership, a limited partnership, a limited liability company, or a joint-stock company, of which the general commercial partnership is a single-person corporation and the joint-stock company is a corporate enterprise. The rest are companies bearing the characteristics of both single-person corporations and corporate enterprises and, as such, they can be considered to be hybrid companies.

The Commercial Code<sup>1)</sup> also allows for the setting up of a European company (Societa Europaea) or a European Economic Interest Grouping. Other options for doing business in the Czech Republic include forming an organisational branch of a foreign company which does not, however, constitute an independent legal entity. The most common business companies are limited liability companies and joint stock companies.

## Starting a Company

The Czech Commercial Code<sup>1)</sup> first addresses the process of setting up a company in general terms for all business companies alike, while the particulars of establishing different types of companies are specified later on.

Two basic phases need to be distinguished during the process of starting a company: the founding and the incorporation of a company. A company is founded on the basis of a deed of association, a deed of formation (for a joint-stock company), or a founder's deed (where the law permits the founding of a company by a single person) signed by all the founders. In the case of a limited liability company and a joint-stock company, the deed must be drawn up in the form of a notarial registration. It is necessary to distinguish between the founding of a company and its incorporation. A business

company is only incorporated on the day it has been entered in the Commercial Register.

Between the founding and the date of its incorporation, the company is not a legal entity. This means it cannot acquire rights or obligations. Nonetheless, it is necessary to perform a number of legal steps on behalf of the company during this time (obtain a trade license or other authorisation for the performance of business activities, open a special account with a bank in the Czech Republic for the purpose of paying the company's registered capital, obtain a document testifying the legal grounds for using the premises where the company has located its seat). Activities performed on behalf of the company during this period oblige the person who performs the activities on the company's behalf, not the company itself. However, if the company approves these transactions within three months of its incorporation, it shall be bound by them as of their inception.

In relation to the founding and incorporation of a company, it is necessary to note that the Commercial Code specifies a deadline for filing the application for entry of the company in the Commercial Register. The deadline is 90 days from the date of its founding or from the date on which a trade license or other business license is obtained.

## How to Start a Company

The first step when forming a business company is to conclude a deed of association, which must be signed by all the founders; their signatures must be officially authenticated. In certain designated cases, notarial registration is required for the conclusion of the deed of association. If a company is formed by a single person, the deed of association is replaced by a founder's deed, which must be drawn up in the form of a notarial registration.

For entry in the Commercial Register, a company is required to

document legal grounds for the use of premises where it has located its seat. In this case, the document may take the form of written consent of the owner of the real estate with the placement of the company's seat accompanied by an extract from the Land Register, confirming the ownership title of the owner to the real estate.

Before a company is incorporated, it must also obtain a trade or other business licence. Trade licences are issued by Trade Licensing Offices on the basis of applications or notifications. The time limit within which a Trade Licensing Office is obliged to perform entries in the Trade Register has been reduced from fifteen to five days. The acquisition of a trade licence is documented by an extract from the Trade Register.

Partners in a limited liability company, shareholders in a joint-stock company, members of a European company, and limited partners in a joint-stock company are all obliged to contribute an investment stake. Such investment may be either monetary or non-monetary (in-kind). The value of a non-monetary contribution is stated in the deed of association and is based on a report drawn up by an expert independent of the company and appointed by a court. All non-monetary contributions and the monetary investment of a sole founder of a limited liability company must be fully paid up before a company may be entered in the Commercial Register. Other monetary investments must be paid up prior to incorporation as a percentage amount in relation to the registered capital of a company stipulated by law<sup>2)</sup>. In view of the fact that a company is not a legal entity until its incorporation, founders nominate one among them to be the administrator of contributions. The nomination is recorded in the deed of association. The administration of investment contributions may also be entrusted to a bank, even if the bank is not a founder. Monetary investment contributions are deposited (regardless of who is the administrator of contributions) on a special bank account and cannot be used until the company is incorporated (i.e. moment of entry in the Commercial Register).

The application for entry of a company in the Commercial Register is filed electronically on a form available on the website of the Ministry of Justice along with instructions for filling it out and lists of necessary attachments<sup>3)</sup>. A court ruling on the entry of a company in the Commercial Register is issued within five working days of the filing of an application. The day of entry in the Commercial Register concludes the process of starting up a company. As of this day, the company comes into being as an independent legal entity with its own legal identity.

As some of the steps listed above can be performed simultaneously, the entire process can be completed within a matter of three weeks.

### Most Common Legal Forms of Business

A limited liability company (in Czech "společnost s ručením omezeným" – s. r. o.) is an entity whose registered capital is made up of its members' investment contributions. Members are jointly and severally liable for their company's obligations up to the unpaid portions of their investment contributions according to the entry in the Commercial Register. The registered capital of a limited liability company must amount to at least CZK 200 000 (EUR 7 204) and the minimum investment contribution by an individual member is CZK 20 000 (EUR 720).

A limited liability company may have between one and 50 members. One natural person may be a member of no more than three limited liability companies. In the case of a member who is a legal entity, the so-called chaining ban applies: a single-member limited liability company cannot form or be a single member of another limited liability company.

Company bodies are comprised of one or more executive officers and a general meeting. The members participate in the company's decision-making process at the general meeting, where they have one vote for every CZK 1 000 (EUR 36) of their investment contribution, unless the deed of association stipulates otherwise.

### Overview – what needs to be done prior to filing an application for entry of a company in the Commercial Register

BASIC STEPS	DOCUMENTS
1 Founding the company	Founding document (deed of association, deed of formation, founder's deed)
2 Locating the company seat	Extract from the Land Register, contract of lease or consent of the land owner with the location of the seat
3 Obtaining a trade license or other business license	Extract from the Trade Register, other business license
4 Payment of capital contributions	Confirmation from the administrator of contributions
5 Statutory body	Consent with entry in the Commercial Register, statutory declaration, specimen signature, extract from the Criminal Register

A joint stock company (in Czech "akciová společnost" – a. s.) is a company whose registered capital is divided into a certain number of shares with specific nominal value. A shareholder is not liable for the company's obligations.

The amount of registered capital of a joint stock company differs according to the method of company formation. If a joint-stock company is formed by means of an initial public offering of shares for sale, its registered capital must equal at least CZK 20 000 000 (EUR 720 400). If it is formed without a public offering of shares for sale, its registered capital must be at least CZK 2 000 000 (EUR 72 040).

A joint-stock company may be formed (founded) by a single person, if such a person is a legal entity; otherwise a minimum of two or more persons is necessary. The concentration of shares in the hands of a single person does not constitute the nullity of such a company nor is it the grounds for the company's dissolution.

In contrast to other legal forms of companies, in the case of a joint-stock company it is not sufficient to conclude a deed of formation or sign a founder's deed for its formation. The process of forming a company is only completed when a decision to form the company has been passed, the company's statutes have been approved, and the company bodies have been elected by the general meeting, which is authorised to do so under the statutes. If the formation of a joint-stock company is based on a public offering of shares, then these decisions are taken by a constituent general meeting. If the company is founded without a public offering of shares, then these decisions are taken by the founders of the joint-stock company.

The company bodies are the general meeting, the board of directors, and the supervisory board. A company's activities are governed by its board of directors, who decide all matters with the exception of those reserved for the supervisory board and the general meeting. It acts on behalf of the company. The activities of the board of directors are supervised by the supervisory board. The highest executive body is the general meeting, participated upon by company shareholders. It is convened by the board of directors no less than once a year.

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<sup>1)</sup> Commercial Code No. 513/1991 Coll., as amended

<sup>2)</sup> §§ 111 and 181 of the Commercial Code

<sup>3)</sup> Available from: <http://portal.justice.cz/ms/ms.aspx?j=33&o=23&k=2299&d=47038>

# Clear System of Taxation in the Czech Republic

The main features of taxation in the Czech Republic are similar to those of other European Union countries. Since the new system of taxation has been in existence for just fifteen years, it is not as complicated as those in countries with a longer development. The number of different taxes is lower in the Czech Republic.

The overall tax ratio, i.e. taxes plus insurance to GDP, was 36.2% in 2006, slightly below the average of other European Union countries. Tax revenue without insurance comes mainly from indirect taxes, which account for 56% of tax revenue.

## Direct Taxes

Personal income tax has been set at a single rate of 15% since 2008. At the same time, a maximum assessment base for social security insurance was introduced. As a result, all income exceeding four times the average wage is subject to this rate only, the lowest among all countries of the European Union.

Tax is levied on the income of employees and self-employed persons. Tax payable by employees is deducted by employers, while self-employed persons make advance payments and submit a tax return each year with the calculated amount of income tax due.

Social and health insurance premiums are not deductible from the tax base. Employees include in their income tax base the social and health insurance contributions paid by their employers. Every taxpayer is entitled to deduct certain items from the tax base, for example those related to life and pension insurance or mortgages. Tax credits, i.e. amounts deductible directly from tax, are also applicable. These include for example the standard tax credit of CZK 24 840 for each taxpayer, or the tax credit of CZK 10 680 for each dependent child.

Certain income, such as dividends and interest, are subject to a withholding tax rate of 15%.

Corporate income tax rate is set at 21% for 2008. Further reductions to 20% in 2009 and 19% in 2010 have been approved. Investment funds and investment companies are subject to a lower 5% tax rate. Corporate entities make advance payments on tax and file tax returns with the calculated amount of income tax due the following year.

Every taxpayer can choose between steady and accelerated depreciation. Depreciation periods range from three to fifty years, depending on the type of property. In the case of an extensive new investment, a tax holiday of up to ten years is possible.

Companies conducting research and development as part of their business activities can deduct, in addition to regular costs, a deductible item equal to 100% of expenditure on research and development.

Real estate tax is imposed on land and buildings. In the case of land, the tax base is either the area of the land or its price. The tax rate depends on the quality of the land, its location, and its use. In the case of buildings, the tax base is calculated as the built-up area, and the rate

depends on the use of the building. The taxation period is one calendar year.

Road tax is only levied on vehicles used or determined for business.

Vehicles exclusively for private use are exempt from tax. The law also imposes a special fee for the use of motorways, obligatory for all vehicles to which the motorway toll does not apply.

Inheritance and gift tax is levied, as of 2008, only on gifts and inheritance between persons who are not relatives. Rates range between 3.5% and 40%, depending on the value of the transferred amount.

## Indirect Taxes

Value added tax is harmonised with the relevant directives of the European Union. It is levied on the vast majority of taxable supplies in the Czech Republic, as well as imported goods. The standard tax rate is 19% and the reduced tax rate is 9%. Most goods and services are subject to the standard tax rate. The reduced tax rate is applicable, for instance, to foodstuffs, medication, printed matter, regular public passenger transport, funeral services, water supply and sewerage, cultural activities, accommodation services, housing construction, social housing construction, and heat supplies.

### Overall tax ratio in countries of the EU 2006, in % of GDP

Romania	28.6	Cyprus	36.6
Slovakia	29.3	Hungary	37.2
Lithuania	29.7	United Kingdom	37.4
Latvia	30.1	Slovenia	39.1
Estonia	31.0	Germany	39.3
Greece	31.4	Netherlands	39.5
Ireland	32.6	Austria	41.8
Malta	33.8	Italy	42.3
Poland	33.8	Finland	43.5
Bulgaria	34.4	France	44.2
Luxembourg	35.6	Belgium	44.6
Portugal	35.9	Sweden	48.9
Czech Republic	36.2	Denmark	49.1
Spain	36.5		

Source: European Commission: Taxation trends in the European Union, 2008 edition

Registration for VAT is mandatory for persons whose annual turnover exceeds CZK 1 million (approx EUR 40 000). VAT is payable on a monthly or quarterly basis, depending on the taxpayer's turnover.

The tax return is filed on the 25th day following the end of the taxation period.

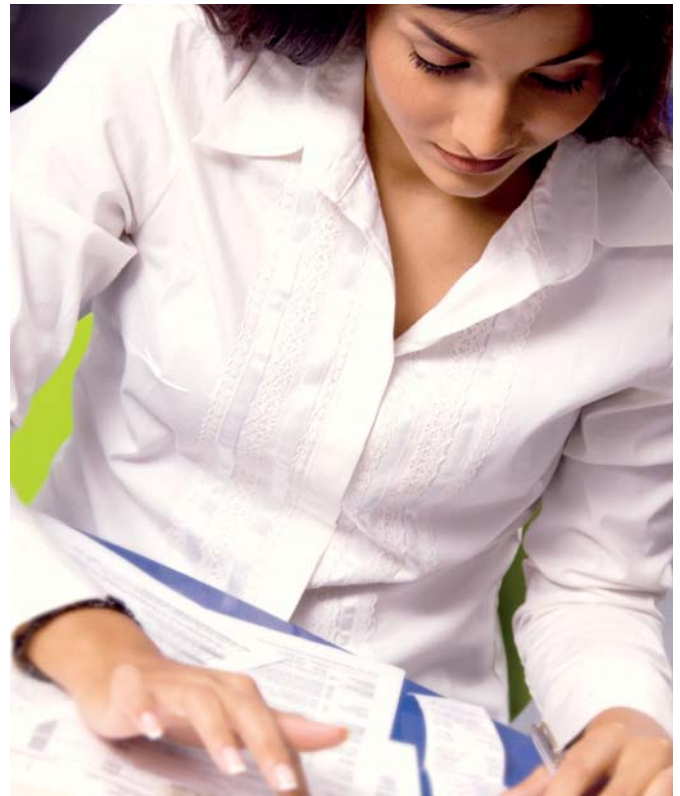
Excise duties are also harmonised with the relevant European Union directives. Excise duties are levied on mineral oils, alcohol, beer, wine, and tobacco products. Fixed tax rates apply with the exception of cigarettes, for which the rate is calculated as a combination of a fixed rate and a percentage of the final retail price. The taxation period is one calendar month.

Energy taxes were introduced in 2008. They are fully harmonised with the relevant European directive. Energy taxes are imposed on electricity, solid fuels (coal and coke), and natural gas. These taxes apply fixed rates in CZK per MWh. The taxation period is one calendar month.

Customs duties are regulated by the EU Customs Code; the rates are determined by the Common Customs Tariff.

The rate for real estate transfer tax is fixed at 3%. The tax base is either the price of the real estate based on an official assessment or the real selling price, whichever of the two is higher. The tax is payable by the transferor (seller). The tax return is submitted within three months of the completion of the real estate transfer.

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# Social Security and the Self-employed in the Czech Republic

Social security in the Czech Republic is basically designed as a single system.

The universal nature of the system means that the conditions for all participants (payers of insurance premiums – employers, employees, self-employed persons) are basically identical. In contrast to some foreign programmes, there is not a special scheme for the self-employed. Nevertheless, the legal regulations concerning social security are partly adjusted in certain points to the specific features of these activities which result simply from the combination of the terms employer and employee in one person.

Entrepreneurs engaged in independent gainful activities as natural persons are self-employed persons (OSVČ in Czech), and so are cooperating persons. A cooperating person is a person to whom a part of incomes and expenditures from the performance of self-employment activity can be transferred.

## Payment of Pension Insurance Premiums is Mandatory

Pension insurance is mandatory for self-employed persons, sickness insurance is voluntary. Payers of sickness insurance premiums are entitled to sickness pay and maternity benefits. Health insurance is not a part of sickness insurance in the Czech Republic.

For the purposes of pension insurance, the activities of self-employed persons are divided into "main" and "collateral" (hereinafter OSVČ main and OSVČ collateral). OSVČ main are insured in all cases, OSVČ collateral are subject to mandatory pension insurance if their income, after deductible expenses, has reached a set amount in a calendar year, i.e. the equivalent of 2.4 times the average monthly wage of an employee. In 2008, the amount decisive for mandatory participation in pension insurance is CZK 51 744 (EUR 1 864) and in 2009 it is CZK 56 532 (EUR 2 036), if the self-employed person operated in all the 12 months of the calendar year.

OSVČ collateral are persons enumerated in the Pension Insurance Act. They are persons who are already insured on the basis of another activity, such as employees or students, or who already receive a pension.

An OSVČ is obliged to notify the respective District Social Security Administration (OSSZ) of the commencement of his/her independent gainful activity or cooperation. If an OSVČ is engaged in more than one activity, each of which is considered an independent gainful activity, he/she participates in pension insurance, and possibly sickness insurance, on the basis of only one activity. This also applies when the person is both a self-employed and cooperating person.

An OSVČ main is obliged to pay advances on pension insurance for each calendar month in which he/she was engaged in this activity.

An OSVČ collateral does not pay advances in the year he/she commenced the activity.

## All Are Required to Pay Advances

All OSVČ (both main and collateral) are duty-bound to submit every calendar year the prescribed form "Overview of Incomes and Expenditures in the Year ...". Data provided on the form show whether an OSVČ collateral is liable to pension insurance in the current calendar year (whether he/she is obliged to pay premiums for the year), what amount an OSVČ main as well as collateral must pay in premiums on pension insurance for the past year, and what advances he/she must pay on insurance premiums from the month in which the form was submitted. OSVČ collateral are obliged to pay advances from submitting the Overview if they have been liable to mandatory pension insurance on the basis of income attained in the previous year. OSVČ collateral who do not meet the conditions for mandatory participation in sickness insurance may voluntarily subscribe to the pension insurance scheme.

Premiums are calculated from an assessment base. Self-employed persons determine this base themselves as an amount within their maximum and minimum assessment base. The maximum assessment base amounts to 48-fold the average employee wage; in 2008 the maximum assessment base is CZK 1 034 880 (EUR 37 276), for 2009 the maximum assessment base is CZK 1 130 640 (EUR 40 726).

The minimum assessment base amounts to 50% of the difference

Percentage rates of social security premiums in 2008 are shown in the following table:

Premium payers	Total premium	Insurance premiums		Contributions to state employment policy
		pensions	sickness	
Employers	26.0	21.5	3.3	1.2
Employees	8.0	6.5	1.1	0.4
Self-employed	29.6	28.0	4.4	1.6

between incomes and expenditures from the independent gainful activity in the respective calendar year, but it must not be lower than the minimum derived from the average wage. This minimum is one-quarter of the average wage for an OSVČ main and one-tenth of the average wage for an OSVČ collateral. In 2008 the minimum for OSVČ main is CZK 5 390 (EUR 194) and for OSVČ collateral CZK 2 156 (EUR 78), in 2009 it is CZK 5 889 (EUR 212) and CZK 2 356 (EUR 85) for OSVČ main and collateral respectively.

The amount determined by a self-employed person as his/her assessment base will be used to calculate the person's old-age pension, provided premiums have been paid on it.

### Changes in the Sickness Insurance

In 2009, the rates of sickness insurance premiums are being reduced to 2.3% for employers, 1% for employees, and 2.4% for self-employed persons. The rates are being cut, because from 1 January 2009 sickness benefits will be payable only from the 15th calendar day of sick leave. In the first 14 calendar days of sick leave employers



will pay wage compensation from their own sources. Self-employed persons will be entitled to sickness benefits only from the 15th day of sick leave. Implementation of sickness insurance will be simultaneously transferred from employers (organisations) to the District Administrations of Social Security. Employers will thus no longer be divided into organisations and small organisations. The payment of wage compensation (in the first 14 days of sickness) will increase the interest of employers in the extent of employees' sick leaves. Employers will be able to check whether employees are present at their home address and observe the schedule of permitted outside walks. Employers can also ask the respective district administration to conduct a check whether an employee observes the regimen of the treatment. Employers may reduce the wage compensation and even not pay it.

If a self-employed person does not pay insurance premiums for a calendar year in a correct amount, such a year is not taken into account for the purposes of pension insurance, both for the amount of pension and the required period of pension insurance. The person is obliged to pay a penalty on the insurance premiums due, amounting to 0.05% of the due amount for each day of default.

Conditions of pension insurance entitlements (age and required period of insurance) and sickness insurance entitlements and the determination of their amounts are the same for self-employed persons and employees. However, in sickness insurance it is taken into account whether a self-employed person has voluntarily subscribed to the scheme. He/she is entitled to the benefits only after insurance has lasted for a set period of time (3 months for the sickness insurance and 6 months for maternity benefits).

There are about 900 000 self-employed persons in the Czech Republic, 700 000 of them participate in the pension insurance scheme and 200 000 are registered for sickness insurance. The number of employees participating in sickness and pension insurance is about 4 000 000.

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### System of Benefits and Other Activities

Employers naturally need not limit their activities to duties determined by law. Voluntary activities of employers in providing various advantages and bonuses may be a means to cultivate the work environment and a way to enhance employee satisfaction, which may be favourably reflected in higher labour productivity. Scope exists in this respect also within collective bargaining. One of the most frequent benefits directly linked with the pension system is the possibility for employers to make financial contributions to the system of supplementary pension insurance with state contributions, or to life insurance. In such a case employers' expenditures are considered tax deductible expenses. Out of four million participants in the supplementary pension insurance scheme, about one-quarter receive contributions from their employers. Out of the overall number of private life insurance policies, about twelve per cent of the contracts are with employers' contributions.

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# European Funds – Important Instrument of Assistance to the Czech Republic

One of the tangible advantages of EU membership is the possibility to draw resources from the Union's structural funds. The main purpose of these funds is to help to promote the economic, social, and territorial cohesion of European regions, especially the lesser developed. This opportunity opened up to the Czech Republic immediately following its accession to the European Union in 2004.

## Positive Effects of the First Operational Programmes in the Czech Republic

For the shortened 2004-2006 period (with the possibility of drawing funds until the end of 2008), the Czech Republic drew approximately EUR 2.6 billion, to which it added its own national financial resources. The chief focus was on the development of regions, human resources, business and enterprise, transport infrastructure and the environment, which benefited from five operational programmes.

For the promotion of business and enterprise, a total of EUR 260.8 million was allocated through Operational Programme Industry and Enterprise (administered by the Ministry of Industry and Trade). By adding the national funds allocated under the framework of compulsory co-financing, this sum increased to EUR 347.8 million. Under 11 specific programmes, these financial means were used to support projects related to infrastructure (e.g. setting up and developing business incubators, science and technology parks, construction of new training facilities for selected branches of industry, setting up and developing new cluster initiatives, etc.) and for the direct support of individual companies, from the initial stages of their founding (e.g. in the form of advantageous credits for starting businesses) to their technological development and support of highly innovative companies. Special attention was paid to investment in technologies involving energy saving in production and the wider use of renewable energy sources.

Although the final benefits of European assistance in this shortened programming period will only be known at the end of this year and the beginning of next year, when a final, detailed assessment of the use of European structural funds is made after the last sums have been paid out, current results already indicate tangible achievements. Nearly 3 000 business entities have been granted support from Operational Programme Industry and Enterprise. An important aspect of this support is the fact that the proponents of the successful projects were not the only beneficiaries: the European funds they obtained also helped raise effective demand thus benefiting subcontractors. Programmes focusing on the development of innovation technologies were especially successful. They helped introduce the latest scientific and research knowledge in production, facilitating the import of high-tech technologies, which until then had been practically unavailable for financial reasons, raising the

competitiveness of Czech companies, especially small and medium-sized businesses, which benefited most from the support. These additional financial sources also helped to promote industrial co-operation with foreign partners and their direct investment in production in the structurally most affected regions of the Czech Republic. This is attested by a number of beneficiaries, whose names indicate their foreign origin, for example P-D Refractories CZ – German capital, Ingersoll-Rand Equipment Manufacturing Czech Republic – Dutch and Irish capital, OPTAGLIO – British capital, COPRECI CZ – Spanish capital, SWISS-FORM – Swiss capital, T.W.I. – Austrian capital, and Macco Organiques – Canadian capital.

## Significant Increase in European Funds for the Czech Republic in 2007-2013

The new 2007-2013 programming period opens up a unique opportunity for the Czech Republic to draw several times more money from European funds, as the sum allocated to it for this period is more than EUR 26 billion. This amount will again be augmented by the Czech Republic's national co-financing. After 2013, however, such generous allocations are no longer expected in view of the estimated future growth of the Czech economy.

Businessmen and entrepreneurs will be able to draw more than EUR 3 billion from the European Regional Development Fund through Operational Programme Enterprise and Innovations. This, together with the sum which will be made available by national co-financing, will raise the amount to more than EUR 3.5 billion. These funds will continue to be offered in support of top projects via 15 programmes announced by the Ministry of Industry and Trade.

The very name of the operational programme, however, indicates that grants will be targeted especially at new innovation projects, which have the greatest potential to boost the competitiveness of the Czech economy. In addition, support will be given to the more widespread introduction of the latest information and communication technologies, and as a new feature, to projects with the potential to raise the capacity of companies, especially small and medium-sized businesses, for in-house research and development. This also includes direct support for the protection of their industrial ownership rights in the form of financial participation in the costs of applications for patents and inventions. The main emphasis in this respect will be



Image of 9–12 seat EV-55 “Outback” Aeroplane

placed on the rapid practical application of the patents and innovative technologies in ordinary serial production.

The first response to calls for the presentation of projects announced by the Ministry last year and this year reveals that despite a certain delay in drawing money from European structural funds mainly due to prolonged and complicated negotiations of the Czech Republic with the European Commission (Operational Programme Enterprise and Innovations together with other operational programmes was only approved in December 2007), the interest on the part of businessmen in the announced support programmes is tremendous. Businesses have presented a number of interesting and innovative projects, indicating that the financial sources made available will be completely exhausted within a relatively short time.

At this point, more than 1 000 Decisions have been issued approving the allocation of subsidies amounting to over EUR 250 million. The first projects which have been approved are already nearing completion and the subsidies are being paid out.

These examples show that the European principles of economic and social cohesion are being consistently and purposefully applied and that they are bringing real tangible results.

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# Structural Funds - An Important New Source of Financing R&D

Together with licence purchases and technology transfers, industrial research and development is the main impetus for innovation in industry and industrial services in the Czech Republic. As is clear from statistical surveys and the level of participation of the private sector in research, development, and innovation support programmes run by the Ministry of Industry and Trade, the number of business entities involved in research and development is growing continuously. As a result, the quality of research itself is increasing commensurately with the volume of financial resources contributed from both state and private sources.

However, it is beyond dispute that while there is a greater participation in research and development projects, mainly by universities, the number of findings made through research conducted from public resources and transferred to the industry, i.e. its commercialisation, is still insufficient, thus hampering efforts for the creation of a so-called "knowledge economy" in the Czech Republic. Private sector industrial research, and especially development, is mainly conducted by companies with foreign capital, while other business entities tend to address product and technology innovation by purchasing technological equipment and know-how, often from abroad. In contrast to the developed countries of the EU-15, and certain new Member States, most of Czech expenditure on research and development is made in industries with a medium or low level of technological sophistication.

## Support Programmes

Support programmes, conducted under the authority of the Ministry of Industry and Trade (MPO), aim to increase the intensity and quality of industrial research and development. Up until last year, these were the TANDEM, IMPULS, and TRVALÁ PROSPERITA (Lasting Prosperity) programmes which were in high demand among the private sector. Approximately 200 projects were supported through these programmes each year. The average intensity of support amounted to 50% of project costs. The TANDEM and IMPULS programmes have now been replaced by the new TIP programme in 2008.

The TANDEM programme provided support for industrial research, conducted by teams of industry and research representatives. The condition for financial support from the state budget was to ensure that the results of projects were used for research and development of particular industrial products or technologies. Another MPO programme called IMPULS, directly related to TANDEM, focused on industrial research and development of particular products and technologies. Supported projects had to create output in the form of a prototype or a new technology. The LASTING PROSPERITY programme supports research and development in 24 selected progressive areas specified by the Czech Government. These include, for example, hydrogen and fuel cell utilisation as energy

sources, the application of new materials in machine building, mechatronic systems and robotics, etc. The focus of the new TIP programme – to be announced in 2008 for the first time – is essentially equivalent to that of the IMPULS programme.

## Selected Successful Projects

Successful projects supported through the above mentioned MPO programmes show that in addition to traditional industries such as engineering, certain businesses operating in the Czech Republic have started to focus on progressive industries with high added value, such as biotechnology or information and communication technologies. This indicates an upward trend in cooperation among business entities and universities.

### Successful MPO Programme projects include for instance:

The "Research and Development of the 9-12 Seat EV-55 'Outback' Aeroplane" in the "general aviation" category, conducted by a partnership of 16 entities headed by Evektor-Aerotechnik of Kunovice. The aim of this ambitious project is not only to replace ecologically unsound and obsolete machines with a top new product, but also to complete the long-term process of revitalising the Czech aviation industry, which had been hit by the loss of markets in the countries of the former Soviet Union.

The "Research and Development of the Low-Floor Regiolife Motor Unit", conducted by Pars Nova of Šumperk, aims at developing a train for regional railway transport that would significantly improve the culture, economy, and ecology of transport on the currently neglected regional railways in the Czech Republic.

The project for "Nanotechnology in Medicine – Tissue Support for Binder Reconstruction" conducted by CPN of Dolní Dobrouč aims at improving the quality of joint cartilage and ligament treatment following injury or degeneration.

## Support from Structural Funds

Industrial research and development in the Czech Republic has had the support of European Union structural funds since 2004. For the most part, support is aimed at building and developing a material infrastructure for

industrial research and development. Support is provided through the PROSPERITA (Prosperity), POTENCIÁL (Potential), KLASTRY (Clusters), and SPOLUPRÁCE (Cooperation) programmes, which are all part of the Operational Programmes under the authority of the MPO.

The PROSPERITY programme supports the creation and development of scientific and technological parks, business incubators, and technology transfer centres, i.e. facilities that provide rental space and services to innovative entrepreneurs, especially for company start-ups. These facilities often offer laboratories as well as other services, such as the mediation of purchases and sales of patents and know-how. During 2004-2006, a total of CZK 1 787 million (EUR 64.4 million) was allocated under this programme, while CZK 10 605 million (EUR 382 million) have been allocated for 2007-2013.

#### **The most successful projects conducted through the PROSPERITY programme include:**

The Technology Park and Technology Transfer Centre at UTB Zlín has been established by Tomáš Baťa University with a grant of CZK 142.2 million (EUR 5.12 million) from the Operational Programme Industry and Enterprise. Its aim is to group companies developing new and innovative products on the basis of polymer materials for use in healthcare and food processing. The VTP (technology park) – opened in March 2008 – stretches on an area of 5 459 sq.m and was voted project of the year in its category.

The CPIT, TL2 Technology Pavilion – Centre of Innovative Technologies, established by VŠB – Technical University Ostrava is another large project aiming to aid technology transfers. The business incubator and the technology transfer centre will occupy 5 800 sq.m, rendering the project one of the largest in the Czech Republic; it has also been chosen the Best Business Project of 2007 in the business incubator category.

The Science Park at Mstěčice was established by Eurosignál, a. s. in cooperation with the Faculty of Transportation Sciences at the Czech Technical University in Prague. The Park provides facilities for companies specialised in research, development, and testing of new security technologies and procedures, chiefly in transport and high-speed railway transport especially. The grant amounted to a total CZK 102.7 million (EUR 3.7 million). The Park offers 1 067 sq. m of space for the VTP (science and technology park), an incubator, and technology transfer centre.

POTENTIAL is an entirely new programme for the support of material infrastructure for industrial research and development, first announced in 2007. The aim of this programme is to encourage businesses, especially small to medium-sized ones, to invest in machine equipment for their own activities. CZK 7 391 million (EUR 266.2 million) has been allocated for this programme for the period 2007-2013. It is gratifying to see that despite the slow economic return on investments in machine equipment, the interest in the programme among innovative businesses is high. This confirms the relatively high degree of technological maturity of businesses in the Czech Republic.

#### **Examples of Successful Projects**

The "EXBIO Research and Technology Centre" established by EXBIO Praha of Vestec u Prahy. Its aim is to create an infrastructure for humane pharmaceutical research, especially the development of antibodies. It is a unique facility that employs biotechnologies and partakes in a number of national and international research projects.

The project for a "Centre for the Research and Development of Nanofiber Materials and Technologies, Nanoospider TM" designed by ELMARCO of Liberec. It aims to build a research and development centre for nanofiber material production technologies based on modified electrospinning.

With regard to the ever-growing costs of research and development, it is necessary to group business entities, universities, and research organisations in order to ensure the best possible utilisation of machine and human capacity. Cooperation in industrial research and development has greatly benefited from so-called "clusters". This is a relatively new form of cooperation associating regionally and super-regionally connected

business entities, the scientific and research community, and educational and other support institutions. The aim of such groups is not only to deepen the cooperation of companies with the scientific and research community, but also to eliminate isolation and enhance communication among companies themselves. Access of small and medium companies to scientific and research projects and infrastructure can be handled through partnership with competing companies and by identifying common needs.

#### **CLUSTERS Programme**

The CLUSTERS programme was implemented during the programming period 2004-2006. The first phase of the programme consisted of mapping the potential for establishing and developing clusters in different regions and lines of industry. The aim of the projects was to find and put together a suitable member base and to identify the common interests of members. Clusters that succeeded in defining projects were given the opportunity to obtain support for establishing and developing their cluster. Established clusters include a broad range of industries: traditional industries (wood processing), industries going through restructuring and a change of focus on new and innovated products (technical textiles), new prospective industries such as biotechnologies and bioinformatics. The CLUSTERS programme received support amounting to CZK 171 million (EUR 6.16 million) from the MPO.

The most successful projects include, for example, the OMNIPACK Cluster, which associates companies specialising in packaging and other companies from related fields. The Cluster focuses on the development and production of packaging and combined packaging (i.e. packaging made from different types of material – plastic, paper, wood, metal) in cooperation with the University of Pardubice, the University of West Bohemia in Plzeň, the Institute of Chemical Technology, and Czech Technical University in Prague. One of the most important projects of this Cluster was the equipping of a research and testing centre. The centre employs unique technologies for the development of new packaging and for the design of fixations, as well as technologies for ascertaining and measuring mechanical strain affecting packaging and the packed product, and testing equipment for verifying the construction quality of designed packaging systems in relation to protection requirements on packaged products. The Cluster has also succeeded in registering three out of four submitted utility designs.

Cluster support also remains in place for the programming period 2007-2013 as part of the SPOLUPRÁCE (Cooperation) programme, which places an even greater emphasis on support for projects focused on joint research, development, and innovation. The programme will now also support technological platforms intended to associate key subjects from the public and private sectors in a given field. The aim of this association is to cooperatively create a strategic research agenda in technological areas important to the business sector, and to guarantee its subsequent implementation. The association should also contribute to a greater participation of important Czech research institutions and companies in European technology platforms and initiate research and development projects. CZK 3 900 million have been allocated for the implementation of the Cooperation programme.

#### **Improvements in Industrial Research and Development**

The above mentioned implies the Czech Republic has, during the past ten years, significantly improved its position in the area of industrial research and development in the European Union and on a global scale. It has created the basic prerequisites for establishing a knowledge economy and integrated fully within the European Research Area. One of the reasons for this improvement is the acknowledgment of need for state support in this area, and continued gradual increases of support for research and development in the business sector.

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# Efficient Protection of Investments in the Czech Republic

Since the Czech Republic's regime change, nearly 20 years ago, the country has developed into a modern European state. Its economic and legal conditions are now fully stabilised and comparable with the standards of other countries of the European Union, to which it acceded in 2004.

The Czechs are aware that creating values and wealth in society is accomplished in part through business and entrepreneurship. It is therefore working systematically to create and improve a suitable, simple, transparent, and non-discriminating business environment, including foreign investment environment, which has become an inseparable and indispensable part of the global economy.

## Protection of Foreign Investments

Protection of foreign investments is embodied in regulations on investment incentives<sup>1)</sup>, which are based on European legislation. This makes it possible to support specific kinds of investments with, for example, income tax relief or discounted sales of land equipped with technical facilities or providing material support to programmes for the creation of new jobs or the requalification of employees<sup>2)</sup>.

With more possibilities for foreign investors to invest in the Czech Republic, both indirectly, i.e. by capital participation in Czech companies<sup>3)</sup>, and directly, by setting up their own enterprises or organisational units<sup>4)</sup>, the investments of foreign entities must be duly secured.

As a matter of course, in addition to creating favourable conditions, the Czech Republic guarantees proper and equitable treatment of investors, granting them full legal security and protecting them against all interference with and restriction of their ownership rights. These valid and enforceable obligations of the Czech Republic towards foreign investors ensue primarily from bilateral agreements on the protection and support of investments, which the Czech Republic has signed with nearly 80 states.

With the accession of the Czech Republic to the European Union the enforceability of the rights and claims of foreign investors has improved significantly, as European legislation has become directly applicable in the Czech Republic and binding for both state authorities and private entities. In this way, the Czech legal environment has become open and unified with the legal environment of the other EU member states. Investors can rely on unified legal institutes and identical legislation known to them previously only from their home states or the other member countries.

The legal regulations protecting and supporting investment in

the form of international treaties have been supplemented with the unified legal regulation of debt collection<sup>5)</sup>, unified rules for the determination of jurisdiction<sup>6)</sup>, simplified procedures for the service of official documents<sup>7)</sup> and evidence proceedings<sup>8)</sup>, and the uniform regulation of European bankruptcy proceedings<sup>9)</sup>. This legal "dualism" ensuing from international and European law is supplemented by the rapid "Europeisation" of Czech legislation.

## The Enforcement of Claims is Simpler

It can be said without exaggeration that cross-border enforcement of claims within the framework of EU states has never been simpler than it is today. The free movement of persons, goods, services, and capital has been enlarged with the addition of the free movement of court rulings and official documents. Direct communication between judicial bodies, the possibility of filing suits, applications and other documents in several European languages and, in particular, the simplification of legislation governing the enforcement of claims and rights has brought the European national system of justice closer to creditors – investors.

The Czech Republic ranks alongside states which years ago erased their frontiers regarding the "transferability" of rulings of their own courts. It handles court rulings awarded, for example, in Italy, France, Germany, and other EU member states as if they were passed by its own courts, and vice versa. A Czech ruling has become equivalent to any ruling passed by a court of any other member state.

The fact that rulings passed in one member state can be recognised and enforced in other member states – without the need to undergo lengthy proceedings – as well as the fact that bankruptcy proceedings involving several member states are governed by the same rules not only helps creditors to take their bearings in the frequently intriguing jungle of legal regulations, but it enables law



specialists to carry out their profession without needing to consider the national borders.

And, last but not least, unification encourages cross-border business activities and in the final analysis helps to create the Single European Area. The Czech Republic, as a member of the European Union, participates actively in this process and continues to be one of its co-creators.

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<sup>1)</sup> Act No. 72/2000 Coll., on Investment Incentives and on the Amendment of Certain Acts (Investment Incentives Act), as amended.

<sup>2)</sup> Section 1 para. 2 of Act No. 72/2000 Coll., on Investment Incentives and the Amendment of Certain Acts (Investment Incentives Act), as amended.

<sup>3)</sup> Section 24 of Act No. 513/1991 Coll., Commercial Code, as amended.

<sup>4)</sup> Section 21 of Act No. 513/1991 Coll., Commercial Code, as amended.

<sup>5)</sup> Regulation (EC) No. 805/2004 of the European Parliament and of the Council creating a European Enforcement Order for Uncontested Claims. Regulation (EC) No. 1896/2006 of the European Parliament and of the Council creating a European Order for Payment Procedure. Regulation (EC) No. 861/2007 of the European Parliament and of the Council creating European Small Claims Procedure.

<sup>6)</sup> Council Regulation (EC) No. 44/2001 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters.

<sup>7)</sup> Regulation (EC) No. 1393/2007 of the European Parliament and of the Council on the Service in the Member States of Judicial and Extrajudicial Documents in Civil or Commercial Matters.

<sup>8)</sup> Council Regulation (EC) No. 1206/2001 on Cooperation between the Courts of the Member States in the Taking of Evidence in Civil or Commercial Matters.

<sup>9)</sup> Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings.

■ PRAGUE

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**ÚVN**



# The Central Military HOSPITAL PRAGUE – A SAFE HOSPITAL

The Central Military Hospital Prague (Ústřední vojenská nemocnice Praha – ÚVN) is a top-standard medical facility, which has been providing high standard medical services since its founding seventy years ago.

This fact was affirmed in 2004, when the hospital was awarded the JCI (Joint Commission International) accreditation, and thus became the first hospital in the Czech Republic, and indeed in all Central and Eastern Europe, to obtain this prestigious international accreditation certificate awarded to hospitals that provide patients with medical care and safety of the highest possible standard. The certificate is valid for three years only. In 2007, ÚVN Praha successfully defended its statute of an accredited hospital.

ÚVN Praha provides a comprehensive range of medical care, with the exception of paediatrics, obstetrics, and cardio surgery.

The priority of ÚVN is emergency medicine. A heliport situated on the roof of the ÚVN pavilion allows patients to be admitted directly from the helicopter to the hospital pavilion. The heliport at ÚVN is the only one in the Czech Republic. It is fully technologically equipped and allows landing at night.

**ÚVN Praha also operates five clinics with 20 specialised departments that carry out highly specialised surgery and treatment, especially in the following areas:**

- The Internal Clinic provides specialised gastroenterological and cardiological examinations and treatment.
- The Neurosurgical Clinic is the leading medical facility in the Czech Republic for brain tumour and blood vessel surgery. In February 2008, a multifunctional operating room was opened with magnetic resonance imaging for neurosurgical interventions. This unique facility enables a surgeon to visualise affected brain tissue which must be removed with high resolution and millimetre accuracy. The multifunctional operating room at ÚVN is a unique assembly of its kind. There are only two similar facilities worldwide, in Belgium and Arizona.
- The Surgical Clinic specialises in surgery of the digestive tract, liver, and pancreas.
- The Ophthalmological Clinic carries out highly specialised outer and inner-eye surgery with a specialisation in cataract, glaucoma, vitreoretinal operations and transplantations (the Clinic operates its own eye tissue bank), as well as all types of laser treatment.
- The Otorhinolaryngological (ORL) Clinic diagnoses outpatients and treats them for otological, otoneurological, rhinological, endocrino-surgical and oncological conditions. It is fitted with the most modern technical equipment and facilities in the whole of the Czech Republic.

In November 2005, the da Vinci robotic surgical system was put into operation at ÚVN Praha. It is used for urological, gynaecological, and surgical operations. The urological department team uses the robot for radical prostatectomy in prostate carcinoma patients. The success of ÚVN's urological department was highlighted in 2006, when it was declared the most productive robotic department in the Czech Republic in that year.

ÚVN Praha also functions as a training, educational, and medical treatment facility for the Armed Forces of the Czech Republic, providing medical care both to the civilian population as well as examining the condition of active servicemen and those applying for military service in the Armed Forces. Furthermore, ÚVN Praha trains medical personnel for military missions undertaken abroad.



[www.uvn.cz](http://www.uvn.cz)

# Rights and Duties of Employers and Employees in the Czech Republic

Czech legislation provides for various rights and duties for both employers and employees. This aim of this article is not to provide an exhaustive list of those rights and duties, but rather to acquaint the readers with the essentials. The basic rights and duties of the employer and the employees in the Czech Republic are laid down in particular by Act No. 262/2006 Coll., Labour Code, Act No. 309/2006 Coll. stipulating further requirements for health and safety protection at the workplace, and Act No. 435/2004 Coll., on employment. For greater clarity, the rights and duties of employers and employees are divided into several groups within the following text.

## 1. Duties upon entering an employment relationship

Employer's duties	Employee's duties
<p>create an employment contract; possibly a wage or payment contract;</p> <p>acquaint the employee with the wages, working terms, and conditions (e.g. the employer's internal regulations) and instruct the employee in the area of health and safety protection at the workplace;</p> <p>obtain the employee's consent to having his/her personal data processed in connection with the employment relationship and maintaining such data on file;</p> <p>reporting duty to the concerned bodies of public administration.</p>	<p>provide the employer with any and all documents requested and willingness to co-operate so to allow for the establishment of an employer/employee relationship (e.g. identity card, documents concerning education and practical experience, health certificate, extract from the Criminal Registry, etc.).</p>

employees, as well as other natural persons seeking potential employment;

inform the employee about issues concerning his/her employment and discuss with him/her the collective contract and acquaint him/her with the internal rules and regulations;

refrain from imposing financial fines upon the employee for the violation or breach of duties ensuing from his/her employment, refrain from requesting or agreeing to securing liabilities while working in the position of employee.

use the means entrusted to him/her by the employer with due care and guard and protect the employer's property against damage, loss, destruction, and misuse and further refrain from acting in contravention with the justified interests of the employer.

## 2. Essential rights and duties resulting from an employment relationship

Employer's duties	Employee's duties
<p>assign work to the employee according to his/her employment contract, compensate him/her the agreed wage or salary for his/her work and observe all other working terms and conditions laid down by legislation or in accordance with the internal rules and regulations, or the collective or employment contract;</p> <p>refrain from overlooking risks from dependent gainful activity to the employee;</p> <p>ensure an equitable treatment of the employees and observe the discrimination ban on all</p>	<p>according to the employer's instructions, personally perform and fulfil work duties pursuant to the employment contract during weekly working hours;</p> <p>work conscientiously to the best of his/her ability, knowledge and capacity, and follow the instructions of the superiors;</p> <p>make full use of the working time and the employer's means in order to dutifully perform the work assigned to him/her;</p> <p>observe related legal and other regulations;</p>

The specific employees' duties mentioned above relate to employees in general; special duties of senior employees are stipulated by section 302 of the Labour Code and where it concerns public employees in section 303.

Employer's duties	Employee's duties
<p>schedule the working time and determine the beginning and the end of shifts;</p> <p>issue internal rules and regulations;</p> <p>determine the employees' vacation-time.</p>	<p>right to wage, salary, or remuneration under conditions stipulated by the Labour Code;</p> <p>right to a vacation;</p> <p>right to a lunch break;</p> <p>right to information and discussion thereof.</p>

## 3. Employer's duties upon termination of an employment contract

- terminate an employment contract with an employee only in cases stipulated by law (section 48, et seq.);
- grant the employee with whom the employer has made a competition

clause an adequate pecuniary settlement, which may not be less than the employee's average monthly earnings for each month of the duration of the clause;

- discuss the notice to quit and instantaneous cancellation of the employment contract with the concerned trade union body;
- grant an employee time off prior to termination of the employment contract in order to find a new job (a maximum half-day a week for the duration of the notice period);
- settle unused vacation days with the employee;
- grant an employee severance pay in cases stipulated by section 67 of the Labour Code (higher than statutory, unless provided for otherwise);
- issue the employee (even without an application) with a work document (employee card), and upon the employee's request, a statement which provides data on his/her average earnings;
- issue applicable references for the employee upon the employee's request (within 15 days of the application date).

#### 4. Rights and duties of the employer and the employee in respect of health protection and work safety (BOZP)

Health protection and work safety (BOZP) are an important part of care for employees. Czech legislation lays down specific duties for both employers and employees aimed at reducing health and life-risking hazards at the workplace (section 101, et seq. of the Labour Code).

Employer's duties	Employee's duties
create a safe working environment and working conditions free of hazards which may endanger the employee's health;	see to his/her own safety and health and the safety and health of persons directly affected by his/her actions and possible neglect;
identify potential hazards threatening the employees' health, determine their cause and origin and take measures to eliminate or minimise them; carry out work categorisation;	attend courses arranged by the employer to ensure BOZP standards and allow for the verification of his/her knowledge;
provide employees with personal protective wear and beverages;	allow to be examined by the on-site physician, to undergo preventative examinations, e.g. inoculations and diagnostic tests pursuant to special legislation;
ensure medical services of a physician who will work under a contract and provide the employees with preventative care;	observe legal and other regulations and instructions of the employer concerning BOZP standards with which he/she has been duly acquainted, and be guided by the principles of safe behaviour at the workplace and based on information provided by the employer, and by work procedures which have been instituted; follow personal precautionary work guidelines and use protective equipment;
arrange courses for employees to inform them of legal and other regulations to ensure BOZP relating to their work and workplace;	refrain from drinking alcoholic beverages and using other non-controlled substances at the premises of employer, and during working hours even outside those workplaces, refrain from entering the employer's workplace under the influence and from smoking at the workplace, where non-smokers are also present, and undergo a test of non-controlled substances to prove, if he/she is under the influence of such substances based on the instructions of a superior who is authorised in writing by the employer;
appoint a qualified person to ensure the prevention of hazards (safety engineer);	report to his/her superior any shortcomings and defects at the workplace which may possibly endanger the health and work safety of individuals at the workplace, and to report any work-related injuries and co-operate in providing further clarification for their cause.
fulfil obligations concerning work injuries and vocational diseases; examine the causes of injuries, keep records and further to take measures in order to prevent injuries;	
ensure granting first aid to employees;	
ensure that the work premises meet BOZP and hygienic standards;	
put safety signs in place and operate warning signals and inform employees accordingly;	
regularly check the BOZP standards and verify if the employees are well-informed about the system.	

#### 5. Employer's duties in relation to the employees' representatives

The employer has consequential obligations towards the employees' representatives, i.e. the employees' council, or the respective trade union organisation. Such duties are particularly of an informational character (section 279 – to inform of the employer's economic and financial situation and his activities, of the legal position of the employer and persons authorised to act on behalf of the employer in employer/employee relations, of measures to ensure equitable treatment, etc.), the obligation to discuss (section 280 – structural changes, transfer of employees, notice to quit, etc.) and to obtain prior consent in cases stipulated by law (section 61 dismissal of a member of a trade union body, section 348 – unauthorised absence from work, etc.).

#### 6. Employer's duties concerning privacy protection

The employer also has certain duties concerning the protection of privacy and personal data and discrimination prevention. In particular, the employer is obliged:

- not to infringe upon the employee's privacy at the workplace and in the commonly used premises of the employer without providing good reason by subjecting the employee to overt or covert shadowing, tapping, and recording of his/her telephone calls, controlling his/her electronic or letter mail which is addressed to the employee;
- to inform the employee directly of the extent of the control of his/her work and the course of its handling, should the employer have serious grounds to carry out such control ensuing from the special nature of his business warranting the use of control mechanisms;
- not to request from the employee information which is not directly linked with his/her work and employment contract (in particular, information about pregnancy, family matters, financial situation, sexual orientation, origin, membership of a trade union organisation, political party or movement, and religion);

#### 7. Special duties regarding certain employee groups

Certain groups of employees have the statutory right to special protection and a special modification of their working conditions. This applies, in particular, to pregnant and breast-feeding mothers ( may not be assigned certain tasks and must be transferred to another position if their existing position endangers their condition, and must be allowed paid feeding breaks), juveniles (shorter working hours, no night or overtime work) and employees looking after children or persons requiring special care ( may not be sent on business trips without their explicit consent, right to shorter working hours) and handicapped persons (create conditions for their employment; employers with 25 employees must employ at least 4% people with a handicap or provide facultative compensation).

In conclusion, it is important to note that the rights and duties of employers and employees in their mutual relationship may be regulated differently from what has been said above, only if this is not explicitly disallowed by the Labour Code, or if the provisions of the Labour Code are not of a nature denying such divergence.

More information is available at:

[www.mpsv.cz/en/1609](http://www.mpsv.cz/en/1609)

[www.czech.cz/en/work-study/employment/rights-and-duties-of-employees-and-employers](http://www.czech.cz/en/work-study/employment/rights-and-duties-of-employees-and-employers)

[www.europa.eu.int/eures/main.jsp?acro=living&lang=en&parentId=0&countryId=CZ](http://www.europa.eu.int/eures/main.jsp?acro=living&lang=en&parentId=0&countryId=CZ)

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Company owner and executive head ANASTAZIE SKOPALOVÁ, a member of the Association of Czech Aromatherapists, is an experienced cosmetician and massage therapist and much-favoured lecturer on aromatherapy and massage both in the Czech Republic and abroad.

**[www.originalatok.cz](http://www.originalatok.cz)**

**Cosmetics ATOK International s. r. o.  
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*Cosmetics ATOK International was founded in 1997.*

*Today it is a dynamic and prosperous company focused on the development, production, and sale of Original ATOK natural aromatherapy cosmetics.*

*The advantage of these cosmetics is that they are absolutely fresh.*

*Substances are prepared only on the basis of the client's order.*

*The quality of products is attested by the ORGANIC PRODUCT trademark.*

*Products labelled with this logo contain 80-100 % natural ingredients.*

*The company is a holder of the ISO 9001:2000 certificate.*

*The Original ATOK trademark offers a comprehensive range of cosmetic products suitable for all age categories. They include, for example, bath and shower oils, cosmetics for children, regenerative creams, specific substances suitable for eczema-affected skin, fungal infections, for forming the figure and many others.*

*Our products are distributed both on the Czech market as well as abroad.*

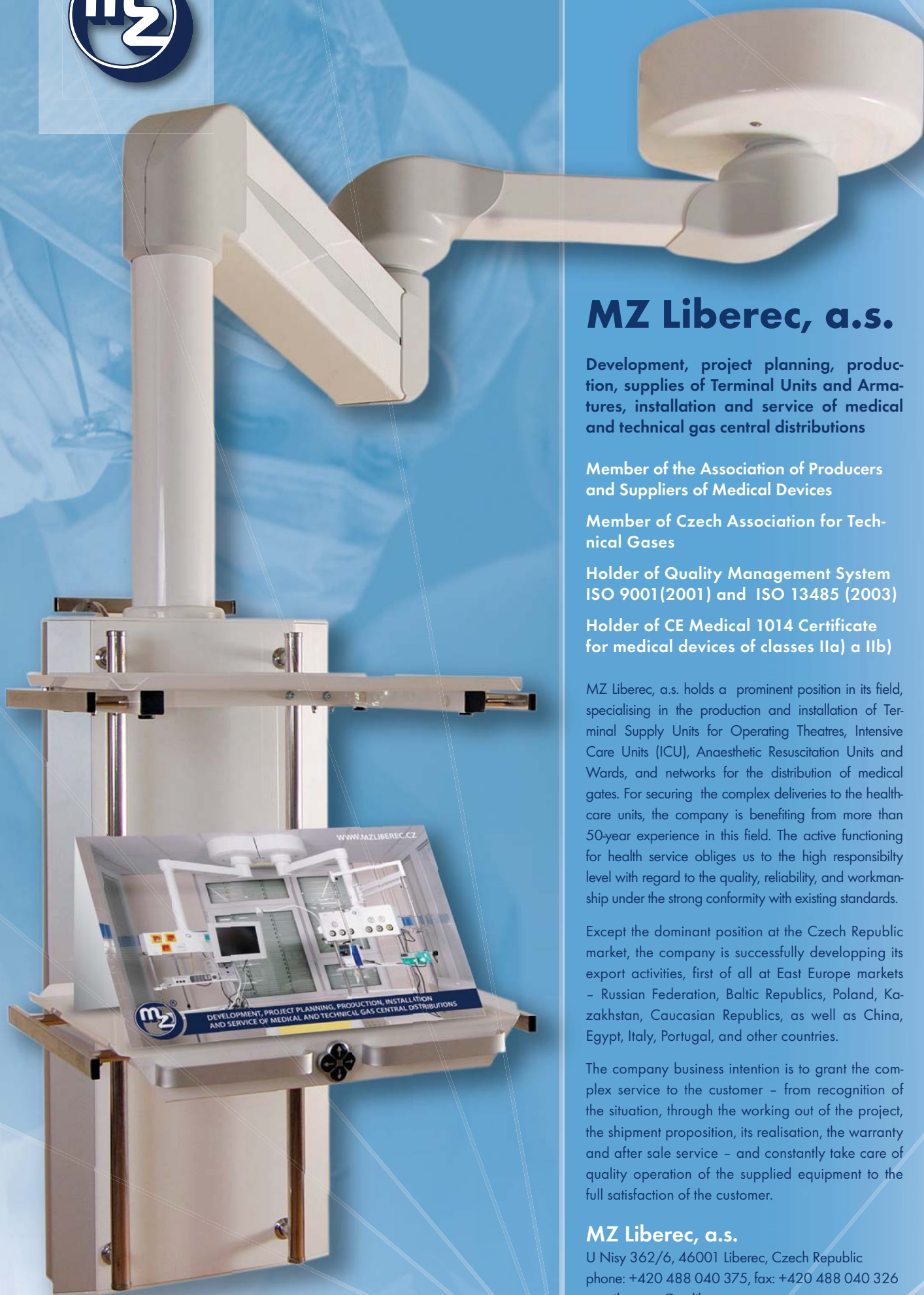
*We export to many European countries, such as Ireland, the United Kingdom, Russia, Lithuania, Germany, Kazakhstan, the Ukraine, and Slovakia.*

*Original ATOK products are not distributed via the general retail network but are on sale only in specialised company outlets. They are also distributed by professionals – cosmeticians, massage therapists, doctors, employees of spa, rehabilitation, and mother centres, the network of pharmacies and bio-shops.*



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## **MZ Liberec, a.s.**

**Development, project planning, production, supplies of Terminal Units and Armatures, installation and service of medical and technical gas central distributions**

**Member of the Association of Producers and Suppliers of Medical Devices**

**Member of Czech Association for Technical Gases**

**Holder of Quality Management System ISO 9001(2001) and ISO 13485 (2003)**

**Holder of CE Medical 1014 Certificate for medical devices of classes IIa) a IIb)**

MZ Liberec, a.s. holds a prominent position in its field, specialising in the production and installation of Terminal Supply Units for Operating Theatres, Intensive Care Units (ICU), Anaesthetic Resuscitation Units and Wards, and networks for the distribution of medical gases. For securing the complex deliveries to the health-care units, the company is benefiting from more than 50-year experience in this field. The active functioning for health service obliges us to the high responsibility level with regard to the quality, reliability, and workmanship under the strong conformity with existing standards.

Except the dominant position at the Czech Republic market, the company is successfully developing its export activities, first of all at East Europe markets – Russian Federation, Baltic Republics, Poland, Kazakhstan, Caucasian Republics, as well as China, Egypt, Italy, Portugal, and other countries.

The company business intention is to grant the complex service to the customer – from recognition of the situation, through the working out of the project, the shipment proposition, its realisation, the warranty and after sale service – and constantly take care of quality operation of the supplied equipment to the full satisfaction of the customer.

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# Salary Development in Different Professions in Selected Regions of the Czech Republic in Recent Years

A lot has changed since the accession of the Czech Republic to the European Union. Employees await the adoption of the euro with anticipation and wonder how much money it will take out of their pockets. When comparing macroeconomic indicators with the EU, the Czech Republic fares very well. Inflation keeps to similar values (about 2-3%). The GDP per capita grows continuously as does the nominal salary.

The Czech Republic has achieved great progress in the area of employment in recent years. The long-term unemployment rate was 2.8% in 2007, which is lower than the EU average.

The change on the job market has also been influenced by the fact that while Czech companies used to hire foreign workers during the 1990s, Czech workers are nowadays often sent abroad. There has been an

On the other hand, it is necessary to mention certain risks present on the Czech market:

- growing number of people of retirement age (there is a similar trend in other EU countries as well)
- strengthening exchange rate of the Czech currency

## Selected Regions in the Czech Republic and Development of Some Positions

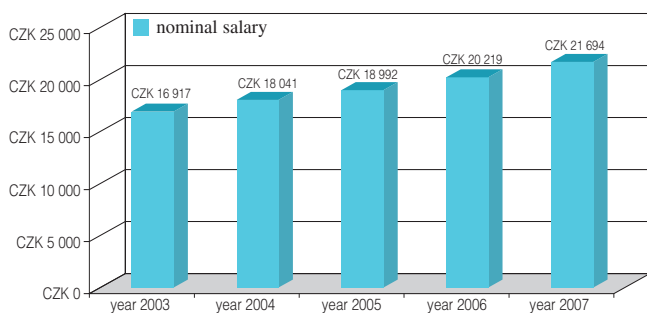
The Czech Republic is divided into regions. As is the case in other countries, the "top" region is the capital city, which sees the lowest rate of unemployment and, at the same time, the highest average nominal salary for employees. All of the 14 regions of the Czech Republic have traditions in the production sector. The fact that some of the regions used to depend on one line of industry only – which could have been weakened by growing competition – caused big differences to arise between the "prosperous" and the "less prosperous" regions.

Companies entering the Czech market should be aware of a possible shortage of highly specialised workers and the higher unemployment rate in certain regions. Long-term unemployment is rather low in the Czech Republic and job seekers are very willing to take part in retraining programmes.

Employee salary growth depends on profession. In the Czech Republic, the salary growth trend copies that of other countries. According to the PayWell salary study performed by PricewaterhouseCoopers, salary growth in companies has been 4-5% in recent years. Companies are expecting slightly greater growth of about 6% in 2008, which is related to the higher inflation rate that has occurred in the Czech Republic. The inflow of new foreign capital to the Czech market has changed the approach of companies, and salary growth is no longer stimulated only by inflation; instead, there is real salary growth.

Let us take a look at some typical professions in the Czech Republic: junior receptionist, production foreman, and senior accountant. Graph 2 shows information relating to gross salaries at median values for these three positions with a time comparison. There is no easy answer to the question

Graph 1: Increase of nominal salary



Source: Czech Statistical Office  
EUR 1 = CZK 27.762

improvement in language skills, which may be one of the reasons for the Czech Republic being sought for the establishment of so-called Shared Service Centres that serve individual company branches all over the world. Overall costs are not the lowest in the region, but if we are to consider only EU countries, then the following general reasons for entering the Czech market can be identified:

- lower salary and other costs to companies
- stability of a significant portion of macroeconomic indicators
- educational and qualification potential of the population
- language skills of the population



of why do salaries of some positions grow faster than those of others in the Czech Republic. Generally, it can be said that the lower the salaried position, the higher its year-on-year salary growth. Another trend shows generally lower salaries for production positions or in the automobile and industrial production.

If we were to concentrate on regional differences, it would be safe to say that the highest salaries are in Prague. There are generally higher salaries in the vicinity of the capital. Graph 3 shows regional differences. These salary indexes are calculated as the ratio of average gross salaries for a given profession in the whole population and represent the distribution of salaries in the different regions of the Czech Republic.

Regional differences have come to exist through historical orientation of individual towns. With the growing number of university-educated people in the Czech Republic, these workers leave for regions with better salaries. Historically, employees have not moved for work, so companies compensate for this shortage of employees by hiring agency workers from abroad.

With the development of industrial zones on the Czech market, company requirements for workers have changed. There is a continuous demand for qualified production workers or experienced employees for support services. In this aspect, the Czech market emulates markets in other European countries.

## Real Value of Salaries in the Czech Republic

Market development had been suppressed for a long time in the Czech Republic in the past, and, as a consequence, salaries are on a lower level than in other EU countries. However, it is interesting to make a time comparison of the growth of real salaries with these countries. Real salaries have grown by 41% in the Czech Republic over the past seven years, while the EU average has only been 8%. A growth comparable to that of our country has been seen in countries like Hungary and Poland, where it has reached 36% and 34%, respectively. Employees in the Czech Republic have felt the real growth of their salaries and the standard of living of the population is now comparable to that of other EU countries.

Czech employees are aware of the growth of their salaries and are not afraid to use this fact at job interviews. Unions, mainly at the bigger production companies, push for annual salary growth, but not all of these attempts are successful. Strikes related to salary increases do not have much of a tradition and are rather rare on the Czech labour market.

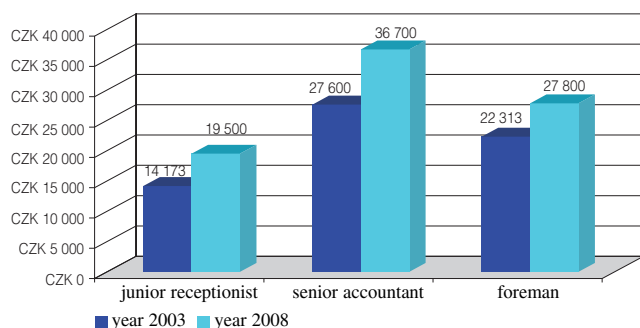
**Lenka Paulasová**

Human Resource Services

PriceWaterhouseCoopers Czech Republic

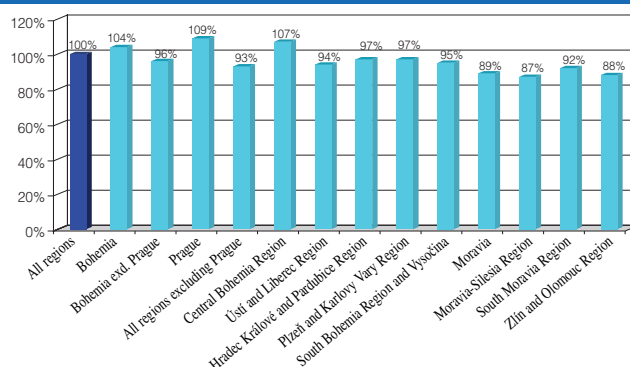
e-mail: lenka.paulasova@cz.pwc.com

**Graph 2**



Source: PayWell Salary Study 2003 and 2008, published annually by PricewaterhouseCoopers

**Graph 3**



Source: PayWell Salary Study 2008, published annually by PricewaterhouseCoopers

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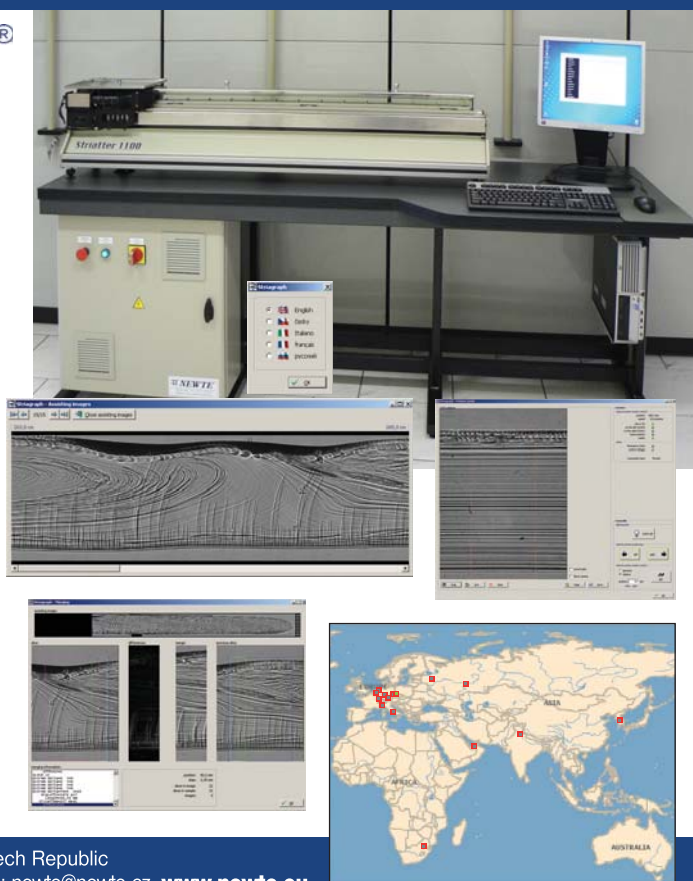
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# How to Succeed in Finding the Right Employees

If you are a company searching for "the right" employees for your new facility in the Czech Republic, you can proceed in several ways: either relying on the forces of your own human resources department, or using companies which specialise in the recruitment of people.

If the branch of your firm in the Czech Republic has not been established yet, you probably do not have a human resources (HR) department that would focus on recruitment either. The first approach is naturally recruitment by advertising on job portals (see Table). However, in this case one has no guarantee that replies will come from the most appropriate applicants. Czech candidates for jobs prefer the opposite way – they post their curriculum vitae on a job website and wait for a response. Unemployment on the domestic market is at a record low (4.3% in the 2nd quarter of 2008), and thus, in the current struggle for employees, after publishing their CV they can expect phone calls from other employers and especially HR agencies which search the job databases every day.

## HR Services Market

If you are a firm operating in manufacturing, finance, or logistics, you will hardly do without an employment agency. Finding a number of people for your new enterprise is a task difficult to accomplish from within. There are quite a few recruitment firms on the domestic market and they are regulated by the Ministry of Labour and Social Affairs. The firms must have the relevant permit to engage in job placement services, which is issued by the above-mentioned ministry upon the fulfilment of certain conditions. Special attention is paid to the professional qualifications of the firm's responsible representative, who is required to have complete university education and at least two-year work experience in job brokerage, or complete secondary education and at a minimum 5 years of professional experience in the field. The list of the agencies can be found on [http://portal.mpsv.cz/sz/obcane/zpr\\_prace](http://portal.mpsv.cz/sz/obcane/zpr_prace).

Similarly as in your homeland, you must clearly define at the beginning what you expect from your HR consultant. Do you just want to get an idea of the labour market and as many CV's as possible, and

plan to conduct the interviews and selection yourself? Do you want to establish long-term cooperation with the agency also for the future? Will you cooperate exclusively with one recruitment agency, or will you put out a tender and cooperate with three? In the agencies' offers, pay special attention to the duration of recruitment, and the price (in the Czech market the fee for a found employee usually amounts to 2-3 times his/her monthly wage), as well as to whether they will advertise the position under your company name, properly inform the candidates about the job description and your company activities, and thus save you time and money.

## The Czechs are Employees of Quality

But at the same time, they are aware of their possibilities and their value thanks to foreign investors and the existing and new jobs in newly founded business centres. However, the demands of employers are growing. Frequently they require not only professional education but also a proof of sufficient knowledge of foreign languages (most often it is English and German). Especially the generation entering the labour market is able to offer this knowledge to their employees, and thus presents much higher demands to these firms than "ordinary" workers: personal and professional growth, locality, and time intensity. The Czech market has an advantage in the developed system of education and the number of universities, which are often based in the regions. 63 500 students graduated from Czech universities in 2007, which is an increase attributed to the growing interest in bachelor-degree study programmes. The number of universities has also seen a record increase (there are 68 universities in the Czech Republic, 43 of them private).

## Labour Force Mobility is Increasing

In the past, the Czechs were not willing to move within the Czech Republic because of employment, but it can be said that this trend has changed recently. Mobility of Czech employees has stabilised, and this reflects the operation of foreign companies which are offering interesting possibilities on the local level. Research and specialised development centres are originating within the global society and market and give employees a chance to work with the latest technologies. Mobility on the level of top management, especially of persons offered senior positions, excellent financial conditions or the possibility to work in areas where there is a lack of vacancies is comparable with labour force mobility in countries of the European Union.

Prices of advertising on job portals		
Portal	Time of position posting	Price in EUR
<a href="http://www.prace.cz">www.prace.cz</a>	2 weeks	from EUR 83
<a href="http://www.topjobs.cz">www.topjobs.cz</a>	2 weeks	from 40
<a href="http://www.idnes.cz">www.idnes.cz</a>	2 weeks	36
<a href="http://www.profesia.cz">www.profesia.cz</a>	2 weeks	48
<a href="http://www.jobs.cz">www.jobs.cz</a>	2 weeks	from 176

Source: Price lists of the portals

## Benefits and Stability Are Important for the Czechs

Stability is an important priority for Czech employees – they understand that money is not the most important thing when changing a job. They place emphasis on agreeable working environment with a longer-term job certainty, frequently prefer non-pecuniary benefits, possibilities of training abroad, etc., to an increase in salary. According to a research conducted by the Factum Invenio agency, the most popular benefit among Czech employees is the so-called meal ticket (a tax-preferred voucher that employees can use in restaurants and selected shops), 89% of companies on the Czech market provide this advantage. The most important aspects of employment for the Czechs are especially job certainty (93% of respondents), and enjoyable work (91%). Only 35% of respondents said they consider financial remuneration very important.

**Jana Pike**

*Note: 2007 average annual exchange rate of 27.762CZK/EUR was used for the calculations*

## Average Price of Employees

According to the Czech Statistical Office, the cost of labour per month and employee amounts to CZK 28 941 (EUR 1042) in the Czech Republic, thus an employer spends on average CZK 347 293 (EUR12 510) on an employee in a whole year. The largest component of the labour costs are wages (their share in the costs was 64.13%), and no small part are the contributions to social security (sickness and pension insurance, contributions to state employment policy, contributions to general health insurance, and legal insurance of employers' accountability for damage in occupational injury or disease) required by law. These contributions represented for employers CZK 7 213 (EUR 260) per month and employee on average. The total of other items, such as contributions to housing and meals, costs and expenditures on the payment of extra programmes, supplementary social and pension insurance, or costs connected with the hire and training of employees, amounted to CZK 1 188 (EUR 42.8) a month. The highest costs are in Prague, which has recorded the highest levels of labour costs over the longer term, in 2006 the figure was CZK 35 689 (EUR 1285.5) per employee and month.

# Czechs among Best Educated Nations in Europe

Within the European Union and the OECD, the Czech Republic ranks among countries with the highest share of inhabitants with completed secondary school education, upper secondary education certified by a general certificate of secondary education (GCSE), or those with a vocational training certificate. Thus, nine out of every ten inhabitants aged 25-64 have completed at least a secondary school education. However, in terms of the share of persons with university education or higher vocational education, we lag behind Europe.

The high share of the Czechs with at least upper secondary school education is mainly attributable to the structure of the country's past system of learning. The Czech Republic has an extensive system of secondary school education offering a wide range of programmes, from training concluded by a vocational certificate, general education provided by secondary grammar schools and special schools and concluded by a GCSE. Although there has been increased pressure in recent years especially on an extension of the general education programmes, secondary special education has a long-standing tradition in the country and graduates of these schools continue to be much sought-after on the labour market, whether as skilled workmen or technical management staff.

## High Share of Secondary School Graduates

In 2007, only 9.5% of the Czech Republic's population aged 25-64 had no education or merely elementary education. Seventy-seven per cent had completed secondary school education (41% acquired apprentice training certificates or completed education in programmes which were not concluded with a school leaving examination, 35% were graduates with a GCSE), and 14% were graduates in programmes of tertiary education). The change that has occurred in the young generation is evident from a comparison with the education structure of the young generation in the 25-34 age group. It reflects a growing interest in studies of upper secondary school programmes concluded with a school

leaving exam, and a greater openness of universities. The share of people aged 25-34 with no education or just elementary education is falling and less than 6% of young people have this low level of education. This is a highly favourable trend. Another positive fact is that the share of young people with secondary school education concluded with a general certificate of secondary education is on the rise (41% of the population). At the same time the share of inhabitants with vocational training certificates is dropping (38% of inhabitants). The increase in the share of young people with tertiary education is also significant - 15.5% of young people have achieved this level of education, 1.7 percentage points more than in the population aged 25-64.

### Pursuing Studies at University and Higher Vocational Level

Not all those who have completed upper secondary education are sufficiently qualified to continue studies in tertiary programmes, i.e. the programmes of higher vocational schools and universities. All those who have concluded secondary school studies and have obtained a GCSE have access to tertiary education. However, higher education is not closed to those with vocational training certificates either. They can enrol for a post-secondary programme of study, obtain a GCSE, and subsequently enrol in tertiary education studies.

Although the majority of the Czech Republic's population has a completed secondary school education, merely 14% of inhabitants aged 25-64 have graduated in a programme of tertiary education (besides university education these include educational programmes of higher vocational schools). Compared to other countries, this percentage is not very high. In other EU countries this level of education has been achieved by many more people. However, it should be noted that before 1989 enrolment capacities at universities were restricted and access to tertiary education was considerably limited. An upsurge in university studies occurred after 1989, and in the last decade schools have gradually started to adopt a two-tier system of studies (bachelor programmes and follow-up master degree studies), which allow a further increase in enrolment capacities for potential applicants. Although the level of education of people entering the labour market continues to increase, the overall education level of the population is not rising as quickly as expected. This is largely due to the fact that age groups graduating from the system are less and less numerous. The increasing average duration of university studies also plays a role.

### Share of Educated Women Increases

A feature characteristic of the development of the Czech level of education is the growing percentage of educated women. While changes in the education structure of men aged 25-64 and 25-34 are not very marked, the shift towards a higher level of education in young women is much more significant. The higher percentage of women compared to men is true of the young generation, especially in terms of tertiary education (17% of young women against 14% of young men)



and in terms of the share of persons with secondary education with a GCSE (45% women and 36% men).

Almost a half of men aged 25-64 (49%) have vocational training certificates, less than one-third have completed secondary school education with a GCSE and 15% are graduates of a higher vocational school or university. Only 6% have elementary education or are uneducated. The young generation of men aged 25-34 has seen a favourable change in the share of men who have secondary education with a general certificate of secondary education (36%). Another favourable development is the drop in the share of young men with no education or with only the elementary level (5%). The share of men with tertiary education is only 14% (against 15% in men aged 25-64), mainly due to the fact that men more often change their programmes during university studies and have a longer average duration of studies.

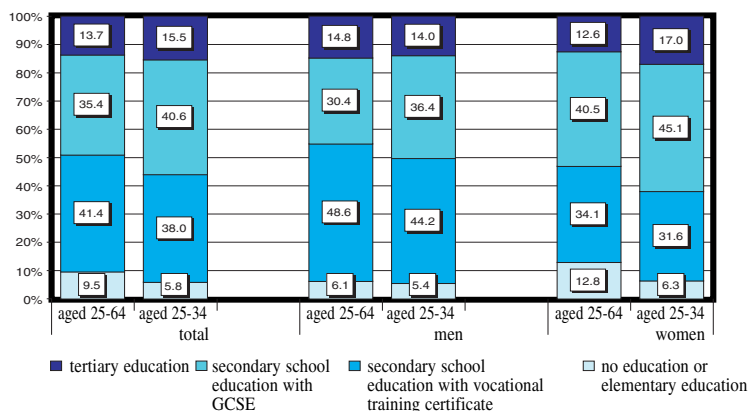
The overall level of education of women is still influenced by the older age groups, which display a relatively high share of women with only elementary education or those who did not even complete this stage (13% of women aged 25-64). Over one-third of women (34%) have vocational training certificates or secondary school education without GCSE, 41% have secondary education with GCSE and 13% have completed tertiary education. A very favourable shift in the young generation of women aged 25-34 is a drop in the share of women with elementary or no education to 6% and an increase in the share of young women with secondary education completed with a GCSE to 45%.

Another significant change is an increase in the share of women with tertiary education to 17%. Owing to the favourable shifts towards higher education levels, the share of young women with vocational training certificates and those who have completed a secondary education programme without GCSE has dropped.

With regard to ongoing trends in secondary education, i.e. the growing share of students in programmes that offer a general certificate of secondary education, and in view of the ever increasing number of students entering tertiary education, the growing level of education of the Czech population is expected to continue to increase in the coming decade.

**Michaela Kleňhová**  
 Institute for Information on Education  
 e-mail: michaela.klenhova@uiv.cz  
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**Czech population structure by level of education, 2007**



Source: Czech Statistical Office, Labour Force Sample Survey

# LOCOTRACTORS AND SHUNTING DEVICES



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Emphasis on cost reduction and environmental protection has been inducing enterprise managers to revise their attitude to in-house logistics, which had been a neglected sector. This does not apply only to the ecologically more developed West European industry: interest in modern manipulation technologies is apparent throughout Europe. An example is the steel-industry giant ArcelorMittal, which has launched a new environmental policy.

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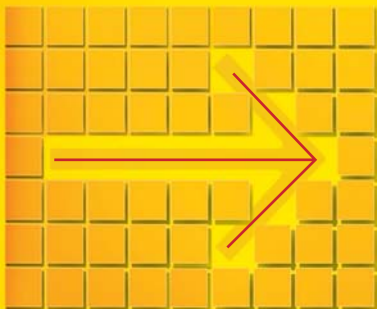
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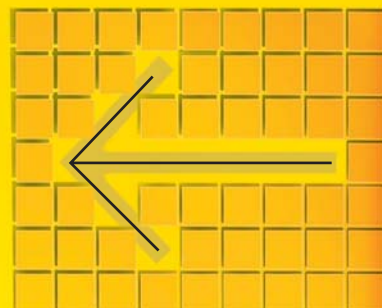


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# Employment Opportunities in the Czech Republic for Foreign Nationals

Citizens of the member states of the European Union (EU) and their family dependants are not considered foreigners under the Employment Act, and they have the same legal position as the citizens of the Czech Republic. Citizens of the states of the European Economic Area (EEA) and Switzerland and their family dependants, too, have the same legal position as the citizens of the Czech Republic.

A family dependant of an EU/EEA/Swiss citizen, regardless of his/her nationality, shall mean the spouse of such a citizen and his/her descendants, provided they are under 21 years old or are dependent on him/her; the parent, provided he/she is under 21 years old and is dependent on that citizen and shares his/her household; and a dependent descendant in direct ascending or descending line, or such a relative of the spouse of the citizen of the European Union.

For the purpose of employment on the territory of the CR, an EU/EEA/Swiss citizen or his/her family dependant needs no employment permit.

The family dependant who is not an EU/EEA/Swiss citizen is required, however, to submit to the labour office concerned a document certifying that he/she is a family dependant of an EU/EEA/Swiss citizen.

## Employers Have the Duty to Inform

The employer who takes on an EU/EEA/Swiss citizen or his/her family dependant or the juristic or natural person to which that person is sent by a foreign employer has the duty to inform the labour office (LO) at the place of that person's employment accordingly in writing on the day on which that person commenced working, at the latest.

Upon termination of the employment, the employer or the juristic or natural person is obliged to notify the LO concerned of it within 10 calendar days of the termination of the employment or the sending to work, at the latest.

The relevant forms and information are available on the Internet at [http://portal.mpsv.cz/sz/zahr\\_zam/tiskopisy](http://portal.mpsv.cz/sz/zahr_zam/tiskopisy).

In case the citizen of another EU/EEA member state or a citizen of Switzerland loses employment in the Czech Republic, he/she may apply to the nearest labour office and be registered as a job seeker. Labour offices are to be found in every district town and the list of labour offices, including contacts, is available on the Internet at <http://portal.mpsv.cz/sz/local>.

## EURES Public Employment Service

After the Czech Republic had joined the European Union, the country's labour offices became part of EURES European Employment Services, the purpose of which is to promote mobility on the European labour markets. EURES provides public employment services for all the Union's 27 member states, Norway, Iceland, and Liechtenstein. Switzerland is also a member of the EURES network.

EURES services are provided for citizens and employers through the EURES database available on the Internet at <http://portal.mpsv.cz/eures> and by means of the information and consulting service provided by EURES advisers and contact persons in the labour offices throughout the Czech Republic.

## Employment of Foreigners from Third Countries

Main rules governing the employment of foreigners:

- employers are required to notify the labour office concerned of their vacancies;
- employers wishing to employ foreigners are required to obtain permission from the labour office concerned to employ people from abroad;
- foreigners are required to obtain permission to work and a visa of sojourn or a residence permit issued for the purpose of employment.

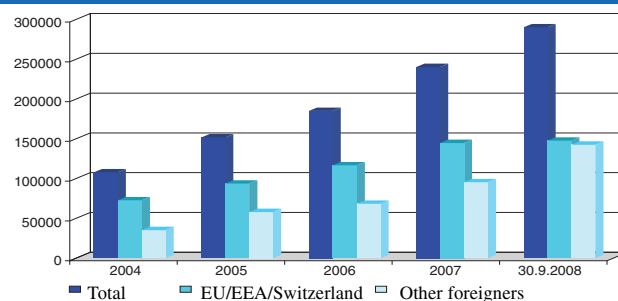
The employer may recruit foreigners only for jobs reported to the labour office as vacant which are not claimed by any Czech citizen, in particular job seekers, or by nationals of another EU state. A vacancy means a new job or a job made vacant, which the employer intends to fill.

Applications for permission to recruit foreigners should be filed by employers with the labour office concerned.

When filing the application for permission to recruit a foreigner, the would-be employer is required to pay an administration fee to the amount of CZK 2 000 (EUR 72).

The employer is obliged to offer the foreigner the same labour and wage

## Employment of foreign citizens on the territory of the CR in 2004–2008



conditions as those applying to a citizen of the Czech Republic holding the same working position under existing regulations, which are in accordance with collective contracts or employment contracts, if such contracts exist.

The employer is obliged to notify the labour office that he has filled the vacancy by a foreigner within 10 calendar days.

The employer is not required to obtain permission to recruit foreigners in case he sends his employees to work in the Czech Republic, under a contract made with a domestic juristic or natural person.

A foreigner may be employed on the territory of the Czech Republic if he/she has a valid permit to work and a residence permit. The foreigner or a person authorised by him/her in writing should file an application for permission to work with the labour office at the place of his/her future employment.

When filing the application for permission to work in the CR, the applicant is required to pay an administration fee to the amount of CZK 500 (EUR 18).

The labour office will issue the permit to work for the duration of a maximum of twelve months. On the basis of the foreigner's application and in respect of the situation on the labour market, the labour office may prolong the permit repeatedly, each time for not more than twelve months. When filing the application for the prolongation of the permit to work, the applicant is required to pay an administration fee to the amount of CZK 250 (EUR 9).

Special cases, when the labour office may issue the foreigner with a permit to work disregarding the labour market (the employer does not need a permit from the labour office to recruit workers from other countries), or when the foreigner is not required to be issued a permit to work, are listed on the Internet at [http://portal.mpsv.cz/sz/zahr\\_zam/zz\\_zamest\\_cizincu/zz\\_zvlastni](http://portal.mpsv.cz/sz/zahr_zam/zz_zamest_cizincu/zz_zvlastni).

### Sending out Foreign Workers

A foreigner employed by a foreign employer who has sent that foreigner to work on the territory of the CR under a trade contract or another contractual document made with a domestic juristic or natural person is also required to apply for a permit to work.

The domestic juristic or natural person to whom the foreigner is to be sent shall discuss with the labour office concerned especially the number and professions of the would-be employees and the duration of their stay. For this purpose, a special form is available on the Internet at [http://portal.mpsv.cz/sz/zahr\\_zam/tiskopisy](http://portal.mpsv.cz/sz/zahr_zam/tiskopisy). That domestic person also answers for the foreigners having valid permits to work and valid residence permits.

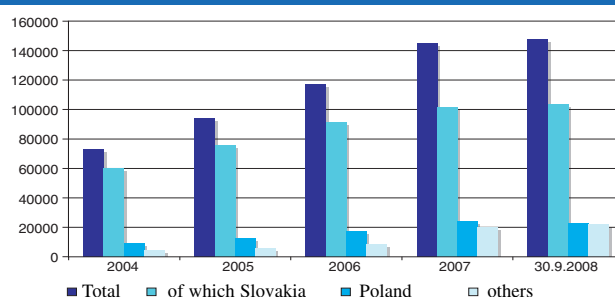
If the content of the contract is the leasing of labour, the labour office will only issue a permit to work on condition that the foreign employer obtained a permit to mediate the employment of foreigners on the territory of the CR and that the registered vacancy cannot be filled for lack of skill or manpower shortage. In such a case, the labour office takes into account the situation on the labour market before issuing the permit to employ.

Application forms to obtain permission to recruit employees from other countries and forms to obtain permission to work are available on the Internet at [http://portal.mpsv.cz/sz/zahr\\_zam/tiskopisy](http://portal.mpsv.cz/sz/zahr_zam/tiskopisy).

### Offences and Administrative Delicts

A foreigner who is employed without having a permit to work, if such a permit is required, or if he/she carries out work in contradiction with the permit to

### Employment of EU/EEA/Swiss citizens on the territory of the CR in 2004–2008



work issued to him/her, is guilty of an offence, for which he/she is liable to a fine of up to CZK 10 000 (EUR 72 041) under the Employment Act.

A natural or a juristic person making it possible for a foreigner to work illegally is guilty of an offence or an administrative delict, for which he is liable to a fine of up to CZK 2 000 000 (EUR 72 041).

Such a natural or juristic person is guilty of an offence or administrative delict also if he fails to fulfil his duty to report or does not keep a record of foreigners laid down by the Employment Act. For such an offence that person is liable to a fine of up to CZK 500 000 (EUR 18 010).

### Legislative Changes Applying to the Employment of Foreigners as from 1 January 2009

Employers are no longer required to apply for permission to recruit workers from other countries;

Permissions to employ foreigners will be issued for a period of up to two years; Repeals:

- Attaching a medical report to the application to employ foreigners;
- Issue of permit to employ or reporting to the labour office in case the foreigner is assigned to make a business trip;

Permits to work will not be required from:

- Students preparing on the territory of the CR systematically for their future profession in the form of daily courses;
- Secondary school and university graduates from Czech schools;
- Foreigners living in a common household with another foreigner having the resident status;

The fine for making it possible to carry out illegal work is increased to CZK 5 000 000 (EUR 180 100).

Another provision, in addition to the changes mentioned above, will be the issue of the "Green Card" ("GC"), which will

ensure a more flexible recruitment of workers while respecting the needs of businessmen and the Czech economy;

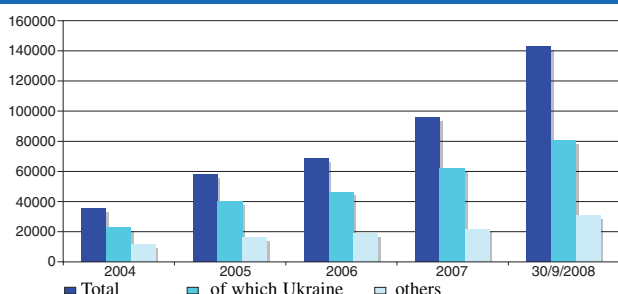
relieve the administrative burden on the part of both the employer and the foreigner (a dual document that will replace the permit to work and the residence permit);

maintain the safety and public order protection element.

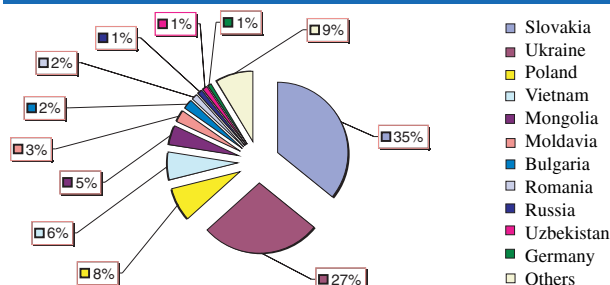
A vacancy which may be filled by a GC holder is one that

has not been filled within 30 days of its being reported to the labour office, or one

### Employment of foreigners from third countries on the territory of the CR in 2004–2008



### Percentage of foreign citizens (290 255 persons) on the territory of the CR on 30 September 2008



has been marked by the Ministry of Industry and Trade in its central database as suitable for key personnel.

A condition will be the employer's consent to having the vacancy published.

The Ministry of Labour and Social Affairs will keep a central register of vacancies that can be filled by GC holders;

Czech diplomatic missions in other countries will enter in the central register the filing of applications for the issue of a GC;

The decision concerning the issue of a GC will be made by the Ministry of the Interior;

The employer will be required to notify the authority concerned in writing in case the foreigner whose application for the issue of a GC was disposed of in the affirmative, has not made his/her appearance at the place of work, within 45 days of the issue the decision.

Labour agencies will not be allowed to hire out the employee who has been issued a GC, to the user.

Residence permits will be issued to GC holders in the following categories:

"A" – for skilled workers (working positions for university graduates) and key personnel (entered in the database of the Ministry of Industry and Trade) – duration of permit up to 3 years;

"B" – for workers in working positions requiring at least an apprenticeship certificate – duration of permit up to 2 years;

"C" – for other workers – duration of permit up to 2 years.

It will be possible to prolong the validity of "A" and "B" category Green Cards for the duration of the employment, the maximum prolongation, however, being 3 years.

The prolongation of "C" category Green Cards will not be possible.

The Ministry of the Interior will issue a regulation listing countries whose nationals will be entitled to apply for the issue of a Green Card.

Information concerning the procedure to employ foreign nationals is available on the Internet at [http://portal.mpsv.cz/sz/zahr\\_zam](http://portal.mpsv.cz/sz/zahr_zam). This website will be updated to reflect the legislation changes to take effect on 1 January 2009.

The amounts in Czech crowns are converted by the 2007 average annual exchange rate, which is 27.760 CZK/EUR.

**Petra Boušková**

Expert Assistant

Ministry of Labour and Social Affairs

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[www.mpsv.cz](http://www.mpsv.cz)

# Study Opportunities for Students from the European Union

As a member of the European Union, the Czech Republic grants EU citizens and their family members access to education and school services under the same terms as citizens of the Czech Republic. They are thus entitled access to the system of education and educational services at all levels, from pre-school education to university studies.

Children of EU citizens may attend nursery schools which provide pre-school education under the same conditions as Czech citizens. Education at nursery schools is subject to the payment of fees, with the exception of the last year before the child begins compulsory school attendance. No fee is charged for basic school education in the Czech Republic, with the exception of private schools. Children of foreign EU nationals, who are long-term residents of the Czech Republic and are subject to compulsory schooling in accordance with the School Act, are provided with free tuition to help them participate in basic school education. This tuition is provided by the respective Regional Office in cooperation with the founder of the basic school. It involves Czech language classes and, where possible, also support

for the teaching of the mother tongue and culture of the child's country of origin.

## Broad Range of Secondary Schools

The system of secondary school education in the Czech Republic offers various educational programmes, from programmes that provide students with a vocational training certificate, to technical and vocational education programmes concluded with a school-leaving examination and general education programmes. Education at these schools is free of charge, with the exception of private schools. Admission to a secondary school requires the fulfilment of admission criteria, which are within the competence of the

school's headmaster. At many schools, the admission procedure involves an entrance exam or tests of eligibility for studies. Foreigners from the EU may study at this level under the same terms as Czech citizens. Besides schools listed in the Czech register, foreign students may also attend foreign schools established in the Czech Republic. In addition to secondary schools, the Czech Republic also offers schools for young people with artistic interests - conservatoires. These schools offer programmes that focus mainly on music and dance. Admission procedures at these schools involve talent tests.

### Wide Variety of University Programmes

Tertiary education in the Czech Republic is offered by higher vocational schools and universities. Students base their decision on whether to study in their home country or abroad on the basis of the appeal and content of available study programmes, and on the basis of conditions for study applicable in a given country. The Czech Republic offers a wide variety of tertiary study programmes, some of them available in foreign languages.

At higher vocational schools, students are free to choose from among economics, medicine, pedagogy, law, and hotel management programmes. These 3 to 3.5-year programmes focus on practical abilities and are concluded with a certificate. Students obtain the title of certified specialist (DiS - diplomovaný specialista). In some cases higher vocational schools cooperate with universities, allowing graduates to continue their studies at universities, where, after meeting certain criteria, they are able to obtain a university degree. Studies at public higher vocational schools are subject to tuition fees although these are not high, ranging between CZK 2 500 and 5 000, depending on the branch of study. Tuition fees at private schools are naturally higher.

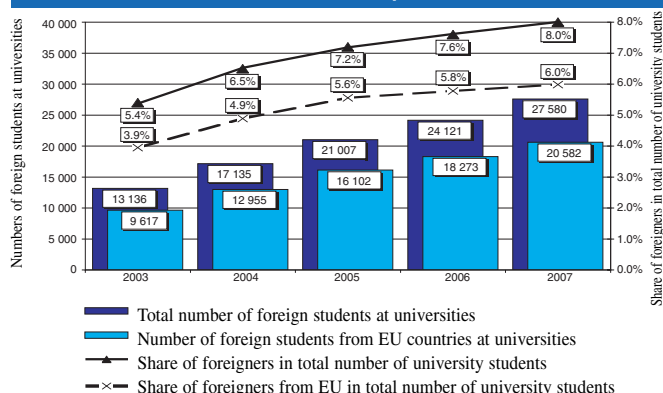
### Interest of Foreign Students is High

Foreigners are particularly interested in studying at Czech universities. In the last five years, their number has more than doubled. Students from EU

Up-to-date information for foreigners on the possibilities of obtaining grants for study at Czech universities is available at the website of the Ministry of Education, Youth and Sports <http://www.msmt.cz/areas-of-work>.



### Number of foreigners at Czech universities and their share in overall student numbers, 2007



Source: IIE

countries study at Czech public universities under the same conditions as Czech students. If they enrol for programmes in the Czech language, they pay no fee. If they enrol for programmes taught in a foreign language, they pay a fee determined by the university. Fees are also payable if a student exceeds the stipulated duration of study by more than a year, or if a graduate enrolls for second study programme of identical level. Private schools determine their own tuition fees.

The Czech system of higher education is formed by public schools of university type on the one hand, which chiefly offer the study of natural sciences, the humanities, medicine, teacher programmes, and theology and public technical universities on the other hand, which offer study of economics, chemistry, art, and agriculture. An inseparable part of the tertiary education system in the Czech Republic is formed by private universities, which offer studies of economics, teaching, and the humanities.

Most public universities have accredited fields and programmes of study, which are compatible with the Bologna Process, i.e. a three-cycle structure of studies – bachelor degree followed by master programmes and doctoral studies where graduates acquire academic titles. Private universities mostly offer accredited bachelor degree programmes.

### Terms of Admission

The terms for admission to bachelor and master degree study programmes involve submitting an application for admission to studies and fulfilling the conditions of the admissions procedure. One of the basic requirements (with the exception of art schools) is completed secondary school education concluded with a school leaving examination or a corresponding programme undertaken abroad. The admissions procedure may also involve an entrance exam. Applicants for studies in follow-up master degree programmes must have completed a bachelor study programme or a similar programme at a foreign university and must meet the conditions of the admissions procedure. Similarly, applicants for studies in doctoral programmes must be graduates of master studies or a similar programme at a foreign university, and must meet the conditions of the admissions procedure.

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[www.uiv.cz](http://www.uiv.cz)

### Entering University without Knowledge of Czech

For students who do not speak the Czech language it is important to know whether the study programme at the Czech university is accredited in a language other than Czech. The majority of public universities and some private universities have accredited study branches in foreign languages. In September 2008, the number of study programmes available in a foreign language for bachelor, master, and doctoral degrees equalled 1 497. These programmes are accredited in English (1 495 study programmes), German (35 study programmes), Russian (8 study programmes), French (16 programmes), and Polish (14 programmes).



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[www.aquapalacehotel.cz](http://www.aquapalacehotel.cz)  
[www.aquapalace.cz](http://www.aquapalace.cz)

# Eventful History of the Czech Republic

The history of settlement in the territory of the present Czech Republic dates from the oldest Palaeolithic period. The Czech Republic is in the territory of three historic Czech Lands – Bohemia, Moravia, and Silesia. The first ethnic group in the territory, known from written sources, were the Celts, who came in the second half of the 5th century BC, and settled in areas fit for farming in the 4th century BC. It is noteworthy that the name of the country, Bohemia (Boiohaemum in Latin) is derived from the powerful Celtic tribe of Boii.

## First Slavs

The first Slavs came to Bohemia and Moravia, probably in the second half of the 6th century. Some of them, especially those in the territory of South Moravia, were exposed to Avar raids for many years. Relief came in the 7th century with the arrival of the Frankish merchant Samo, who sided with the Slavs and formed the first Slavonic Empire. The first Slavonic state in central Europe originated in the territory of South Moravia and North-west Slovakia in the early 9th century. The Byzantine Emperor Constantine VII called it Great Moravia. Its southern neighbours were the Avars, who ceased to be dangerous after their defeat by Samo. They were defeated again by Charlemagne in the early 9th century, and this was an opportunity for the Slavonic princes. The Moravians took control of South-west Slovakia, which came together with South Moravia under the rule of a single prince. Prince Svatopluk I (ruled 870-894) could thus form a vast and powerful empire. A significant milestone in the overall development of the Slavonic territories was the arrival of the brothers Constantine and Methodius – missionaries of Christianity to the Great Moravian Empire at the turn of 863-864. The brothers taught in Old Church Slavonic – a Macedonian dialect understood by the Slavs.

## Přemyslid Dynasty

Bohemia was not united under a single ruler at the time vast empire was originating in Moravia. The Bohemian tribe, ruled by the Přemyslid dynasty, was settled in the centre of the Bohemian territory. The first known Přemyslid prince, Bořivoj I, submitted to Prince Svatopluk and was baptised. The first church buildings were founded in the territory of the then Bohemia during his reign. The first Christian church was built at Levý Hradec (now Roztoky near Prague) whence Bořivoj I ruled at that time. A settlement and later a palace were taking shape not far from there during the reign of Spytihněv I, son of Bořivoj I. This was actually the beginning of the construction of Prague Castle. Spytihněv I was succeeded by his younger brother, Vratislav I, who had two sons, Václav (Wenceslas) and Boleslav. When Vratislav I died (921), his wife Drahomíra was entrusted with the rule until Václav reached the age of maturity. When Václav took over the rule, he founded the Church of St Vitus at Prague Castle and acquired for it relics of the Saxon patron St Vitus from King Henry of Saxony. Frequent disputes between Václav and his brother Boleslav ended with the murder of Václav, allegedly conspired by Boleslav, who took his

place on the throne. In the second half of the 11th century, Václav was canonised and became the patron of the Czech nation (Saint Wenceslas). Prince Boleslav, Václav's brother, contributed without a doubt to the strengthening of the emerging Czech state, and thanks to him a bishopric was founded in Prague and Vojtěch (Adalbert) of the Slavník family, later canonised, came to head it in 982. He sought to improve the relations between the church and society and contributed significantly to Christianisation in this part of central Europe, namely among neighbouring Poles and Hungarians.

An important year in Czech history was 1085. Vratislav II obtained the royal crown (but nonhereditary) for his loyal services from Emperor Henry IV, was freed from paying obligatory tribute and required that Czech rulers with a retinue participate in coronation journeys of German rulers to Rome. The ties of Czech and German rulers were thus gradually loosening, but the hereditary title of king of Bohemia was secured only later by the skilful diplomacy of Přemysl Otakar I, who was granted in 1212 the so-called Golden Bull of Sicily by Frederick II, King of the Romans and Sicily. Throughout its history, the Czech state was formed not only by the Kingdom of Bohemia, but also the Margraviate of Moravia (recognised at the Imperial Diet of Regensburg in 1182). The Přemyslid Dynasty reigned until 1306, when their rule ended through the assassination of King Václav III in Olomouc.

## Prosperity under Charles IV

In 1310, John of Luxembourg succeeded to the Bohemian throne. During the reign of his son, Charles IV, who became King of Bohemia in 1346 and was crowned Emperor of the Holy Roman Empire in 1355, the Czech Lands achieved great prosperity. Charles IV laid the foundations of Gothic Prague, made improvements at Prague Castle, had a stone bridge - now called Charles Bridge - built in Prague, founded the first university in central Europe, and built Karlštejn Castle near Prague. During his reign Prague was elevated to become the centre of the empire, its forty thousand inhabitants made Prague one of the largest cities of Europe at the time. After the death of Charles IV the throne was obtained by his son Václav IV. During his reign the country moved towards chaos, religious unrest was spreading and came to a head in 1415 with the burning at stake of the preacher Jan Hus (John Huss), who criticised the Roman church and called for its reform. Bohemia and a part of Central Europe were subsequently devastated by Hussite wars.



*Velvet Revolution in Prague, 17 November 1989*

In 1471, the throne of Bohemia was assumed by the Jagiello dynasty, namely Vladislav, the oldest son of King Casimir IV of Poland. The Jagiello Dynasty ruled here until 1526, when Vladislav's only and childless son Louis died in the battle of Mohács against the Ottoman Turks.

#### **400 Years of Habsburg Rule**

In 1526, the throne of Bohemia was taken by the Habsburgs (Ferdinand I of Habsburg) and the Czech lands became a part of the Habsburg monarchy. The Habsburgs remained on the Bohemian throne for the next almost 400 years. Although Bohemia, Moravia, and Silesia were all under the single Habsburg rule, the development of these lands differed. Moravia accepted hereditary rule of the Austrian Habsburgs and was spared the strife between the original Bohemian nobility and the interests of the Habsburg monarchy. In contrast, the estates in Bohemia were prepared to defend what they regarded as

their prerogatives and freedoms. As the Habsburgs pursued their centralistic endeavours, conflict was inevitable. Tension existed already during the reign of the first (third in all) Habsburg ruler on the Bohemian throne - Ferdinand I (1526-64), who tried to restrict the estates in Bohemia.

Roman Emperor Rudolf II, who was crowned King of Bohemia in 1575 and later of King of Germany, is considered the most important ruler after 1526. During his reign, Prague experienced prosperity and became again a modern European metropolis. A revolt broke out against the Habsburgs after his death (1612), the Bohemian estates elected Frederick of the Palatinate as their king, but this decision turned into political disaster. The estates were divided and Frederick did not show the needed characteristics of a leader. The army of the Bohemian estates was defeated in the decisive Battle of White Mountain near Prague in 1620 and King Frederick fled to save his life. The Protestant rebels were severely punished. 27 Bohemian leaders

### **Czech Republic and European Union**

The Czech Republic officially applied for EU membership on 17 January 1996, and since then entry into the EU became a priority for Czech foreign policy. In July 1997 the European Commission issued the Agenda 2000, which became the basic methodological document for the admission of new members. It also contained European Commission assessments of the newly acceding countries regarding fulfilment of the conditions of EU membership. On this basis the European Commission recommended in 1997 to begin accession negotiations with the Czech Republic, Estonia, Cyprus, Hungary, Poland, and Slovenia. The accession negotiations with these countries started in March 1998. The negotiations were conducted in the form of inter-governmental conferences, on the one hand with EU member states (negotiations were always run by the country holding EU Presidency), and on the other with the candidates. An important moment for the admission of new members was the ratification of the Treaty of Nice in 2003 which, among others, prepared the European institutions for the admission of new members. In December 2002 negotiations with ten candidates (the negotiations were joined also by Lithuania, Latvia, Slovakia, and Malta) were concluded in Copenhagen, and the Treaty of Accession was signed in Athens in April 2003. The date of the ten countries' entry into the EU was set for 1 May 2004. The Accession Treaty was ratified by the national parliaments of the EU member states, by the European Parliament, and also by the newly acceding states. Some opted for parliamentary ratification, some, including the Czech Republic, chose a referendum. In the Czech Republic, 77.33% voted for EU entry, voter turnout was 55.21%. The country's current strategy of development within the EU in the 2007-2013 period is described in the National Strategic Reference Framework, an official document which forms the basis for drawing financial assistance from the EU Structural Funds and the Cohesion Fund in the amount of EUR 26.69 billion.

(3 lords, 7 knights, and 17 burghers), who participated in the revolt against the Habsburgs, were executed in public in Prague in 1621. The executions were only a prelude to further repression and Counter-Reformation decrees. A forcible Counter-Reformation was thus set in motion in a country which was 90% Protestant.

The Thirty Years' War, which followed the rebellion of the estates, devastated and impoverished the country so much that only 800 000 inhabitants remained of the original more than three million. Many representatives of the Bohemian aristocracy and intelligentsia preferred to emigrate to neighbouring countries where Protestant faiths were permitted. Their properties were transferred to faithful supporters of the Habsburgs. However, foreign nobles were not coming only in the first years after the Battle of White Mountain. The most prominent person among the émigrés was Jan Amos Komenský (Comenius), the Czech thinker and educational reformer (also known as the Teacher of Nations, one of the main figures in the Unity of Brethren. The Peace of Westphalia in 1648, which ended the Thirty Years' War, sealed the fate of the Czech lands. It confirmed the incorporation of the Bohemian Kingdom into the Habsburg monarchy, with Vienna as its most important (capital) city.

With Charles VI, the Habsburgs died out in the male line; he was succeeded by Maria Theresa, who attempted a more rational administration of the empire, which led to a policy of centralisation (and bureaucracy). What remained of the Kingdom of Bohemia was merged with the Austrian provinces of the monarchy. Real change was brought only by the reforms of her son, Emperor Joseph II (1780-1790). In 1781 he issued a decree abolishing serfdom and the Edict of Tolerance, which permitted the existence of two Protestant churches. At the same time, administration was centralised and German was made a dominant language in higher education and at offices. A reaction to the Germanisation effort was the Czech National Revival from the early 19th century. National Revival leaders, such as František Palacký, Josef Dobrovský, Josef Jungmann, and Karel Havlíček Borovský, played a major role in the formation of modern Czech language. During the reign of Emperor Francis Joseph I his domains were divided into the Dual Monarchy - Austria-Hungary. Czech politicians strove for a similar compromise for the Bohemian Kingdom, but their efforts failed. Despite many crises the system survived until 1918.

### Establishment of the First Republic

Due to the defeat in the First World War (1914-1918), Austria-Hungary disintegrated and new states were formed on its ruins: Austria, Hungary, Poland, the Kingdom of Serbs, Croats and Slovenes, and also Czechoslovakia, which was established on 28 October 1918 as a democratic state headed by President Tomáš Garrigue Masaryk (1850-1937). Besides Bohemia and Moravia, Czechoslovakia also incorporated Slovakia and Carpathian Ruthenia. The period between the two World Wars is sometimes referred to as the First Republic. During this period the Czechoslovak Republic ranked among the economically most developed countries of Europe, especially in engineering.

Czechoslovakia gradually became the only island of democracy in central Europe. It was surrounded by fascist-leaning states, which included Poland and Hungary. In 1933, Adolf Hitler took power in neighbouring Germany, which invaded Austria in 1938, and by this "Anschluss" made Austria a part of the so-called Grossdeutsches Reich. Czechoslovakia, with its three million Germans settled mainly in the country's border regions, was the next one to follow. The existence of the First Republic was cut short by an invasion by Nazi Germany in 1939, after the Munich Treaty. The country was divided into the Protectorate of Bohemia and Moravia, and the Slovak State. Following the defeat of Germany and the return of the government headed by Edvard Beneš from exile in London, the state was re-united in 1945.

### Czechoslovakia after 1945

Due to the power arrangement in Europe after the Second World War,

the territory of Czechoslovakia found itself in the so-called sphere of Soviet influence. This contributed to some extent to the seizure of government by the communists after a coup in February 1948. In 1960, the name of the state was changed to "the Czechoslovak Socialist Republic". In 1968, some reform-oriented communists made an effort to partly democratise the society. This liberalisation movement, known as the Prague Spring, was crushed by an invasion of the armies of the Soviet Union and other countries of the Warsaw Treaty (the German Democratic Republic, the Polish People's Republic, the Hungarian People's Republic, and the Bulgarian People's Republic) on 21 August 1968. Shortly after the invasion many people, especially educated ones, emigrated to democratic countries in Europe and to the USA. This further accelerated the economic decline that the country experienced after its incorporation in the Soviet bloc. The so-called normalisation can be characterised as a period of persecution by the state apparatus of all persons and activities which were not identified with the Soviet occupation and subsequent normalisation.

### Birth of Democratic Country

In the early 1980s, tendencies of democratisation re-appeared with greater intensity also in other countries of eastern Europe, the so-called eastern socialist bloc. In Czechoslovakia, the situation culminated in November 1989 with the so-called Velvet Revolution. Under the pressure from the public, communists stepped down from leading positions in the state and refrained from police action against the inhabitants. On 29 December 1989, the Federal Assembly elected Václav Havel, a candidate and representative of a new democratic group (the Civic Forum) the country's president and he then led the Czechoslovak Federal Republic to the first free elections in 40 years in June 1990.

On 1 January 1993, after an agreement between the two parts of the country, the Czechoslovak Federal Republic was partitioned into two independent states, the Czech Republic and the Slovak Republic. The Czech Republic became a member of NATO in 1999 and in 2004 joined the European Union, and is also a state in the Visegrad Group. The Czech Republic is a democratic state with a liberal constitution and a political system based on the free competition of political parties and movements. The state is headed by the President of the Republic, its supreme legislative body is the bi-cameral Parliament of the Czech Republic.

Interesting information about the Czech Republic is available on [www.czech.cz](http://www.czech.cz)

Prepared by: **Jana Pike**

### In 2008, the Czechs celebrated the 20th anniversary of the Velvet Revolution

The Velvet Revolution is an expression used to refer to the period of changes in Czechoslovakia between 17 November and 29 December 1989, which led to the fall of the communist regime and replacement of the political system with democratic principles. The revolution began on 17 November 1989, when the regime took a tough action against a student demonstration held to commemorate the 50th anniversary of the closing of Czech universities by the Nazis. People took to the streets to protest against police brutality, and this touched off demonstrations and strikes in cities and towns all over Czechoslovakia. The protest has become known as the Velvet Revolution, because of its non-violent character, as neither violence nor armed struggle were necessary to take over the power. With the exception of the events on 17 November, when students were assaulted by the police, the revolution was carried out peacefully and not a single life was lost in the change of government. The expression then started to be used as a synonym for revolutions in which power is won without the use of violent means.

# You Will Find Inexhaustible Cultural Heritage in the Czech Republic

Culture and tradition are significant features of Czech statehood and independence, rooted in the heritage of the Czech Lands in the form of architectural sights, literary, musical, dramatic, and artistic works.

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## Magnificent Czech Architecture

Master builders, not only of Czech origin, constructed a vast number of buildings in all styles in the country. There are both secular and religious buildings, built both for decorative and utility purposes. Many sights are listed as UNESCO World Heritage sites and many are national protected sites. Even modern Czech architecture and design are world acclaimed. In 20th-century Bohemia, decorative Art Nouveau reached its highest European level (the height of this style is the representative building of the Municipal House in Prague, decorated by the most significant Czech painters and sculptors of their time – Mikoláš Aleš, Max Švabinský, František Ženíšek, Josef Václav Myslbek, Alfons Mucha and others. More at [www.obecnidum.cz](http://www.obecnidum.cz)). The Cubist style, was also widely used in Bohemia and its elements were present not only in architecture, but also in sculpture and painting. The first Cubist house, the House at the Black Madonna, was built by the leading architect, Josef Gočár, in the years 1911-1912. Now it houses the permanent exhibition of Czech Cubism and Czech Modernism (more at [www.ngprague.cz](http://www.ngprague.cz)). The 1920s were characterised by the arrival of the Monumental Style, whose main representative was Josef Plečnik, architect of Slovenian origin, who directed, for example, the reconstruction of Prague Castle. At the same time, Functionalist architecture arrived, with representatives from among Czech as well as European architects (one of the most significant buildings in Prague is the Müller Villa by architect Adolf Loos, while the Tugendhat Villa in Brno, by architect Ludwig Mies van der Rohe, is now a UNESCO site.)

The building which caused some wild discussion was undoubtedly the Dancing House in Prague by architects Vlado Milunič and Frank Gehry (completed in 1996). Its dynamic undulating front complements the line of the blocks of flats on the embankment and demonstrates what the key is to the co-existence of historical and contemporary architecture. Among the current top Czech designers are furniture and industrial products designer, Jiří Pelcl; two designers working under the name of Olgoj Chorchoj (Jan Němeček and Michal Franěk), who design interiors, architecture, furniture, glass, and jewellery; Barbora Škorpilová (she is mainly an interior designer and was the designer of the entrance facade of the Czech pavilion at EXPO 2005 in Aichi, Japan) and Bořek Šípek, glass, furniture, and decorative objects designer. The leading figure in recent graphic design is Aleš Najbrt, who is the author of the logo and visual style for the capital of Prague and the visual presentation for the Karlovy Vary International Film Festival. Jan Kaplický is a representative of high-tech architecture. He is of Czech origin and, since 1968, has lived in Britain. Recently he

has been experimenting with organic architecture inspired by natural shapes. In 2008 his design for the National Library building on Letná Plain in Prague was widely discussed. The building is often called Octopus or Blob due to its shape, which resembles an octopus with a green-yellow-white exterior, dotted with purple.

Since 1999 Prague has hosted Designblok - a yearly Autumn exhibition of modern design – with the participation of most of the significant design studios, galleries, fashion designers, designers and architects (more at [www.designblok.cz](http://www.designblok.cz)). In 2008, there were 202 prestigious showrooms, designers, galleries, and fashion designers participating in this event.

## Land of Music

The Czech Republic is one of the leading European countries in the field of music. Those interested in classical music will surely know such names as Bedřich Smetana, Antonín Dvořák, Leoš Janáček, and Bohuslav Martinů. Among the contemporary Czech musicians, singers Dagmar Pecková, Eva Urbanová, and Magdalena Kožená are most renowned. Music has always been a part of Czech life, and the saying: "Every Czech is a musician" is a proof of that.

## Every year, many international festivals take place in the Czech Republic, for example:

Prague Spring is the best known, most prestigious and oldest music festival focused mainly on classical music. It has been held in Prague between May and June since 1946. ([www.festival.cz](http://www.festival.cz)).

Prague Autumn is a music festival which also provides space for Latin American and world music – especially Gypsy orchestras. ([www.prazskypodzim.cz](http://www.prazskypodzim.cz)).

Smetana's Litomyšl is the most renowned international opera festival. Its title commemorates one of the best Czech composers, Bedřich Smetana, who was born in Litomyšl. ([www.smetanovalitomysl.cz](http://www.smetanovalitomysl.cz)).

Janáček in Hukvaldy is a festival focusing on the music of one of the most significant composers of the 20th century. ([www.janackovy-hukvaldy.cz](http://www.janackovy-hukvaldy.cz)).

The International Jazz Festival is the oldest jazz festival in the Czech Republic. In 2008 it took place for the 32nd time. ([www.jazzfestivalpraha.cz](http://www.jazzfestivalpraha.cz)).

## Cinema

The first cinematic presentations in the Czech lands were screened in 1896 in Karlovy Vary and in Prague, immediately after the

presentation of the moving pictures by the Lumière Brothers in Paris. The first cinema hall was opened in 1907 in Prague and the first private film companies started to emerge. The fundamental highlight for Czech film was the construction of the Barrandov Studios, a large film complex which was the best equipped studio in Europe in its time and became one of the symbols of the Czech film industry (the first film was made here in 1933 and the studios are still popular among international filmmakers). After the Second World War, Czech film was made famous mainly by animated projects (Jiří Trnka, Karel Zeman). At the beginning of the 1960s, when the political situation relaxed, one of the most glorious periods of Czech film began (the most outstanding director was Miloš Forman, who emigrated to the USA in 1968, where he made several films). Czech film has won several awards (Obchod na Korze – The Shop in the Main Street, Ostře sledované vlaky – Closely Observed Trains, and Kolja won Academy Awards). The current generation of filmmakers is also very prolific, for example the film, Musíme si pomáhat – Divided We Fall – by director Jan Hřebejk was nominated for an Academy Award in 2000 and, in 2008, the documentary film René by Helena Třeštková, was the first Czech film to receive an award from the European Film Academy.

An A-category International Film Festival takes place every year in Karlovy Vary. It is one of the prestigious festivals with the status of "non-specified festival with a competition of feature films" such as the IFF in Cannes, Berlin, Venice, and Tokyo. Every year the Festival hosts film stars from around the world (in the past it was visited by, for example, Leonardo DiCaprio, Michael Douglas, Morgan Freeman, Woody Harrelson, Salma Hayek, Ben Kingsley, Roman Polanski, and Robert Redford.) The year 2009 will see its 44th year. More at [www.kviff.com](http://www.kviff.com).

## Works of Literature

The works by Franz Kafka, Bohumil Hrabal, Milan Kundera, and Jaroslav Seifert, the 1984 Nobel Prize winner, are still translated into many languages. The rise of literature in the Czech Lands dates back to the 9th century, when the first documents were written in the Old Church Slavonic language. The first printed book in Bohemia was Trojanská kronika (the Trojan Chronicle) of 1468. An important work for the consolidation of the Czech language was the 16th-century translation of the Bible, entitled the Bible of Kralice (Bible kralická). The end of the 19th century represented the rise of Czech literature, journalism started to develop and the best works by other great personalities of Czech literature were written – works by Karel Jaromír Erben, Božena Němcová, Jan Neruda, and Karolína Světlá. Another outstanding phenomenon is the literature written in German by the German Jewish authors who became world famous – Franz Kafka, Max Brod, and Egon Erwin Kisch. The period between the wars was one of the supreme periods of Czech literature (among the most famous novelists of that time are writer and dramatist Karel Čapek, Jaroslav Hašek, and Vladislav Vančura). The post-war socialist and later communist regimes brought further repression and strict censorship. It was only the freer political situation at the end of the 1960s which produced the valuable literary works by Josef Škvorecký, Milan Kundera, and Bohumil Hrabal. At the moment, many interesting authors are publishing their books, for example Michal Viewegh, and the State Prize for Literature laureate, Květa Legátová. Many Czech writers live abroad, where they emigrated for political reasons. The most renowned Czechs living abroad include Milan Kundera in Paris, the dramatist and writer Pavel Kohout in Vienna, and Josef Škvorecký in Toronto.

In 2009, Prague will host the 15th Book World International Book Fair (more at [www.svetknihy.cz](http://www.svetknihy.cz)).

## Fine Arts

Thanks to the extensive cultural heritage, there are over 700 museums and galleries in the Czech Republic. The oldest works of art created in the area which is today the Czech Republic are the

prehistoric statuettes from the Palaeolithic Age, found in Dolní Věstonice in Moravia (the best-known is the so-called Venus of Dolní Věstonice). Among the preserved treasures of Romanesque, Gothic, Renaissance, and Baroque art are the sculptural and painting decoration of religious and secular sites, painted and carved walls of altars, church frescos, book illustrations, the decoration of castles, chateaux and palaces, and portraits. Nationalist attitudes were artistically expressed in the building of the National Theatre in Prague between 1868 and 1883 and the Rudolfinum (1885) which attracted the attention and interest of the artists known as the National Theatre generation. This generation comprised, for example, František Ženíšek, Mikoláš Aleš, and Vojtěch Hynais. Other important historical representatives of Czech Fine Arts are the painter and realist Chittussi, the symbolists František Bílek and Jan Zrzavý, the symbolist and impressionist Jan Preisler, and the draughtsman, graphic artist, and painter Max Švabinský. The main representative of decorative Art Nouveau was Alfons Mucha – he was very popular in Paris, where he worked for the famous actress Sarah Bernhardt.

The turn of the 20th century brought an explosion of artistic styles and, with it, many names that became world famous. Expressionism and Cubism – painters and architects Emil Filla, Bohumil Kubišta, Antonín Procházka, painter Josef Čapek, sculptor Otto Gutfreund; landscape artists – Rudolf Kremlička, Václav Špála, Jan Zrzavý; Geometric Abstraction and Orphism – František Kupka; Surrealism – Jindřich Štýrský and Toyen (Marie Černínová). Among the most significant fine artists of the 20th century are the representatives of Pop-Art Jiří Balcar and Jiří Kolář; the promoter of creative happenings and current Director of the National Gallery, Milan Knížák; the painter Theodor Pištěk, who also became famous as a film costume designer; surrealist director, artist, animator and screenwriter Jan Švankmajer; sculptor and artist Jaroslav Róna; the painters František Skála and Petr Nikl, creators of the artistic exposition at EXPO 2005.

The illustration of children's books also has a long tradition. As early as at the turn of the 20th century, Mikoláš Aleš, Josef Lada, Josef Čapek, and Zdeněk Burian illustrated many children's books with their pictures. Other illustrators of the 20th century include Jiří Trnka, Zdeněk Miller and Adolf Born, who have even presented their work on cinema screens in the form of animated children's films.

The permanent exhibition of the 20th- and 21st-century art on three floors of the Veletržní Palace in Prague acquaints visitors with the development of Czech and foreign Fine Art during the course of the last two centuries. The extensive exhibition space in this Functionalist building houses over 2 000 exhibits and spans an area of 13 500 sq m. More at <http://www.ngprague.cz/5/detail/veletrzni-palac/>

## Artistic Photography

The most famous Czech photographer and artist of world stature is Josef Sudek, the creator of panoramic shots, scenes of Prague, portraits, and lyrical still life photographs. He became famous for his treatment of light in his photographs. František Drtikol and his dynamically executed female nudes, decorated with elements of Constructivism and Art Deco from the 1920s, is also world-famous. The current Czech photographer of world renown is Jan Saudek, whose posed and coloured photographs confronting male and female nude figures in extreme erotic situations were exhibited even in renowned international galleries and institutions. Another famous Czech photographer residing in France is Josef Koudelka who, in the last two decades, has been photographing mainly scenery in panoramic format. Antonín Kratochvíl (now residing in the USA), winner of the World Press Photo and Czech Press Photo awards, is also one of the leading international photographers of Czech origin. His photographs have captured many testimonies from areas of conflict (Rwanda, Zimbabwe, Myanmar, Iraq) and he has also uniquely captured East European countries.

# Tradition and Professionalism Attracts Foreign Film Crews

The Czech Republic and the film industry? This is a connection many foreign visitors to the country realise only when they notice a familiar landscape in a film. Many foreign film productions have come to prefer the Czech Republic for their film projects. Why? They find not only an unusually varied countryside and towns with inimitable atmosphere, but also modern film studios and professionalism and experience to be found in the Czech film community.

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## Why Shoot Films in the Czech Republic?

On a relatively small area, the Czech Republic has many towns and natural and historical sights suitable for filming. These include not only Prague with a variety of architectural styles, but also an appealing countryside full of lakes, woods, and mountains. The key asset of the large number of foreign productions are the well qualified workers in this sector. At the moment the crew working on foreign productions is staffed almost exclusively by Czechs (for example Czech stuntmen and women are among the best in the world and have participated in courageous scenes in many major blockbusters such as the war drama Saving Private Ryan or Titanic). Moreover, the heads of individual sectors of the crew are also often Czech.

## Tradition and Professionalism

The sector of foreign production can also boast of an extensive number of film crews unheard of in other competing countries – there are sufficient numbers of able and experienced crew members so that it is possible that several large productions take place in the Czech Republic at the same time. Established facilities such as the Barrandov Studios, Prague Studios, and the Prague branch of Stilling Films are comfortable and effective

places for productions. Film tradition which is a part of the country's history gave rise to workers in the field of construction and film settings who thanks to their qualifications and experience are able to work effectively and quickly while maintaining high quality.

## Examples of Films Made in the Czech Republic

The historical film by the Czech-born director Miloš Forman about the life of the composer Wolfgang Amadeus Mozart is world famous. The film, which was awarded several Academy Awards, was shot beside other places on the grounds of the South Moravian Baroque chateau of Kroměříž and in Prague in 1984. In 2005, director Roman Polanski shot his film based on the famous novel by Charles Dickens, Oliver Twist, in the Czech Republic. The mysterious story about the famous British murderer, Jack the Ripper, starring Johny Depp, was shot in Prague in 2001. Fans of action movies might have noticed Prague locations in Mission Impossible starring Tom Cruise. The film about James Bond's adventures Casino Royale (2006) was shot in the renowned Czech spa town of Karlovy Vary, in the National Museum and at Loket Castle. The Czech Republic's mysterious atmosphere attracted the creators of fantasy films Hell Boy (2004), Blade II (2002) and Van



## Production Investments

In 2007, foreign film productions invested CZK 2.1 billion (approx. EUR 82.76 million), in 2006 it was CZK 1.4 billion (approx. EUR 55.17 million). According to APA (The Audiovisual Producers' Association, representing some 60 Czech production companies), approximately 8 000 people in the Czech Republic make their living from film and advertising production.

Helsing (2004). The Chronicles of Narnia, a film series discovered the Czech Republic with the first sequel (the shooting took place in České Švýcarsko), the second part, Prince Caspian (2007), was shot almost entirely here. In 2008, two German crews began preparing for filming in the Czech Republic, ZDF made a television film with the working title The Rebel, Ziegler Film made the historical film Henry IV (the crew used locations near Teplice, Ústí nad Labem, or the Duchcov Chateau with the use of over 600 independent workers from the Czech Republic).

## What They Said about the Czech Republic

"Prague is a fantastic city - it's a fairytale place. There are so many incredible locations around Prague. All these wonderful places greatly enhanced the look of the film. Also the services provided by our Czech colleagues were of an excellent quality."

Terry Gilliam

(From an interview with Mr. Gilliam in 2003, when he was directing The Grimm Brothers in the Czech Republic.)

"It was a very experienced, professional, and motivated crew. I have worked in practically all of the studios of the world and I think this is one of the finest. Nowhere else could we have made the film in such a way as we did here."

Roman Polanski

(From an interview with Mr. Polanski in 2004, when he was shooting Oliver Twist in the Czech Republic)

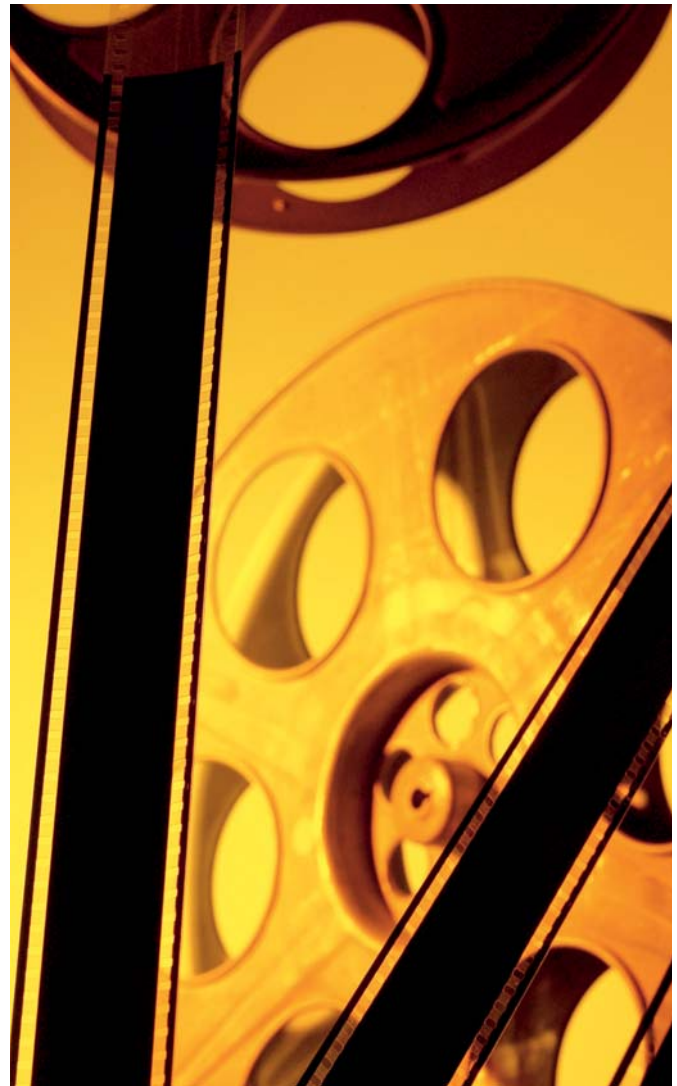
"Prague is a first class city that benefits from its present cost base. It's well located in Europe and they have a rich history of film-makers and artisans, and a tremendously motivated workforce."

Jim Lemley

(From an interview with Mr. Lemley in 2003, when he was producing Tristan & Isolde in the Czech Republic)

For more information, see the web pages of the Czech Film Commission

[www.filmcommission.cz](http://www.filmcommission.cz)



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# Czech Compatriots Have Gone a Long Way

Almost 2 million people in foreign countries claimed Czech origin in 2007. Even though most of them do not speak Czech any more, many are in contact with their motherland and they maintain their familiarity with the Czech nation.

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Emigration is defined as leaving one's country of origin and moving to a different country for economical, political, or personal reasons. Czechs emigrated for many reasons during the Czech nation's turbulent history: from poverty and war, for religious or political reasons (most often it was flight from the Nazis or the communists). The oldest generation of emigrants is religious; the exile of Catholics from Bohemia in the 17th century is well known.

Following the abolition of serfdom in the 18th century, social emigration grew in scale (for example, through colonisation of the Balkan frontier of the Austrian monarchy), there was a large emigration wave to the USA beginning in the middle of the 19th century (approx. 400 000 people of Czechoslovakian origin left for the USA before 1938). After the United States closed its borders to immigrants (1921-1924), a more intensive wave of emigration occurred from the ČSR (Czechoslovak Republic) to South America (Argentina and Brazil) and West Europe (France). The political wave of emigration was led by persecuted revolutionaries from 1948, and fugitives from Hitler followed in the 20th century. Many Czech citizens emigrated to the United Kingdom during the Second World War (for example, as members of the Czechoslovak armed forces and emigrants after the war's end). Emigration that followed February 1948 (accession of the communist party to power) represents a very significant wave that exceeded 100 000 persons within the first two years. These emigrants left for West Europe, the USA, and Canada, with smaller numbers going to Australia or New Zealand. After 1968 (following the invasion of Czechoslovakia by the armies of the Warsaw Pact), approximately 250 000 people left for mostly the same countries as listed above, with the addition of South Africa and, to a lesser extent, some South American countries (for example Venezuela). After 1989, political emigration had lost its meaning and a trend of temporary work stays in multinational corporations in foreign countries started. This trend has grown even stronger following the accession of the Czech Republic to the EU, as a number of countries opened their labour market to the new member states.

## Biggest Czech Community is in the USA

According to statistical data, 1.3 million people claim Czech origin and over 300 000 claim Czechoslovakian origin in the USA. This makes the USA the country with the biggest Czech community abroad. The Czech minority is the 25th of all minorities in the USA based on the number of people. Other important countries with Czech emigrants include Slovakia, Canada, Croatia, and Australia.

## Broad Support for Compatriots Abroad

The Government of the Czech Republic actively maintains relations with compatriot communities abroad – interest from the Czech side is even stipulated by Government Decree No. 1622/2005, Programme to Support Czech Cultural Heritage Abroad in 2006–2010. The programme provides financing for educational, cultural, and other projects of compatriot organisations in the amount of CZK 56.3 million (EUR 2.25 million). The Standing Senate Commission on Compatriots Living Abroad is a part of this interest and support for compatriots scattered around the world.

## Specific Examples of Cooperation through Programme to Support Czech Cultural Heritage Abroad

The Ministry of Education, Youth, and Sports annually provides 15 scholarships intended to cover two-semester study stays at public universities in the Czech Republic, and 60 scholarships for four-week language courses. Every year since 2006, 20 teachers from among the members of compatriot communities have attended two-week courses on the methodology of teaching the Czech language. Compatriot study stays are usually oriented at studying the teaching of the Czech language and literature, history, improvement of Czech language knowledge, and cultural awareness. Teachers of the Czech language are sent to compatriot communities every year. Besides teaching Czech, the teachers help the compatriots to keep in touch with current events in the Czech Republic. More at [www.msmt.cz](http://www.msmt.cz).

## Activities of Standing Senate Commission on Compatriots Living Abroad

The Commission organised or co-organised several important events in 2007. Together with the Board of Prague Chapter of the Society of Arts and Sciences (SVU), it presented the SVU Prague Awards. The laureates included, for example, prof. Bohuslava Bradbrooková, for her long-standing pedagogical work at the University of Cambridge, opera and concert singer Libuše Domanínská, for her many roles on the stages of the National Theatres in Brno and Prague, professor Ivan Klánský, for his interpretation and promotion of Czech music at home and abroad, painter Karel Malich, for his painting work and his successful promotion of Czech visual arts at home and abroad. Along with the International Coordination Committee of Czechs Abroad (MKVZČZ), the Commission also presented the Important Czech Women in the World 2007 award. One of the laureates was the 94-



*Tomáš Baťa Jr. during the unveiling of his father's bust in Zlín in 2007*

year-old choreographer and the Thália award for lifelong mastership of the ballet art laureate, Zora Šemberová, who emigrated to Australia in the 1960's.

### International Coordination Committee of Czechs Abroad

The issue of Czechs abroad is also addressed by the non-governmental organisation called the International Coordination Committee of Czechs Abroad (MKVZČ). Its aim is to create a platform for meetings of Czechs abroad and people of Czech origin living abroad with representatives of public, cultural, and business life in the Czech Republic. In cooperation with other institutions, especially the Senate of the CR and the Ministry of Foreign Affairs, MKVZČ organises a number of cultural and social events: for example, awards for important women of Czech origin, an exhibition about Czechs in America, an exhibition about Czech architects working abroad, and a festival of Czech film makers forced into exile.

### MZV (Ministry of Foreign Affairs) - Department of Czechs Abroad, Cultural Relations, and Presentation of the Czech Republic Abroad (OKKP)

Important tasks of the OKKP include maintaining relations and cooperating with compatriots around the world by providing financial subsidies to compatriot organisations, sending textbooks, books, and videotapes to the organisations, issuing certificates of membership in the Czech compatriot community, and last but not least, publishing *České listy* (Czech Paper) – a magazine for compatriots. The Department organises the *Gratias Agit* award presented by the Minister of Foreign Affairs to persons and organisations in appreciation of notable contributions to the promotion of the good name of the Czech Republic abroad. In 2007, Minister of Foreign Affairs of the CR, Karel Schwarzenberg, presented this award to a former diplomat of the Canadian Embassy in Prague, Peter Bakewell, who was stationed in Czechoslovakia from 1986 to 1988. Mr. Bakewell arranged for the delivery of correspondence by the speakers of the Charter 77, Václav Havel and other prominent Czech dissidents, and imported exile magazines and technical equipment for samizdat workshops into Czechoslovakia.

More at [www.mzv.cz/kultura](http://www.mzv.cz/kultura)

The website [www.krajane.net](http://www.krajane.net) has been in operation since 2004 to allow for communication between Czechs abroad and their homeland, and Czechs abroad among themselves. Its categories include addresses of organisations, Czech governmental and non-governmental institutions, contacts for compatriot papers, consulting about legal relations (citizenship, residency), and discussion forums about domestic and foreign events.

### Famous Czech Emigrants

**Jan Amos Komenský** – a preacher of the Unity of the Brethren, Moravian theologian, philosopher, pedagogue, and writer. Emigrated to Poland because of religious reasons in 1628, and spent the last years of his life in the Netherlands. Known to the world as the Teacher of Nations for his work on fundamental pedagogical principles.

**Milan Kundera** – probably the most successful and most translated writer of Czech origin, left for France in 1975. In the Czech Republic, Kundera is viewed as a Czech writer who lives in France, whereas the French consider him a French writer born in Czechoslovakia.

**Miloš Forman** – left for the USA following the occupation of Czechoslovakia by the armies of the Warsaw Pact in 1968 to continue making films. He achieved significant success with *One Flew over the Cuckoo's Nest*, *Amadeus*, and *The People vs. Larry Flynt*. There is even an asteroid, 11333 Forman, named after the Czech director.

**Tomáš Baťa Jr.** – the son of the founder of the shoemaking empire, Tomáš Baťa, emigrated from Czechoslovakia in 1939, first to the USA and later to Canada. Until the 1980's, he managed from Toronto, Canada, the Bata company with over a hundred factories in dozens of countries around the world. Baťa was a Companion of the Order of Canada, Canada's highest civilian award. He died in Toronto in 2008, 93 years old.

**D.J. Růžička** – father of modern Czech photography. Even though he had lived in the USA since his childhood, he had a great influence on the Czech modern photography, inspiring, for example Josef Sudek, František Drtikol, and Jaromír Funke.

**Martina Navrátilová** – former world number one in women's tennis. She is generally considered one of the greatest female tennis players of all times. Navrátilová comes from Czechoslovakia but emigrated to the USA in 1975 and became an American citizen in 1981. She won a record nine titles in women's singles at Wimbledon.

**Madeleine K. Albright** – former US Secretary of State was born to the Prague family of diplomat Josef Korběl. The family emigrated to London following Hitler's occupation of Czechoslovakia. The Korběls returned to Czechoslovakia after the war but left for the USA in 1948.

**Alena Vrzáňová** – Czech figure skating legend. She won the World Figure Skating Championships two times. Applied for political asylum in the United Kingdom in 1950. After ending her sports career, she operated several Czech-style restaurants with her husband, Pavel Steindler, in the USA.

**Antonín Kratochvíl** – a Czech native, one of the legends of the world's photojournalism. He was included in the list of the 100 most famous US photographers in 1998, and has been awarded several prizes in the prestigious World Press Photo contest. He lives in New York.

**Jan Hammer** – a famous musician of Czech origin. He received a scholarship for the Berklee School of Music in Boston in 1968 and immediately started to play in a trio with Sarah Vaughan. He settled in the USA. Hammer specialises in film music and gained fame and recognition for his score to the *Miami Vice* series, for which he was awarded a Grammy in 1985.

**Blanka Matragi** – a fashion designer who left Czechoslovakia for Lebanon in 1980, where she got married and where she has lived since. Her own studio, "Blanka Haute Couture", specialises in fashion for queens, princesses, female diplomats and entrepreneurs, and important women mainly in Europe and the countries around the Persian Gulf. She has received the European Art Award, the Salvador Dalí International Award, and the František Kupka National Award, bestowed by Czech graphic artists. She also designs glass and imitation jewellery.

**Jan Kaplický** – Czech architect, who has lived in the United Kingdom since his emigration in 1968. He is a representative of the high-tech architecture. Kaplický collaborated with prominent world architects, including Richard Rogers and Norman Foster. He caught the eye of the world public with his design of the Selfridges department store in Birmingham, for which he received numerous awards and gained general recognition.

# Historical Traditions Attract Visitors to Many Regions

Czech folk culture was influenced both by the natural environment as well as by the economic possibilities of the regions and the social standing of the inhabitants. The regions observing traditional elements of folk culture are mainly Chodsko, Plzeňsko, South Bohemia, Podkrkonoší, and Valašsko, Slovácko, and Haná in Moravia. These regions were mainly of agricultural character, where the cottage industry (hand-made baskets, lace, and embroidery) and crafts (pottery, glass making, smithery) were prevalent.

## Traditional Easter and Christmas

One of the Czech traditions has been egg decorating at Easter. The egg was a symbol of fertility, but also a symbol of spring. Easter eggs are decorated in several styles. The most common technique was wax batik. The most colourful Easter eggs with complex geometric patterns are still made in South-western Moravia. Gingerbread baking also has a long tradition. Honey gingerbreads pressed into wooden forms made of pear wood have been made since approximately the 18th century. The most popular and famous shapes included a heart, a horse, and a doll. The pastry was made from rye flour, honey and spices, and the breads were decorated with sugar icing and pasted pictures. Pastry from Vizovice, which originated at the beginning of the last century in the South Moravian town of Vizovice, followed in the ancient Czech tradition of Christmas decorative pastries. Dough made of flour, water, and vinegar is kneaded thoroughly and left to stand. Various types of figures are then made from the rolled pastry.

## Decorated Czech Clothing

Since the 18th century, the so-called modrotisk (blueprint), a fabric-dyeing technique started to spread in Bohemia and Moravia. Canvas was dyed usually

in indigo (the result being white-blue print), but colourful prints were also made. The most famous products come from around Přešov in Moravia. Folk costumes were often decorated with delicately patterned lace, which was originally hand-made by bobbin lace-making, crocheting, or embroidery. The prevalent technique of Czech and Moravian lace-makers is paličkování (bobbin lace) where the lace is created by crossing loose threads wound up on wooden bobbins. The main centres of bobbin lace in Bohemia are in the Orlické hory Mountains (Vamberk), the Krušné hory Mountains, and in the Šumava (Flanders and Valenciennes laces). In Moravia, the most famous were the delicate straps of lace from Podluží.

## Folk Glass

The Czech Republic is world famous for its glass production – the tradition of Czech glassmaking goes back to the 14th century. In the second half of the 18th century, folk glass started to appear. The first items were small pear-shaped or hexagonal bottles with narrow necks, painted with enamel paints, small bottles for snuff and glass sheets with painted pictures. The pictures were used as decoration in rooms and usually had religious themes. The oldest centres of production were mainly in the Šumava Mountains and in North Bohemia.

## Public Holidays in the Czech Republic

**January 1** – Restoration Day of the Independent Czech State. This commemorates the formation of the independent Czech Republic after the dissolution of Czechoslovakia at the turn of the year 1993. It is celebrated together with New Year's Day.

**May 8** – Liberation Day – commemorating the year 1945, when Czechoslovakia was freed by Russian and American troops from German occupation.

**July 5** – Saints Cyril and Methodius Day. This is the day of the arrival of the missionary brothers, Cyril and Methodius – teachers of Christianity - in Great Moravia between 863 and 864.

**July 6** – Jan Hus Day. In 1415 the Czech medieval religious thinker, Jan Hus, reformer and preacher, the Chancellor of Prague University (1409-1410), was burnt at the stake in Constance, Germany, for his opinions. Jan Hus was accused of spreading Wycliffe's teachings.

**September 28** – Czech Statehood Day. It was on September 28 that Wenceslas, Duke of Bohemia, was killed by his brother Boleslav. In the second half of the 11th century, Wenceslas was canonised and he became the Patron Saint of the Czech nation.

**October 28** – Day of Independent Czechoslovakia. After the dissolution of the Austro-Hungarian Empire on 28 October 1918, Czechoslovakia was founded as a democratic state with President Tomáš Garrigue Masaryk as the head of state.

**November 17** – Day of Struggle for Freedom and Democracy. In 1939 a student demonstration against the Nazi occupation took place and Jan Opletal, a student, was shot dead. Immediately universities were closed down and many students were persecuted and even executed. In 1989 the communist authorities allowed a student commemoration of the 1939 event, which started the so-called Velvet Revolution. Under public pressure, the communists relinquished their leadership of the country.

## Other Public Holidays

Easter Monday, May 1 – Labour Day, December 24 – Christmas Eve, December 25 – Christmas Day, December 26 – St Stephen's Day (the Second Christmas Day).

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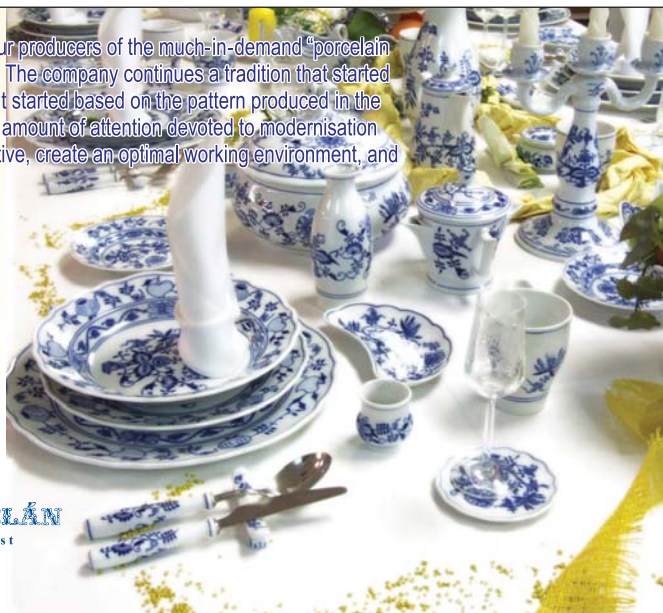
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# Discover the Beauty of the Czech Republic

Relaxation and peace of mind are words that come to mind when most people who have been to the region think of this country in Central Europe – the Czech Republic. They have discovered that this new EU member has a glorious countryside crisscrossed with thousands of kilometres of hiking tracks, an incredible number of cultural sites, picturesque historical towns and renowned spas, where people come for treatment and relaxation. The tourist season is not restricted to a mere few months of the year either. You can travel to the Czech Republic anytime and see for yourself what an ideal holiday and short break destination it really is.

Despite a history stretching back over a thousand years, the Czech Republic is the youngest state of the ten that joined the EU in 2004. On 1 January 1993 the Czechoslovak Federal Republic was divided into two separate countries – the Czech and Slovak Republics. Shortly after the fall of Communism in 1989 the country became an important and popular tourist destination, mostly due to the diversity visitors found here. Few would expect to find such a variety of places in such a small country, which comprises 3 historical regions - Bohemia, Moravia, and Silesia. In the west there are scores of extinct volcanoes and hot springs, in the north sandstone 'rock towns' tower over the landscape, in the central regions the fertile Labe plain spreads out far and wide and the south is literally pockmarked with ponds and lakes. The Moravian mountain ranges are thickly carpeted with forest, which gradually gives way to the undulating vine growing regions of South Moravia. The whole country is girdled by mountain ranges, ideal for winter sports.

The Czech Republic displays a symbiosis of natural and man-made beauty. As far as cultural sites are concerned, it is a top European destination. Tourists from around the globe come to see our culture, history, and architecture. The clearest evidence of this is the inclusion of 12 sites in Bohemian and Moravian towns in UNESCO's World Cultural Heritage list. In 2005 a large part of the Czech Paradise area including the Protected Czech Paradise nature reserve were declared a UNESCO Geopark. Visitors can easily reach any of these places by car from Prague in a matter of 30 minutes to 3 hours. Prague's historical centre has been part of the UNESCO list since 1992. No other place on earth can boast such a high concentration of UNESCO sites in such a small area.

It would take a whole book, not a short text like this, to truly acquaint people with the Czech Republic. So in order to introduce the country, let us look at five of the most attractive places which represent the best of everything the country has to offer – castles and chateaux, historical towns, a rich culture, beautiful countryside, relaxing spas, and many other interesting places as well as things to see and do.

## Prague – Mother of all Cities

The Czech capital is both a modern city and an architectural treasure trove rolled into one. The so-called Royal Route links the most notable

tourist sites located in the old city centre, itself more than 1000 years old. The Royal Route starts at the Municipal House ([www.obecnidum.cz](http://www.obecnidum.cz)) and ends at Prague Castle ([www.hrad.cz](http://www.hrad.cz)). Those who stroll its entire length have the chance to admire the most important square in Prague, the Old Town Square with its celebrated Old Town Hall and Astronomical Clock. Then there is the magnificent Charles Bridge dating from the middle of the 14th century, adorned with 30 Baroque statues of the saints, and the Lesser Town Square dominated by the Church of St Nicholas, itself encircled by palaces. Prague Castle, the largest castle in the world according to the Guinness Book of Records, is dominated by the Cathedral of St Vitus. Prague is also a place with a vibrant pulsating cultural life. Locals and visitors have a choice of over 300 galleries ([www.ngprague.cz](http://www.ngprague.cz), [www.citygalleryprague.cz](http://www.citygalleryprague.cz)) and exhibition spaces, which display a good cross-section of work by Czech and foreign artists, countless museums ([www.nm.cz](http://www.nm.cz)) and numerous theatres, concert halls, cinemas, and music clubs. A vast number of cultural events take place here, such as Prague Spring International Music Festival ([www.festival.cz](http://www.festival.cz)) to mention just one. After a well spent day in the hustle and bustle of the city, visitors can retire to one of Prague's many parks or take a boat trip on the Vltava River. The Czech capital is also a popular congress destination. In 2000 the IMF held a meeting here, in 2002 NATO had its summit in Prague, in 2006 the congress of the American Society of Travel Agents (ASTA) took place in the city, and many more congresses and conferences are planned.

## Karlovy Vary – Spa with First-rate Reputation Worldwide

Karlovy Vary ([www.karlovyvary.cz](http://www.karlovyvary.cz), [www.karlsbad.cz](http://www.karlsbad.cz), [www.spas.cz](http://www.spas.cz)) is the largest spa in the country. It lies in the far west of the country, not far from the German border. The number of curative hot springs in the region is unparalleled anywhere else in the world. It is not only the hot springs which have a therapeutic effect, but the surroundings too: eye-catching structures such as the Church of St Andrew, the Eastern Orthodox Church of Sts Peter and Paul, the Municipal Theatre and the Mlýnská Colonnade and dramatic mountainous landscapes of the foothills of the Krušné hory mountain range, crisscrossed with kilometres of walking tracks through forests just begging to be explored. You can make the most of your spa stay by



([www.cesky-raj.info](http://www.cesky-raj.info), [www.bohemian-paradise.info](http://www.bohemian-paradise.info)), a remarkable area stretching between Mnichovo Hradiště, Jičín, and Turnov, is a very befitting name for an area which boasts romantic valleys with “rock towns”, meadows, log cabins, and amazing views of the surrounding area. The region is also home to numerous historical sights and visitors are often taken aback by the spectacle of grand castles and chateaux literally on every hilltop, such as the Trosky Castle ruins and the Renaissance chateau of Hrubá Skála to name but two. The Czech Switzerland region ([www.ceskesvycarsko.cz](http://www.ceskesvycarsko.cz)) lies in the north-west of the country. Unusual rock formations draw climbers, abseilers, and day trippers alike. One of the most

strolling around some of the local sights, trying your hand at a sport or going to a concert, a theatre performance or one of the various festivals held in the town. The International Karlovy Vary Film Festival ([www.iffkv.cz](http://www.iffkv.cz)), one of only four category 'A' film festivals in Europe, is held annually at the beginning of July and attracts film stars and young film fans alike. Avid golfers will be pleased to learn that there are four 18-hole golf courses in the area ([www.golfresort.cz](http://www.golfresort.cz), [www.agc-cihelny.cz](http://www.agc-cihelny.cz), [www.gr-fl.cz](http://www.gr-fl.cz), [www.golfml.cz](http://www.golfml.cz)). The last of these courses is the second oldest in Europe and was founded by Edward VII, King of England. Synonymous with Karlovy Vary is the traditional production of crystal and porcelain, the world famous Becherovka herb liqueur and, naturally, bottled mineral water.

### Český Krumlov – Cultural and Historical Gem of South Bohemia

Tucked away in the meandering Vltava valley in South Bohemia is Český Krumlov ([www.ckrumlov.cz](http://www.ckrumlov.cz)). The historical centre of the town is part of the UNESCO world heritage list. Italian Renaissance style architecture is strongly present in the inimitable appearance of the town, however, the Church of St Vitus, built in South Bohemian Gothic style, is dominant. The castle and chateau complex in Český Krumlov is the second largest in the country after Prague Castle. The historical seat of the Rožmberk family embraces an array of buildings, the famous ballroom, the unique Baroque theatre, the chateau gardens with their Rococo fountain and the Bellarie Summer Palace including its theatre and revolving auditorium ([www.jihoceskedivadlo.cz](http://www.jihoceskedivadlo.cz)) where summer performances take place. Český Krumlov is not merely a complex of 300 historical buildings. The extraordinary ambience of the town is completed by numerous cultural events, which have gained world renown such as the Český Krumlov Music Festival, the Festival of Ancient Music, or the summer Cinquefoil Rose Celebrations. The founding of the Egon Schiele Arts Centre was another important cultural milestone. The town is also a congress venue with a level of services that meets the expectations of the most demanding of clientele.

### The “Rock Towns” – Countryside Oasis

The Czech “rock towns” are unique in Europe. The finest examples are located in the Czech Paradise region, the Czech Switzerland region and the Adršpach-Teplice locality. The Czech Paradise

popular rock formations in the national park is the Pravčice Gate, a sandstone arch, the largest of its kind in Europe. The Adršpach rock formations lie to the north of the town of Náchod near the border with Poland. There are several interesting walks visitors can take through the rocks. In the middle and amongst the rock formations there is a lake with a 5 metre tall waterfall. In summer there are boat rides on the lake. All the so-called “rock towns” differ from each



other in many respects but one thing they do have in common is that they are superb places for hiking and climbing of all levels (with permission).

## Olomouc – Historical City in the Heart of Moravia

The city of Olomouc ([www.olomoucko.cz](http://www.olomoucko.cz), [www.olomouc-tourism.cz](http://www.olomouc-tourism.cz)) lies in the fertile area along the Morava River in the Haná region, famous for its dialects, its rich folk costumes, and its vast whitewashed farmsteads built of unfired bricks. The historical city of Olomouc boasts the second highest concentration of protected sites in the Czech Republic, second only to Prague. The Baroque Holy Trinity Column, the largest single Baroque sculpture in Central Europe, is included in UNESCO's list of World Heritage Sites. The most important sacred site in Olomouc is the Cathedral of St Wenceslas, restored between 1883 and 1890 in Neo-Gothic style. It is the location of the assassination of the last Přemyslid king – Wenceslas III – in 1306. Other noteworthy buildings include the Přemyslid Palace, Hradisko, the largest Premonstratensian monastery in Europe and the fortified Cathedral of St Moritz dating from the 15th–16th centuries, with its famous organ. Visitors can hear the impressive sound this organ emits when the annual International Organ Festival is held here. The autumn Sacred Music Festival ([www.sacredmusicfestival.net](http://www.sacredmusicfestival.net)) enjoys a good reputation and attracts enthusiasts to Olomouc each year.

For more information, please visit the website of the Czech Tourist Authority – CzechTourism ([www.czechtourism.com](http://www.czechtourism.com) or [www.czecot.cz](http://www.czecot.cz)). You will also find photographs of beautiful places in the Czech Republic, which can be downloaded free from <http://photo.czechtourism.cz>.

## The Krkonoše Mountains

The Krkonoše Mountains are the highest mountain range in the Czech Republic. Although only reaching a height of around 1 500 m above sea level, the Krkonoše range has an arctic climate. Peatbogs at the summits are covered in rare mountain pine. Thanks to its natural beauty and good skiing conditions, the Krkonoše mountain range has become one of the most popular places of recreation in the country. In summer cycling and walking dominate, with visitors taking advantage of the excellent system of marked tracks and the wide range of accommodation in mountain chalets on the mountain ridges. The mountain town of Janské Lázně is a holiday resort with a cable car station by means of which visitors can reach the top of Černá hora Mountain. It is also an important spa town: natural springs with healing properties were discovered here in the 14th century and today 30 springs rise to the surface. Pec pod Sněžkou, Špindlerův Mlýn, and Harrachov are important international mountain resorts.

[www.krkonose-smo.cz](http://www.krkonose-smo.cz)

## North Moravia and Silesia

A significant part of this distinctive region is formed by two large mountain ranges, the Beskydy and the Jeseníky Mountains. These



are mountainous forested regions with alpine fauna and flora and the remnants of original virgin forest. The climate around the Priessnitz Spa in the town of Jeseník strengthens the body and soul, as do the world famous Priessnitz hydrotherapy methods, which make use of the 80 natural springs that rise here. The same is also true of the spa at Karlova Studánka. The characteristic style of the region's wooden buildings can be admired at the open air museum in Rožnov pod Radhoštěm. In Čeladná, there is an excellent golf course and riding school, and another golf course is located in the park around Šilheřovice Castle. The region's administrative centre is the city of Ostrava, the third largest in the Czech Republic. Ostrava has a great sporting life, many music festivals take place there and numerous conferences are held in the city. Unique technical and industrial heritage sights dating back to the first half of the 19th century are proof of Ostrava's rich industrial past. Ostrava's Stodolní Street is considered a cultural phenomenon, boasting over 70 night clubs.

[www.tourisms.cz](http://www.tourisms.cz)

## Central Moravia

The hub of Central Moravia is the university city of Olomouc, the second largest protected urban area in the Czech Republic. The focal point of the city is Horní náměstí Square with its town hall, astronomical clock, and Baroque Holy Trinity Column (UNESCO). Another highlight of this flat floodplain region is the Archbishop's Palace in the town of Kroměříž, housing a unique gallery and a huge library with an extensive music archive. The chateau and its surrounding gardens with rare examples of Baroque palace garden architecture are protected by UNESCO. The well documented archaeological finds from the early Stone Age at Hradisko are proof of the region's rich history. A boat or canoe trip along the Morava River is an unforgettable experience. The countryside, rich in lakes, sand quarries and floodplain forests is an ideal terrain for light cycling trips. Visitors can also sample rich local traditions and folklore at the annual Hanácké slavnosti celebrations in Tovačov, the folklore festival in Chropyně, and the traditional Ride of the Kings in Kojetín.

## South Moravia

Brno is the capital of South Moravia and the second largest city in the Czech Republic. Thanks to more than 70 years of experience in holding international trade fairs, the city has become synonymous with meetings attended by experts from around Europe. Among the noteworthy architectural monuments in Brno, the functionalist Tugendhat Villa stands out as one of the few examples of modern architecture protected by UNESCO. The list of UNESCO World Heritage Sites also includes the so-called "Garden of Europe", the area around the chateaux of Lednice and Valčice, set in a charming landscape of parks, lakes, and romantic buildings. Those interested in folk traditions should not miss the international folklore festivals which take place annually in Strážnice, Velká nad Veličkou, Kyjov and Vlčnov. A fine example of Baroque architecture in South Moravia is the pilgrimage church in Křtiny, designed by the architect J. B. Santini. The towns of Znojmo, Mikulov, and Valčice are also known as centres of the wine making industry. For centuries, wine from the region was served at the tables of Czech kings and even at those of the Holy Roman Emperors. Znojmo can also pride itself on its underground labyrinth, located beneath the historical centre, and the Romanesque rotunda with unique Romanesque murals. A popular place for a trip is the Moravian Karst with its labyrinth of stalagmite filled caves, the underground Punkva River, and the 138 metre deep Macocha Gorge.

## The Czech-Moravian Highlands

The Highlands region is a picturesque area with rounded wooded hills, romantic rock formations, and wide river valleys. In summer it is enchanting, in winter it is a harsh place. Most of the region is made up of the Czech-Moravian Highlands massif, an ideal place for

a family holiday at any time of the year. There are three UNESCO protected sites not far from each other in the region. These are the renaissance chateau in Telč and its preserved Renaissance and Baroque square, the Church of St John of Nepomuk at Zelená hora near Žďár nad Sázavou, built in the shape of a five-pointed star, and the town of Třebíč with its basilica and unique Jewish quarter and cemetery. The chateau complex in Jaroměřice nad Rokytnou, one of the largest in Europe, is also worth a visit. Those in search of an active holiday will certainly be attracted by the Žákova hora nature reserve with its fir and beech forests, or by the unique Mohelenská hadcová Steppe, where various herbs grow in the wild. Rivers and reservoirs add to the romantic character of the landscape. The countryside is a great place for horse riding and windsurfing, anglers love the rivers and lakes, and cyclists appreciate the excellent network of marked cycle tracks. The Highlands region also boasts a tradition of glassmaking and glass is a popular feature of many exhibitions in local museums.

### East Bohemia

The two major centres of East Bohemia are the regional capitals of Hradec Králové and Pardubice. The region has an excellent transport infrastructure and an extensive network of cycle tracks. Hradec Králové is sometimes called the “Parlour of the Republic” due to its interesting functionalist buildings by the famous architect, J. Gočár. Another important place in the region is the town of Litomyšl with its renaissance chateau protected by UNESCO. Thanks to its extraordinary level of preservation, the historical centre of Litomyšl has been declared an urban protected area. The town of Nové Město nad Metují is also worth a visit to see its main square lined with renaissance houses and arcades, as is the large monastery in the town of Broumov. Cultural heritage is brought to life every year in East Bohemia at various festivals and other folk celebrations. Every year, several thousand enthusiasts in historic uniform brandishing historic weapons re-enact the battles of the Austro-Prussian war. The “Velká Pardubická Steeplechase” is also an important sporting event followed throughout Europe. The horse farm in Kladruby nad Labem also used to be well known outside the borders of the Czech Republic in the distant past. The white horses bred in Kladruby since the middle of the 16th century still gallop around the farm with its meadows and fields, rows of trees and English park. Kunětická hora Mountain near Pardubice dominates the floodplain of the Elbe. The Divoká Orlice River is heaven for those who enjoy canoeing. The Adršpach and Teplice rock formations and the Broumov cliffs are ideal for those who love the thrill of rock climbing.

### The Czech Paradise

The romantic region of the Jizera River brings together natural beauty, the skill of local tradesmen, and numerous historical places of interest. The most famous Czech jeweller academy was founded in Turnov and was the first of its kind in Europe. A huge deposit of garnet and other semi-precious stones was discovered in the Czech Paradise region in the 19th century. Semi-precious stones were cut and polished here in almost every cottage. In others, glass bead necklaces were made and sold to European travellers and missionaries, who would in turn use them to pay tribal leaders and shamans in Africa, Asia, and Latin America. The castles of Kost and Valdštejn, the castle ruins of Trosky, the chateaux of Sychrov, Hrubý Rohozec, Mnichovo Hradiště and Jičín, and many fine examples of folk architecture all vie for tourists’ attention. A typical feature of the region is its rugged terrain with distinct and curious rock formations such as the Hruboskalské, Prachovské, Klokočské, Betlémské, Příhrazské “rock towns” and the Borecké stones, Drábovna and the “rock towns” of Kalich and Chléviště. Another rare phenomenon of the region are the upside down bells in the belfry in Rovensko pod Troskami. The Czech Paradise region is also an ideal place for those who like active holidays involving cycling, climbing, and walking.

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## North Bohemia

A significant part of the region is formed by the diverse landscape of the Jizerské and Lužické hory Mountains, crisscrossed with kilometres of cycle paths and ski tracks. The administrative centre of the region is the town of Liberec, dominated by the extraordinary television tower at the summit of Mount Ještěd, which houses a curiously-shaped hotel. The town itself boasts the oldest zoo and botanical gardens in the country. The Babylon Aquapark with its bowling alleys, restaurants, conference halls, a hotel, and shopping mall also draws many visitors. The most noteworthy tourist sight in the region is the huge gothic castle in Frýdlant. One of its owners was duke Albrecht of Wallenstein and the castle was the first site of its kind in Europe to be opened up to the public. The Bozkov dolomite caves near Železný Brod conceal the largest underground lake in the country. The area around Bezděz Castle is a place of relaxation, swimming, boat rides, windsurfing, yachting, and angling at Mácha Lake.

## North-West Bohemia

The administrative centre of this region is the town of Ústí nad Labem dominated by the Sřtekov Castle. Kadaň, Litoměřice, and the military fortress town of Terežín are just some of the many important urban conservation areas. There are chateaux at Klášterec nad Ohří, Krásný Dvůr, and Velké Březno. The spiritual side of the history of the region can be observed at the Franciscan monastery in Kadaň, the Cistercian monastery in Osek, and the chapel in Rumburk. A tour of these places can be combined with various activities such as a visit to the autodrome and hippodrome in Most, a walk through the gorges around Hřensko or around the “Sphinxes” near Měděnec, skiing and other winter sports in the Krušné hory Mountains, or water sports at the Nechanice reservoir and the Kamencové Lake. A dominating feature of the České středohoří mountain range is Milešovka, an extinct volcano. It is one of only a handful of Czech mountains only accessible on foot, as there is no road or track leading to the top. It reaches a height of 300 m and the view from its summit was described by Alexander Humboldt, one of the greatest travellers ever, as the third most beautiful sight in the world.

[www.ceskesvycarsko.cz](http://www.ceskesvycarsko.cz)

## West Bohemian Spas

The so-called spa triangle formed by the towns of Karlovy Vary, Mariánské Lázně, and Františkovy Lázně offers over 500 health restoring natural springs. Karlovy Vary is the largest spa town in the Czech Republic. Its name is synonymous with hot springs, although it is also known for its international film festival and rich cultural and social life. The second most popular spa town in the region is the attractive town of Mariánské Lázně. The picturesque spa-town of Františkovy Lázně is admired for its prettiness and relaxed atmosphere. Jáchymov in the Krušné hory Mountains has become known thanks to its mildly radioactive hot springs. Some of the other less known spas include Lázně Kynžvart and Konstantinovy Lázně. Loket Castle and town are well worth a visit, as is the chateau in Sokolov. The Premonstratarian monastery in Teplá houses the second largest monastery library in the country. Part of a tour of the chateau in Bečov is an exhibition devoted to the reliquary of St Maurus, an important Romanesque relic. There are golf courses in Karlovy Vary, and Mariánské Lázně, the oldest on the continent, which offer golfers top facilities. For those who like rafting, the most picturesque segment of the Ohře River between Karlovy Vary and Kadaň is highly recommended.

[www.karlovyvary.cz](http://www.karlovyvary.cz)  
[www.marienbad.cz](http://www.marienbad.cz)

## The Plzeň Region

Plzeň is the fourth largest city in the Czech Republic. The church of St. Bartholomew on the main square boasts the tallest church spire in Europe. However, Plzeň's greatest claim to fame is the beer that bears

its name. Pilsner Urquell is the name of the best and most famous beer produced in Czech breweries. The Brewery Museum is the only museum in the world to be housed in an original medieval brewing house. Try the beer and local game specialities at the Na Spilce and U Salzmannů pubs in Plzeň. The second largest synagogue in Europe, Plzeň's Great Synagogue, is also the world's third largest after those in Jerusalem and Budapest. The largest monastery in West Bohemia can be found in Kladruby. The Abbey Church of the Holy Virgin, rebuilt by architect Jan Blažej Santini-Aichl, is one of the finest Baroque buildings in the country. Another Baroque highlight of the region is the small town of Manětín. The chateau in Manětín was also rebuilt by Jan Blažej Santini-Aichl. The second largest riding school in Europe in Světec u Tachova is also well worth a visit.

[www.plzen-city.cz](http://www.plzen-city.cz)

## The Šumava Region

Two mountain ranges, the Šumava and the Bohemian Forest, form an extraordinarily peaceful green oasis in the centre of Europe, sometimes dubbed the “Green Roof of Europe”. The area is rich in mysterious peat bogs, romantic valleys, deep forests, glacial lakes, and the remnants of virgin forest. There is no better place for hiking and cycling. The upper reaches of the region's rivers are ideal for canoeing, as is the largest reservoir in the Czech Republic, Lipno (sometimes called the South Bohemian Sea) for windsurfing and yachting. The modern marina complex at Lipno was built as a place of fun and sports and offers mooring space for 144 yachts, indoor tennis halls, squash courts, a bowling alley, and a large indoor swimming pool with an artificial subtropical climate. On your way to the Šumava region, you should not miss the opportunity to visit the castle and chateau in Horšovský Týn and the Kašperk Castle. The largest castle ruins in the country are located at Rábí. The jewel in the crown of Czech towns is the picturesque Český Krumlov. The town castle with its unique baroque theatre is the second largest in the country after Prague Castle. The narrow winding streets of the old town are lined with countless Gothic and Renaissance houses which have kept their original appearance. The historical centre and other places of interest in Český Krumlov are protected by UNESCO.

[www.sumavanet.cz](http://www.sumavanet.cz)

## South Bohemia

The South Bohemian countryside has been cultivated since the middle ages. Proof of this fact is the system of artificial lakes and the 40 km long Golden Canal, which supplies the lakes with water. South Bohemia is a place virtually untouched by modern civilisation. Visitors can immerse themselves in the historical towns, castles, chateaux and monasteries of the region. Many South Bohemian towns and villages illustrate the skill and artistic talent of anonymous craftsmen. Their beauty is known even beyond the borders of the Czech Republic thanks to the unique “Folk Baroque” houses and barns in the UNESCO protected village of Holašovice. Landštejn is one of the oldest, largest, and best preserved castles in the Czech Republic, rising nobly above the wooded hills of the border area. Jindřichův Hradec is one of the most attractive Czech towns for admirers of splendid Renaissance town houses concealing Gothic interiors. The town also has a series of churches and monasteries and a large lakeside chateau. Visitors can also enjoy the pleasant historical spa towns of Třeboň and Bechyně. One of the most popular chateaux in the Czech Republic is the fairytale chateau of Hluboká nad Vltavou, another is Červená Lhota. České Budějovice, the regional capital, is also a pleasant place to spend time with its well preserved historical main square and fountain.

[www.jiznicehy.cz](http://www.jiznicehy.cz)

**Czech Tourism Authority – CzechTourism**

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# Golem

## Your catering company



Golem catering company is one of the leading catering companies in Czech republic. Golem was founded in 1991 as a company with focus on party service, incentive tourism and social events.

The other activities of Golem catering company are Equestrian events and catering services in the biggest golf resort in Czech republic - Golf resort Konopiste. We are ready to take the responsibility of event organisation, to propose suitable style of the event, create complete schedule of all the steps of planning and realisation of the event such as menu proposal, venue rentals, flower and venue decorations, technical and presentation equipment, entertainment with the focus on the detail.

GREAT PEOPLE GREAT CATERING

Our team



St. Agnes cloister

**Our vision** is to create and perform the most exclusive events in connection with the highest standard of services.

**Our main idea** is to corroborate nowadays position of one of the biggest catering companies in Czech republic.

**Our business strategy** is to develop and improve exclusive services according to our customer's wishes and needs.

### GOLEM, SPOL. S R.O.

KARLOVO NÁMĚSTÍ 23, 120 000 PRAHA 2  
TEL: +420 221 990 516 - FAX: +420 224 947 121  
E-mail: CATERING@GOLEM.CZ  
WWW.GOLEM.CZ

Karel Lukeš, chef



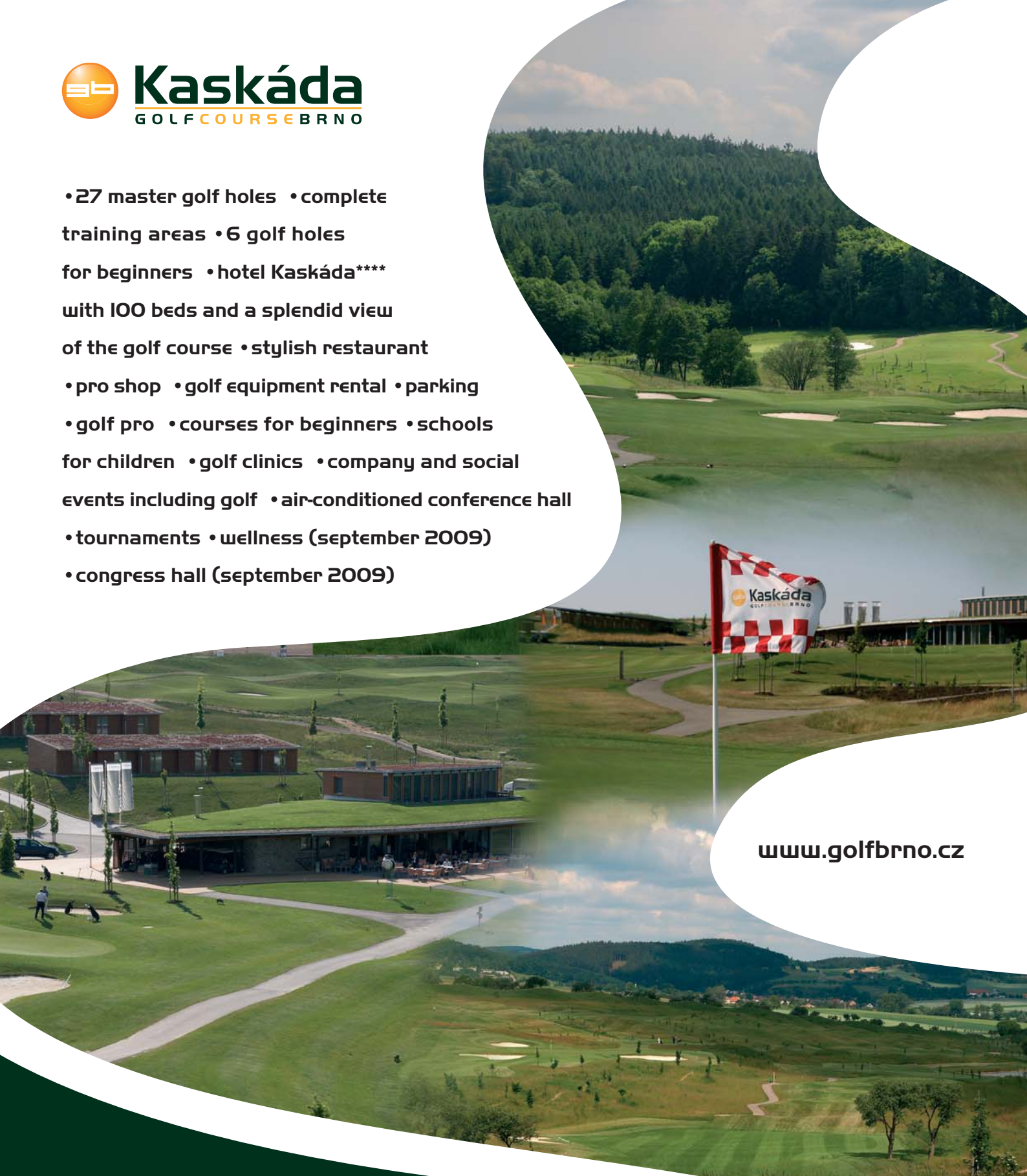
### Milestones

- 1991 company established in Prague
- 1996 cocktail reception for Queen Elizabeth II.
- 2000 World monetary bank and Monetary fund summit caterer
- 2001 L'ORÉAL gala dinner evening with Potel & Chabot
- 2002 Summit NATO and Salt Lake city Olympic games caterer
- 2005 MICROSOFT & Bill Gates caterer
- 2007 Reception for M.P. for 6 500 guests
- 2009 GALA DINNER for 2 850 guests

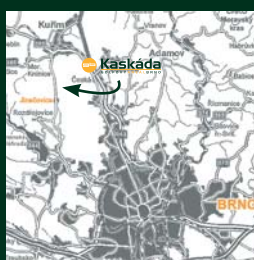


**GOLEM**  
Your catering company

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- pro shop • golf equipment rental • parking
- golf pro • courses for beginners • schools for children • golf clinics • company and social events including golf • air-conditioned conference hall
- tournaments • wellness (september 2009)
- congress hall (september 2009)



[www.golfbrno.cz](http://www.golfbrno.cz)



Evropská unie  
Evropský fond pro regionální rozvoj  
Investice do vaší budoucnosti

# Spa Culture – the Czech Republic's "Family Heirloom"

Without a doubt, Czech spa culture is an area where the Czech Republic can boast a good reputation the world over.

The unique abundance of natural healing resources – a centuries-old tradition of using these resources under the supervision of experts – highly qualified personnel – nearly 40 spa locations that offer the fine architecture of colonnades and parks... These all combine to render the Czech Republic a world leader when it comes to spa culture.

Czech spas have maintained their level of success by combining quality medical care and progressive healing and rehabilitation methods with the use of natural elements. These include mineral water, peloids (moor mud, peat pulp, and other mud types), natural gases, and positive climatic influences.

## Czech Spas Take Credit for a Number of "Firsts":

- West Bohemian Spa Triangle – no other place in the world boasts such a high concentration of mineral springs as the West Bohemian Spa Triangle, formed by Karlovy Vary ([www.karlovyvary.cz](http://www.karlovyvary.cz)), Mariánské Lázně ([www.marianskelazne.cz](http://www.marianskelazne.cz)), and Františkovy Lázně ([www.franzensbad.cz](http://www.franzensbad.cz)).
- The first radon spa in the world – established in 1906 in Jáchymov on the basis of the scientific discoveries made by Marie Curie ([www.laznejachymov.cz](http://www.laznejachymov.cz)).
- Vincenz Priessnitz established Lázně Jeseník - the first hydrotherapeutic facility in the world in 1822 ([www.priessnitz.cz](http://www.priessnitz.cz), [www.jesenik.org](http://www.jesenik.org)).
- Antique baths in Teplice – the discovery of ancient Roman and Celtic coins proves that these springs at the oldest spa in Central Europe were already in use some 2 000 years ago. ([www.teplice.cz](http://www.teplice.cz), [www.lazneteplice.cz](http://www.lazneteplice.cz))
- Karlova Studánka Spa – offers the cleanest air in all of Central Europe. ([www.karlovastudanka.cz](http://www.karlovastudanka.cz))
- Ann's Peat Spa in Bělohrad - the first spa in Europe to receive the EUROPESPA-med seal of approval – ([www.belohrad.cz](http://www.belohrad.cz)). This certificate is granted by the European Spas Association and is the best guarantee of spa treatment quality.
- At present, fourteen Czech spa facilities have been awarded this certificate, the highest number among European countries (e.g., Germany: 2 certificates; Italy: 2 certificates; Hungary: 1 certificate).

## Something to Suit, the Needs of Each Individual

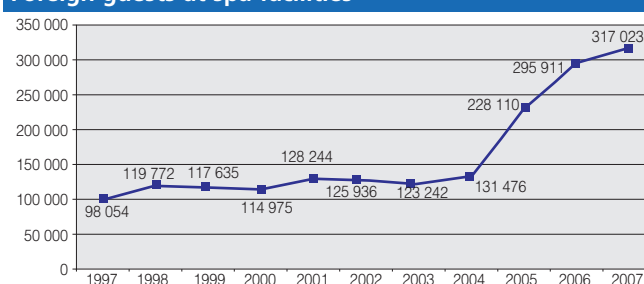
The reasons why we visit spas are varied and spa programmes have been adapted to accommodate this variety. Today, the range is not purely limited to classical spa stays and programmes for seniors or children, but also includes increasingly popular wellness programmes. These are truly "made to measure". You may sample programmes designed for managers, anti-stress, weight reduction or detoxification programmes, as well as wellness and beauty programmes. Czech spas also promote "medical wellness" – the harmonic result of combining natural healing resources with qualified medical care. Medical wellness is provided by means of an entire range of wellness procedures and other supplementary activities (e.g., golf, Nordic walking, etc.).

Year	Number of persons	Average length of stay	Total number of nights
1997	98 054	10.9	968 576
1998	119 772	11.6	1 269 054
1999	117 635	11.3	1 207 287
2000	114 975	11.8	1 238 579
2001	128 244	12.1	1 425 347
2002	125 936	12.8	1 485 997
2003	123 242	12.9	1 465 567
2004	131 476	12.2	1 473 570
2005	228 110	10.9	2 265 149
2006	295 911	10.3	2 831 269
2007	317 023	10.2	2 904 923

Each individual can truly find something to suit their individual needs at the numerous Czech spas – whether they are looking for a luxury vacation and first-class services or have limited resources but want to enjoy a pleasant spa stay.

All spa locations offer an abundant array of social activities. Since time immemorial, famous composers, writers, poets, playwrights, and politicians have visited Czech spas. Some of the more notable guests of the past include Johann Sebastian Bach, Johann Wolfgang von Goethe, Friedrich Schiller, Ludwig van Beethoven, Richard Wagner, Richard and Johann Strauss, Frédéric Chopin, Thomas Alva Edison, King Edward VII of Britain, and Russian Tsar Peter the Great. This trend has continued to this date and Czech spas often host a number of contemporary celebrities – often on a repeated basis.

## Foreign guests at spa facilities



Czech spas offer their services all year round. Gala affairs are held at almost every spa facility each May to start off the main spa season. The various springs are blessed on this occasion in order to ensure they retain their healing powers.

Concerts, theatre performances, and an entire range of music, theatre, and film festivals are a standard part of each spa stay. The best-known of these is the Karlovy Vary International Film Festival ([www.iffkv.cz](http://www.iffkv.cz)), where stars of the silver screen and film fans gather at the beginning of July each year to partake in this unique experience. Then in October, professionals from the travel and spa industries meet up here at a joint event known as the Karlovy Vary Week. In addition to acting as the setting for the Balneology Conference and Spa Festival ([www.spalife.info](http://www.spalife.info)), the spa town also holds the auspices over the oldest travel film festival in the world – TOURFILM ([www.tourfilm.cz](http://www.tourfilm.cz)).

Foreign tourists visiting Czech spas (2007):			
Country	Guests	%	Average length of stay
Germany	186 662	58.88%	10.0
Russia	57 019	17.99%	13.9
Other Asian countries	19 578	6.18%	7.7
Ukraine	6 168	1.95%	12.8
Austria	5 968	1.88%	6.6
USA	4 654	1.47%	10.3
Other European countries	3 717	1.17%	10.8
Slovakia	3 494	1.10%	5.0
Total	317 023	100%	10.2

## Growing Number of Foreign Visitors

If you enjoy sports, Czech spas offer various options. You can stretch your muscles playing tennis, swimming, riding a bike or by participating in winter sports (a number of spas are located in mountain areas close to winter resorts), by playing golf (the oldest golf courses were established in the near proximity to spa facilities), or by simply strolling through the spa parks.

Thanks to all their qualities, Czech spas are a favourite destination among foreign clients. Traditionally, the majority of foreign visitors come from Germany, Russia, various Arab countries, and the Ukraine.

The growing number of visitors from abroad comes as a direct response to the increasing standards and quality of services offered at Czech spa facilities. The majority of spa buildings have undergone reconstruction, new aqua areas have been added, spas are expanding the range of procedures they offer, new equipment is being purchased, and new forms of therapy are being introduced.

**Czech Tourism Authority – CzechTourism**

e-mail: [media@czechtourism.cz](mailto:media@czechtourism.cz)

[www.czechtourism.com](http://www.czechtourism.com)

## Spas in the Czech Republic

Detailed information on individual spa locations is available on the CzechTourism website (visit <http://www.czechtourism.com/eng/uk/docs/holiday-tips/news/index.html> and click on Spa Tourism). You can also download a free and updated spa catalogue available in Czech, English, German, and Russian at the website mentioned above or at <http://spa.czechtourism.com>, [www.lecebne-lazne.cz](http://www.lecebne-lazne.cz) or [www.spas.cz](http://www.spas.cz).

# Czech Republic – The Golf Republic!

The Czech Republic is earning reputation across Europe as a prospective golf destination. Golf in the Czech Republic means great natural beauty, a mix of superb golf courses and a unique atmosphere.

The origins of golf in the Czech Republic run deep. The history of this sport began here at the beginning of the 20th century, in the spa town of Karlovy Vary ([www.karlovyvary.cz](http://www.karlovyvary.cz)). Following several requests from the local spa clientele, the first nine hole golf course opened in 1904. In the same year, the oldest golf club was registered here. Later, on 21 August 1905, this was followed by another nine hole course in Mariánské Lázně ([www.marienbad.cz](http://www.marienbad.cz)), opened with pomp and ceremony in the presence of the English King Edward VII. Contemporary golf in the Czech Republic now flourishes in the new social climate created after 17 November 1989. After 40 years of restrictions, golf could once again develop freely. This was

quickly reflected in an increase of both the number of players and golf courses. During the 1990s, the number of players almost doubled.

## Booming Golf Course Construction

The Czech Republic is a country where golfers can experience a unique combination of natural beauty, historic sights and golf. Czech golf has at this point managed to cover almost the entire map of the country. The boom in golf course construction (15% annual growth) is ongoing, with investors concentrating mainly on high quality courses and related amenities, including accommodation and wellness programmes. Golf courses in the



Czech Republic are generally renowned for the high quality of services offered, the availability of all necessary equipment for hire, as well as beginner's courses for new players. The quality of Czech golf courses is attested by the fact that many have been designed by top foreign architects and golf players such as Gary Player (golf course in Cihelny near Karlovy Vary), Miguel A. Jiménez (Čeladná), Les Furber and Jim Eremko (Karlštejn), and John Burns (Konopiště). The best courses with the highest standard of services are located in the vicinity of Prague, in the West Bohemian spa triangle, and in North Moravia. Exceptionally attractive courses are those in Karlštejn ([www.karlstejn-golf.cz](http://www.karlstejn-golf.cz)), Konopiště ([www.gcko.cz](http://www.gcko.cz)), Mariánské Lázně ([www.golflm.cz](http://www.golflm.cz)), Karlovy Vary ([www.golfresort.cz](http://www.golfresort.cz)), Cihelny near Karlovy Vary ([www.agc-cihelny.cz](http://www.agc-cihelny.cz)), Golf Park Plzeň ([www.golfparkpl.cz](http://www.golfparkpl.cz)), and Čeladná ([www.prosper-golf.cz](http://www.prosper-golf.cz)).

### Practical Information

Golf is a seasonal sport in the Czech Republic. Play starts at the beginning

of April and continues until the end of October. However, visitors can also play off-season, as the country has a number of indoor golf facilities. In Prague alone there are two large indoor full service centres offering bunker play and putting. Many larger Czech cities have indoor golf centres, where golf is played on simulators in the winter season.

Most of the clubs and golf courses in the Czech Republic are semi-private. Golf clubs hold their own tournaments. They are also open to non-members for a fee. Fees start at a minimum EUR 20 on 9-hole courses and range up to a maximum of EUR 120 for a weekend game. Average fees on a good quality course vary between EUR 40 and EUR 70. At present there are more than 80 golf courses in the Czech Republic. Standard amenities include restaurants, shops, and golf equipment rental.

**Czech Tourism Authority – CzechTourism**

e-mail: [media@czechtourism.cz](mailto:media@czechtourism.cz)

[www.czechtourism.com](http://www.czechtourism.com)

### Golf Guide

CzechTourism has published its new Golf Guide. Broken down by region, the guide introduces all of the Czech Republic's golf courses, giving fundamental information on the courses accompanied by pictures as well as additional information such as maps of signature holes, GPS navigation and accommodation tips covering three categories: congress, family, and wellness. The guide can be downloaded in two language versions – English and German.

To download the Golf Guide, visit

<http://www.czechtourism.cz/?show=049015>

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**New Golf Club House**

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[www.ostravice-golf.cz](http://www.ostravice-golf.cz)

Czech Republic, Ostrava ✕

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More information on our website.



**GOLF CLUB OSTRAVICE**

# The Czech Republic – An Ideal Venue for Conventions and Incentives

The Czech Republic is a perfect destination for convention and incentive tourism. It is a safe country, within easy reach and highly attractive, thus meeting the three main conditions a country must fulfil. The availability of sound infrastructure and high standard of services goes without saying.



The Czech Republic is located in the “Heart of Europe”, as is frequently mentioned in tourist guides. This fact guarantees accessibility by air and rail via the five international airports and compact railway network. Prague’s Ruzyně Airport handles 200 flights a day to 126 destinations in 51 countries. Coaches also link the Czech Republic with many places around Europe.

## Prestigious International Meetings and Conferences

In the past few years the Czech Republic has built up excellent references by hosting a series of prestigious international meetings and conferences in Prague. The first ASTA (American Society of Travel Agents) International Destination Expo in 2006, regarded as the “Olympic games of the tourism industry”, took place here. In 2007, Prague hosted the 16th Annual Conference of the International Astronomical Union for the second time. Prague was also the place where Pluto was declared no longer a planet of our solar system. Many major events also took place in Prague during 2008 – the Central European Congress of Rheumatology, the 1st Central European Congress of Surgery etc. At present, the Czech Republic is striving to bring tens of other important conferences to the country. As a result of these efforts a victory has been made in Vancouver, promising to bring the World Veterinary Congress to Prague in 2013.

## Broad Range of Services

The hotel industry in the Czech Republic offers a wide range of services required for the MICE (Meetings, Incentives, Conferences and Exhibitions) industry. Hotels offering conference facilities and congress centres render services of the highest standard. Comfort, luxury, facilities, and logistics know-how, a high standard of catering and professional services will satisfy

even the most demanding of clients from the world over. Customers are offered a choice of 39 five-star hotels and more than 300 four-star hotels, many of which belong to prestigious international hotel chains. Thirteen new hotels plan to open in 2008 – among them hotels such as Clarion Congress Hotel, Rocco Forte Augustine, Hotel Buddha Bar, le Royal Meridien, Sheraton Prague Charles Square or the Kempinski Residence. And for instance eight new Ritz Carlton hotels plan to open in 2009. These newly opened hotels will increase Prague’s total capacity by over 5 800 beds.

## Centres around the Czech Republic

In total, the Czech Republic offers high-tech facilities and congress capacity for almost 50 000 participants, 23 500 of which are provided by hotels. Czech hotels are able to offer meeting space for large international events with halls for up to 2 700 people, as well as small halls and meeting rooms for small companies and other events. The largest venue is the Prague Congress Centre with 8 halls able to host events for up to 4 500 people, a congress hall for 3 000 participants, and 30 smaller halls able to hold up to 1 500 persons. Other venues suitable for congress and incentive events are located outside the capital in towns both large and small (Brno, Ostrava, Karlovy Vary, Hradec Králové). A new congress centre in Zlín plans to open in 2010. Even the serene Czech countryside on the compelling backdrop of ancient castles and chateaux (Český Krumlov, Nelahozeves, Sychrov, Mikulov, and many others) is an ideal setting for holding incentive events. Apart from modern hotel and individual congress venues, there are many historical buildings with conference facilities of the same high standard of service. The Municipal House, an Art Nouveau gem in the centre of Prague with a capacity of 2 100 persons, is one of the most beautiful and most popular of these. Events for up to 2 400 participants can also be held at Prague Castle – the residence of the Czech head of state.

**Czech Tourism Authority – CzechTourism**

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## Providers of Congress and Incentive Tourism Services

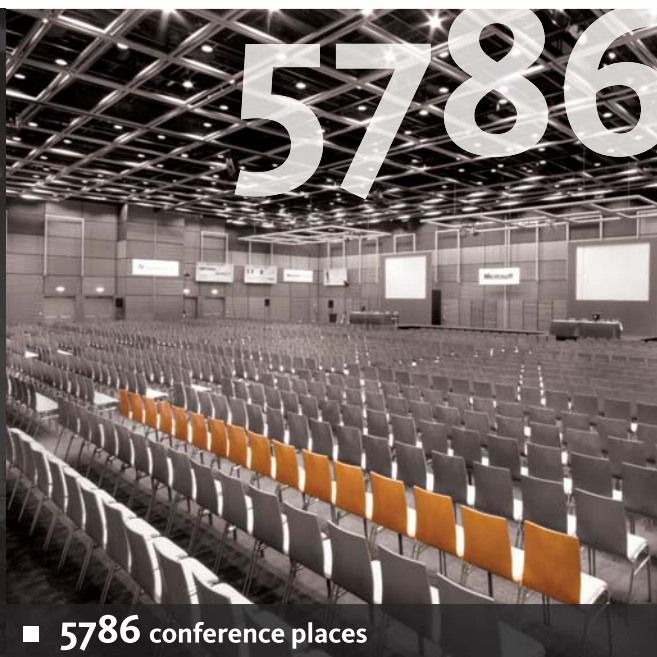
An extensive list of providers of congress and incentive tourism services is available in the Convention and Incentive Catalogue. You can access it on-line at [www.CzechTourism.com](http://www.CzechTourism.com) – congress tourism section. We offer two types of catalogues: Hotels & Venues and Incentive Catalogue.

# A strong partner for your business in the Czech Republic

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13 hotels in 6 destinations

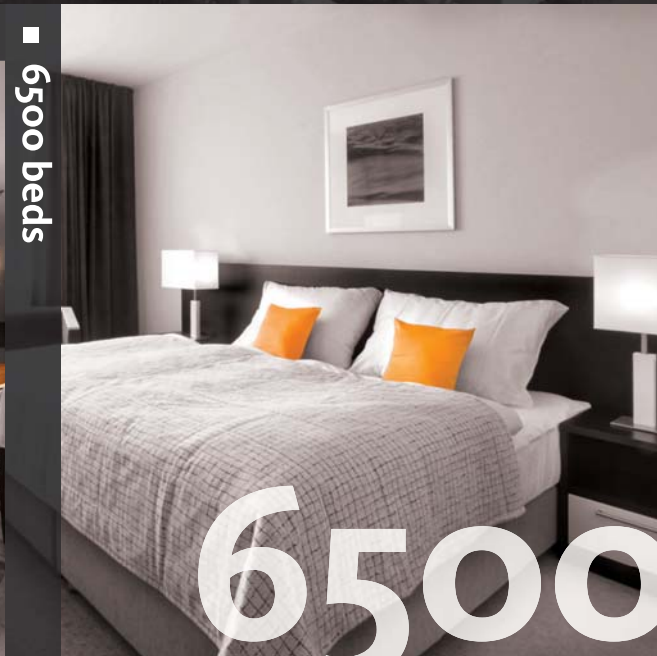


5786 conference places

18 restaurants and 15 bars



6500 beds



- Clarion Congress Hotel Prague \*\*\*\*, Praha 9
- Clarion Hotel Prague Old Town \*\*\*\*, Praha 1
- Quality Hotel Prague \*\*\*, Praha 10
- Comfort Hotel Prague \*\*\*, Praha 6
- Hotel Fortuna Rhea \*\*\*, Praha 10
- Hotel Fortuna Luna \*\*, Praha 8

- Clarion Grandhotel Zlatý Lev \*\*\*\*, Liberec 1
- Hotel Gomel \*\*\*\*, České Budějovice
- Fortuna Kurhaus Prag \*\*\*, Františkovy Lázně
- Hotel Sigma Olomouc \*\*\*, Olomouc
- Hotel Černigov \*\*\*, Hradec Králové

Opening soon:

- Buddha-Bar Hotel Prague \*\*\*\*\*, Praha 1
- Clarion Hotel Prague City \*\*\*\*, Praha 2

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Prague ranks among the most important economic centres of Europe. The excellent infrastructure, living and business conditions, reasonable prices, and complete residential and entrepreneurial services are the advantages which make Prague a superb destination for the most discerning investors. The whole centre of Prague, one of the largest Urban Monument Reserves worldwide, is on the UNESCO World Heritage List.

# Prague – the Capital City of the Czech Republic

## Territorial Division, Location, and Population

Prague is situated in the central part of the Bohemian Highlands. Geographically, it can be regarded as the centre of Europe, as it is located at approximately the same distance as the crow flies from three seas: the Baltic 365 km, the North Sea 495 km, and the Adriatic 490 km. Prague, the largest city of the Czech Republic, is spread over an area of 496 sq. km, which is only 0.6% of the country's territory, but its 1 212 097 inhabitants account for 11.6% of the country's population. This is more than three-fold the number of inhabitants of the second-largest city, Brno.

In view of the administrative division of the country, Prague is a region, as are the other 13 territorial units. It is a Statutory City, administered by the Prague Assembly, headed by a Mayor, and divided into 58 self-governing municipal districts, of which 22 are administrative districts with a specific role.

They differ in the degree of urbanisation, population density, quality of the infrastructure, and the social and economic living conditions of the inhabitants. The number of inhabitants differs significantly –

4 municipal districts have more than 100 000 inhabitants, 21 have less than 2 000 and, of these, 5 municipal districts have less than 500 inhabitants.

Prague is the capital city of the Czech Republic, and this determines its role as the natural centre of politics, international relations, education, culture, and the economy. It is an integral part of the social, economic, and residential structure of the country. Prague is also an important city in Central Europe. This position has been increasingly significant since the integration of the Czech Republic into the newly formed geopolitical area of Europe.

## Economic Characteristics

Prague as a region has an absolutely eminent position in economic performance; it accounts for 24.3% of the GDP. This high share is typical of capital cities and is influenced by circumstances closely connected with the economic conditions of life in urban agglomerations. It differs from other regions in the economic structure, high wages, and very many commuting employees. Most significant economic entities are based in or have branches in Prague. Dominant in its exports are

machinery and transport equipment (50.4%), mineral fuels and similar materials (14.3%), and industrial consumer goods (10.1%).

The basic economic restructuring, which has been accelerated noticeably in recent years, is reflected in changes in the sectoral structure of the Prague economy. Characteristic of the long-term economic development is growth in services and decline in manufacture. Tertiary sectors at present account for more than 82% of added value in Prague. Employment in this area is also markedly higher in Prague. On the contrary, the share of manufacturing sectors in added value and employment is far below the national average. But Prague still has an important range of production – heavy and light engineering (motors, trucks, trams), chemical industry (tyres, dyes, drugs), electrical engineering, printing, film, and the food industry, including several breweries. The number of industrial enterprises has been on a slight decline, but revenues from industrial operations have grown. The building industry has been recording an upward trend in recent years. The number of building enterprises has been increasing, as has the amount of building work, which has exceeded one-third of the entire construction

in the Czech Republic. The 2007 statistics showed a share of contracted building works of 36% of the CR amount. Retail trade and distribution have recorded extraordinary development. The traditional focus on Prague has been increased by privatisation and the construction of large shopping centres on the outskirts and shopping arcades in the centre.

### Tourism

In recent years, tourism has been a rapidly developing sector, important to the economy of Prague. A record four million foreign tourists visited Prague and spent a total of 10.3 million nights in the capital in 2007.

### Labour Market

The economic performance is closely connected with the situation on the labour market. Prague is the largest regional labour market in the Czech Republic. Characteristic is the strong attraction of the Prague labour market, and its ability to meet the increased demand. This is given by the substantial professional mobility of domestic labour and the rapidly increasing number of foreign workers. The 2007 unemployment rate was 2.16%, as compared with the average of 5.98% in the Czech Republic. The Prague labour force has much higher qualifications in comparison with other regions. More than 25% of employees have university backgrounds and their number has had a regular upward trend in recent years. The average salary in 2007 was EUR 1 001, whereas the national average was EUR 806.

At the end of 2007, the number of registered economic entities totalled 453 006, of which 292 372 were entrepreneurial entities, 188 state enterprises, 105 998 commercial companies, and 5 933 co-operatives.

### Continued Development – Opportunities for Investors

Vast vacated complexes are being regenerated in connection with the restructuring of industry, and for renewed usage. The development plan of the city includes "development areas", which are also offered for investment.

### Transport

The location in the centre of Europe makes Prague an important destination and the crossroads of many transit routes. Prague has always been the largest centre of international transport in the Czech Republic, both in the east-west and north-south directions. It also is the largest junction of links between the regions of the country. Prague is the central point of all motorways. The most important motorways are: D 1 connecting Prague with Brno and Bratislava, D 5 Prague – Nuremberg, D 8 Prague – Dresden – Berlin, D3 Prague – České Budějovice – Austria, and D 11 in the

direction of Hradce Králové and Poland. The length of motorways in Prague is 11 km and express roads (76 km) are connected to them. The total length of roads in Prague is 3 400 km.

Prague is an important international railway junction and a part of the 4th multimodal Berlin – Prague – Bratislava corridor, which includes the Prague – Nuremberg route.

Ten main railway lines are the backbone of the railway network. Emphasis is laid on the development of railway transport at the European level (Eurocity) and concurrent cutback in transport on less frequented lines. The main lines are being reconstructed to suit express trains, which will provide much more comfortable long-distance travel, especially on international routes. Important railway stations in Prague are the following: Hlavní (Main) –Wilsonovo nádraží Station - Prague 2, (metro line C, Hlavní nádraží Station), Masarykovo nádraží Station - Prague 1, (metro line B, Náměstí Republiky Station), Smíchovské nádraží Station - Prague 5, (metro line B, Smíchovské nádraží Station) and Prague-Holešovice - Prague 7, (metro line C, Nádraží Holešovice Station).

The Vltava River, which flows through Prague, is used for freight transport, and for recreational transport in the 30.5-km Zbraslav – Sedlec section. Prague has three ports, which serve freight transport and eleven wharfs for passenger ships.

A total of 12.4 million passengers were served in 2007 at Prague-Ruzyně Airport, which is also used for freight transport. More than 50 airlines are now operating at the airport and running regular direct flights to almost 120 destinations throughout the world.

Prague has a fairly well-functioning public transport system, with metro, tram, and bus networks carrying approximately 1 billion passengers every year. The urgent need to make public transport more attractive gave rise to a gradual introduction of the Prague Integrated Transport System, which is operated to a distance of 35 km from the boundaries of the capital, and thus includes a large part of the Central Bohemia Region.

### Culture and Education

The capital city of the Czech Republic is its most significant Urban Monument Reserve. The 866-hectare historic centre of Prague has been on the UNESCO World Heritage List since 1992. Prague Castle towers high above the unique complex of monuments in all architectural styles. The historic centre on both banks of the Vltava River has 6 quarters, once separate towns, united in the

Total exports CZK 128 276 million (approx. of the Region EUR 4 621 million)

#### Of which mainly:

Machinery and transport equipment	50.4%
Mineral fuels and lubricants	14.3%
Industrial consumer goods	10.1%

Share in total CR exports	6.0%
Of which to EU 25	86.5%

18th century. They are the following: The Old Town, Josefov (preserved part of the former Jewish Town), The New Town, the Lesser Quarter, Hradčany, and Vyšehrad. Most monuments, museums, and galleries are in this area.

Prague was one of the nine cities to have been awarded the title "European Metropolis of Culture 2000" by the European Union. All information about monuments, including virtual walks in Prague, is available at the Prague Information Service.

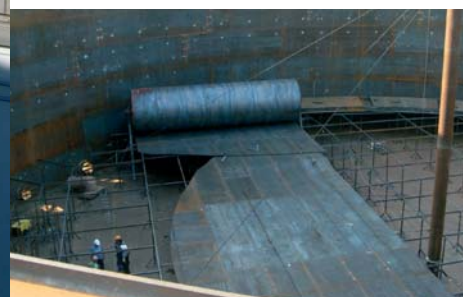
Prague is the national centre of education, it has the largest number of secondary and vocational schools of all the regions of the Czech Republic. Prague has an extraordinary position in university education. It has 17 seats of higher learning. The best known internationally is Charles University, which was founded in 1348. The others include the Institute of Chemical Technology, Prague, the Czech Technical University, the University of Economics, and the Czech University of Life Sciences.

### More information:

Prague	<a href="http://www.praha-mesto.cz">www.praha-mesto.cz</a>
Charles University	<a href="http://www.cuni.cz">www.cuni.cz</a>
Czech Technical University	<a href="http://www.cvut.cz">www.cvut.cz</a>
University of Economics	<a href="http://www.vse.cz">www.vse.cz</a>
Institute of Chemical Technology, Prague	<a href="http://www.vscht.cz">www.vscht.cz</a>
Czech University of Life Sciences, Prague	<a href="http://www.czu.cz">www.czu.cz</a>
CzechInvest regional office for Prague	<a href="http://www.czechinvest.org/stredocesky-kraj-praha">www.czechinvest.org/stredocesky-kraj-praha</a>
Prague Airport	<a href="http://www.letiste-praha.cz">www.letiste-praha.cz</a>
Prague Information Service	<a href="http://www.pis.cz">www.pis.cz</a>

### Magistrát hl. m. Praha (Prague City Hall)

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The Central Bohemia Region and Prague are in symbiosis. The Region has its seat in Prague, which is its administrative, cultural, and economic centre.

The districts with developed industry are a rich source of sub-deliveries and labour. Dominant in the Region is the automobile industry, including enterprises of national significance (ŠKODA AUTO a.s. Mladá Boleslav, and TPCA Kolín). Agriculture supplies Prague with its produce, and the picturesque environs afford it with recreational opportunities.

# Central Bohemia Region

## Territorial Division, Location, and Population

The Central Bohemia Region is situated in the centre of Bohemia, encircling the country's capital, Prague.

Unlike the other regions, its administrative centre is not in its own territory, but in the territory of Prague. With an area of 11 015 sq. km, it is the largest region in the Czech Republic, occupying 14% of its area. Its inhabitants account for 11.5% of the country's population. The Region has 12 districts and 1 146 municipalities. Only ten districts have their own cultural and administrative centres. Prague-East and Prague-West have no district towns, and their administrative centres are in Prague. All districts have close socio-economic links with Prague and, to a certain extent, form its metropolitan background. The geographical position of the Central Bohemia Region strongly influences its economic character. Its close links with the capital and its dense transport network make the Region's position extremely advantageous.

The Central Bohemia Region is an important source of labour for Prague, complements its industry, supplies it with food and affords it with its recreational potential.

## Economic Characteristics

The Region is an industrial and agricultural area. The main industrial sectors are engineering and the chemical and food industries. The main farming area of the Region is in the Labe valley, where the natural conditions are excellent. The Region is known for its production of crops, mainly wheat, barley, and sugar beet. Fruit, vegetables, and flowers are cultivated mainly in the suburban areas.

The dominant position in the industry of

the Czech Republic is held by the ŠKODA AUTO a.s. Mladá Boleslav automobile company, which has many sub-suppliers. Another important car factory, TPCA Czech, s.r.o., commenced production in the Kolín District in 2005.

Several enterprises of the glass, ceramics, and printing industries are operating in the Region, whereas the steel and leather industries and mineral mining have been markedly reduced.

The Region accounts for 10.3% of the

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Benešov	1 475	92 631	115	63
LAU 1 – Beroun	662	81 307	85	123
LAU 1 – Kladno	720	155 314	100	216
LAU 1 – Kolín	744	93 042	89	125
LAU 1 – Kutná Hora	917	74 585	88	81
LAU 1 – Mělník	701	97 696	69	139
LAU 1 – Mladá Boleslav	1 023	120 779	120	118
LAU 1 – Nymburk	850	88 856	87	105
LAU 1 – Praha-východ	755	127 041	110	168
LAU 1 – Praha-západ	581	106 048	79	183
LAU 1 – Příbram	1 692	110 893	121	66
LAU 1 – Rakovník	896	53 635	83	60
NUTS 3 – Central Bohemia Region	11 015	1 201 827	1 146	109
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district

GDP of the Czech Republic, which ranks it third among regions. Dominant in regional exports are machinery and transport equipment (66.7%), with 31.5% going to Germany.

### Transport

The transport system is strongly influenced by the geographic position of Prague in the centre of the Region. For centuries, the main transport routes have been constructed so as to form a radiating network with Prague as its centre. With the exception of the capital, the Region has the densest transport network and the heaviest traffic in the country.

### Road Transport

All international transport in the east-west direction passes through the Region. Four motorways and seven first-class and express roads link other Regions with the capital. They are:

- D1, E50, E65: Prague – Brno (Slovakia, Austria)
- D5, E50: Prague – Plzeň (Germany)
- D8, E55: Prague – Teplice (Germany)
- D11, I/11, E67: Prague – Poděbrady – Hradec Králové (Poland)
- R6, I/6, E48, E49: Prague – Karlovy Vary – Cheb – Aš (Germany)
- R10, E65: Prague – Mladá Boleslav – (Poland)
- E55: Prague – České Budějovice (Austria)

### Railway Transport

All district towns of the Region lie on its 13 main fast-train lines. Three transit corridors cross its territory:

- 1st corridor: Berlin – Děčín – Prague – Česká Třebová – Brno – Břeclav – Vienna/Bratislava
- 3rd corridor: Nuremberg – Cheb – Plzeň – Prague – Olomouc – Ostrava – Žilina
- 4th corridor: Berlin – Děčín – Prague – Veselí nad Lužnicí – Horní Dvořiště – Linz/České Velenice – Vienna

### Water Transport

- Labe (Chvaletice – Germany)
- Vltava (Slapy – Mělník)
- Ports and places of transshipment

### Air Transport

- Prague-Ruzyně (public international airport)
- Vodochody and Benešov (non-public international airports)
- 13 small civilian and military airports

### Cycling

The Central Bohemia Region has a general plan of cycle routes and bicycle trails, and has completed a network of trunk routes connected with Prague, the neighbouring regions, and international European routes. Regional and Prague authorities have marked out a cycle route round the capital, called the Prague Ring. The Region has established co-operation with the Plzeň Region and the



Golf Resort Karlštejn

Bavarian District of Neustadt, which initiated the project of the Paris – Prague international cycle route as part of the Pan-European Cycle Route. The objective of the project is to combine efforts to acquire EU funding for the construction of safe sections of this international cycle route.

### Tourism

The Central Bohemia Region has many popular tourist destinations due to its attractive and interesting landscape. There are several protected landscape areas, of which the most important are the Bohemian Paradise, the UNESCO Biosphere Reserve of Křivoklátsko, and the geologically important Bohemian Karst with the well-known Koněprusy Caves. Favourite destinations for domestic and foreign holiday-makers are locations along the Berounka, Jizera, Labe, and Sázava Rivers. The Region is famous for its rare historical monuments.

The town of Kutná Hora has the largest concentration of historical monuments (Cathedral of St. Barbara, the Italian Court, the Museum of Silver in Hrádek Palace, and Charnel House) which are on the UNESCO World Heritage List. Urban Monument Reserves in the Central Bohemia Region

include Kolín, but almost all towns in the Region can boast medieval centres. Famous castles are Karlštejn and Točnick in the Beroun area, Křivoklát near Rakovník, Český Šternberk in the Benešov area, and Kokořín near Mělník. The best-known chateaux are Konopiště in the Benešov area, Žleby and Kačina in the Kutná Hora area, Lány in the Rakovník area, and Nelahozeves and Mělník Chateaux.

Total exports of the Region	CZK 417 807 million (approx. EUR 15 050 million)
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#### Mainly:

Machinery and transport equipment	66.7%
Industrial consumer goods	10.6%
Semi-finished products and material	10.0%

Share in total CR exports	19.5%
Of which to EU 25	87.4%

Data: Czech Statistical Office, 2007 Yearbook

### More information:

Central Bohemia Region	<a href="http://www.kr-stredocesky.cz">www.kr-stredocesky.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/stredocesky-kraj-praha">www.czechinvest.org/stredocesky-kraj-praha</a>

### Krajský úřad Středočeského kraje (Regional Authority of the Central Bohemia Region)

Zborovská 11, 150 21 Praha 5, Czech Republic  
phone:+420 257 280 111, fax:+420 257 280 203  
e-mail: [podatelna@kr-s.cz](mailto:podatelna@kr-s.cz), [www.kr-stredocesky.cz](http://www.kr-stredocesky.cz)



This originally agricultural area with a tradition of fish farming and forestry has never resisted technical progress. Historically best known is the first railway line in Europe from České Budějovice to Linz. Other technical sights include the Schwarzenberg Canal and the Rožmberk Pond System. The Region has a developed industrial production and great potential in science and research. The latest achievements include the discovery by scientists at Nové Hradý Academic and University Centre of the mechanism of bacteria resistance to antibiotics.

## South Bohemia Region

### Territorial Division, Location, and Population

The Region is situated in the southern border area of the Czech Republic and neighbours on two EU countries – Austria and Germany. The frontier is formed by the Šumava (the Bohemian Forest) and the Novohradské hory Mountains. This second-largest Region of the Czech Republic spreads over 12.8% of its area. Together with the Plzeň Region, it forms NUTS 2 – South-west.

The Region has 633 264 inhabitants in seven districts. The largest town and the regional capital is České Budějovice with 99 700 inhabitants. Other large towns are Tábor, Písek, Strakonice, and Jindřichův Hradec. One-third of the South Bohemian population live in these five towns.

### Economic Characteristics

Traditionally, the Region was regarded as agricultural with fish farming and forestry being dominant, but, with the development of industrial production, it became an agricultural-industrial area.

The Region does not rank among the main industrial areas of the Czech Republic. It has a share of 4.6% in the revenues of industrial enterprises in the Czech Republic. It has a manufacturing industry and, within its framework, food and beverage production, engineering (manufacture of transport

equipment, machinery and equipment), and textile, woodworking, and power industries. The Region has a long-standing share of 5.5% in the GDP of the Czech Republic.

The Region has deposits of sands, gravel sands, brick clay, and gravel. Peat is most important among other resources. The Region's natural wealth includes vast forests, which cover one-third of regional territory (mainly in the Šumava and the Novohradské hory Mountains). Agriculture is focused on crop production with cereals, oil plants, and potatoes as the main crops. Cattle and pig breeding dominate livestock production. Fish farming has a long tradition in the Region. The total area of ponds encompasses approximately 25 000 hectares. One half of

the fish production of the Czech Republic originates from here.

### Transport

The South Bohemia Region has a strategic position on the north-south axis of international transport. It is crossed by important international roads and the north-south railway corridor. The backbone of the road system is the international E 55 (Rostock – Berlin – Prague – Linz). Another north-south road is the I/4: Prague – Příbram – Písek – Strakonice – Strážný (Germany). The most important roads in the east-west direction are the E 49 and E 551 Rozvadov – Plzeň – České Budějovice – Třeboň – Halámky – Austria, and Třeboň – Jindřichův Hradec – Pelhřimov

### Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – České Budějovice	1 638	184 256	109	113
LAU 1 – Český Krumlov	1 615	61 261	46	38
LAU 1 – Jindřichův Hradec	1 944	92 693	106	48
LAU 1 – Písek	1 127	70 310	75	62
LAU 1 – Prachatice	1 375	51 470	65	37
LAU 1 – Strakonice	1 032	70 687	112	68
LAU 1 – Tábor	1 326	102 587	110	77
NUTS 3 – South Bohemia Region	10 057	633 264	1 979	63
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district



*Fish farming has a long tradition*

– Humpolec with connection to the D1 motorway. The directions of the main railway lines are similar to those of the roads: north-south: Prague – Tábor – České Budějovice – Horní Dvořiště – Linz, and in the same direction: Veselí nad Lužnicí – České Velenice – Vienna. Lines in the east-west direction are: Germany – Plzeň – České Budějovice – Veselí nad Lužnicí – Jihlava – Havlíčkův Brod – Brno. The Hosín civilian airport has international status only for aircraft of the third category ([www.hosin.info](http://www.hosin.info)). Possible commercial use of the military airports in České Budějovice and Bechyně could have a favourable influence on the prosperity of the Region.

### Education, Culture, and Tourism

Many specialised secondary schools and vocational schools provide qualified labour. Most important in this respect are the University of South Bohemia in České Budějovice with seven faculties (Economics, Philosophy, Pedagogics, Natural Sciences, Theology, Health and Social Studies, and Agriculture), and the Faculty of Management of the University of Economics in Jindřichův Hradec. The two universities, together with branches of the Academy of Sciences of the Czech Republic, are bases for the development of science and research, especially in biology and ecology. The potential of South Bohemian scientific research institutions is large and offers great opportunity for commercial co-operation.

Residents and visitors have ample

opportunity for cultural enjoyment. The choice includes the South Bohemian Theatre in České Budějovice, which has several smaller theatres with ensembles in Český Krumlov and Tábor.

South Bohemia ranks among areas which have less burdened environment. The share of tourism in regional business has been on the rise in recent years, and the Region is becoming an important area of tourism and recreation. Sufficient accommodation capacities provide a broad range of possibilities for recreational, tourist, and curative stays. The Region has spas in Třeboň, Bechyně, and Vráž u Písku. Different types of exhibitions are arranged throughout the year at České Budějovice Exhibition Grounds. The most important ones are the international agricultural exhibition "Earth the Provider" and the "HOBBY" exhibition.

The situation in the border area allows for effective cross-border co-operation in services and tourism. The virtually unspoilt environment and many cultural monuments are general attractions of the Region. The Euroregions are the Bohemian Forest /Bayerischer Wald/Mühlviertel, and Silva Nortica.

### Krajský úřad Jihočeského kraje (Regional Authority of the South Bohemia Region)

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phone: +420 386 720 111  
e-mail: [posta@kraj-jihocesky.cz](mailto:posta@kraj-jihocesky.cz), [www.kraj-jihocesky.cz](http://www.kraj-jihocesky.cz)

Total exports of the Region CZK 93 448 million (approx. EUR 3 366 million)

#### Mainly:

Semi-finished products and materials	16.2 %
Chemicals and related products	5.8 %
Food	4.6 %
Share in total CR exports	4.35 %
Of which to EU 25	88.8 %

#### More information:

South Bohemia Region	<a href="http://www.kraj-jihocesky.cz">www.kraj-jihocesky.cz</a>
South Bohemian University	<a href="http://www.jcu.cz">www.jcu.cz</a>
University of Economics	<a href="http://www.vse.cz">www.vse.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/jihocesky-kraj">www.czechinvest.org/jihocesky-kraj</a>
South Bohemian Scientific Technology Park	<a href="http://www.jvtp.cz">www.jvtp.cz</a>
České Budějovice Exhibition Grounds	<a href="http://www.vcb.cz">www.vcb.cz</a>



The economy of the Plzeň Region is one of the most efficient in the Czech Republic. The capital – the city of Plzeň – is a traditional centre of engineering and electronics. The Pilsner Urquell and Škoda brands are famous throughout the world. The developed scientific research and development base together with the educational infrastructure of high quality rank Plzeň among the largest centres of education in the Czech Republic. High-level co-operation is conducted between schools, research and development facilities, and the business sector.

# Plzeň Region

## Territorial Division, Location, and Population

The Plzeň Region is situated in the south-west of the Czech Republic and borders on Germany in the west. Geographically, the Region is divided into several areas: the Plzeň Uplands, part of the Brdy Highlands, and the Bohemian Forest. These areas have different climatic, geological, and hydrological conditions.

With an area of 7 561 sq. km, this is the third-largest region in the Czech Republic. The Plzeň Region has seven districts and 501 municipalities, of which 53 are towns, which are inhabited by 72% of the total regional population.

The settlement structure is atypical for the Czech Republic. The Region has many small municipalities and no medium-sized towns. The Plzeň and South Bohemia Regions form NUTS 2 – South-west.

The administrative and cultural centre of the Region is Plzeň with 164 000 inhabitants, who account for 30% of the regional population. Plzeň is the second most important regional centre in Bohemia after Prague.

## Economic Characteristics

The share of the Plzeň Region of the GDP of the Czech Republic is 5% and in per capita terms ranks second after Prague. The significant position among other regions is

influenced by the high economic performance of the city of Plzeň, which produces two-thirds of the regional industrial output.

The Plzeň Region is more or less self-sufficient economically, and some sectors and enterprises operate on a national, European, or even worldwide basis (Plzeňský Prazdroj, a.s., Škoda Holding a.s.). The centre of the Region is economically strong, whereas the border Districts of Klatovy and Tachov and the northern area are economically weaker.

The most important industrial sectors in the Plzeň Region include engineering, metallurgy, the food, building materials, and ceramics industries, the manufacture of alcoholic beverages, electrical engineering, and the manufacture of automobile components.

Compared with other regions of the Czech Republic, foreign ownership of economic entities is more common. In all, there are some 200 companies with foreign capital involvement in the Region. The largest foreign investments have been made by the Japanese Panasonic AVC Network Czech, Daikin Industries CR, and the Japanese-German company Yazaki Wiring Technologies Czech.

Agriculture is a significant employer, especially in areas which lack developed industry. In view of the natural conditions, the border areas (the Bohemian Forest) are more suitable for livestock production. Forestry is developed mainly in the Bohemian Forest and in the foothills in the north and north-west of the Region.

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Domažlice	1 123	59 731	85	53
LAU 1 – Klatovy	1 946	88 345	94	45
LAU 1 – Plzeň-město	234	180 799	15	773
LAU 1 – Plzeň-jih	1 017	59 651	90	59
LAU 1 – Plzeň-sever	1 287	73 061	98	57
LAU 1 – Rokycany	575	46 762	68	81
LAU 1 – Tachov	1 379	52 725	51	38
NUTS 3 – Plzeň Region	7 561	561 074	501	74
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district



J. K. Tyl Theatre

Many industrial enterprises are in a stage of restructuring, which involves reduction in the number of employees. Socio-economic differences are being alleviated by cross-border co-operation with neighbouring Bavaria at the Euroregion level. The European programme of support for this co-operation is being used in the Plzeň Region by the Domažlice and Klatovy Districts in the Euroregion Bohemian Forest, and the Tachov District in the Euroregion Egrensis.

### Transport

The Plzeň Region has a strategic position on the east-west communication lines in Europe. Most important is the D 5 Prague – Plzeň – Rozvadov motorway. A number of border crossings on roads link the Region with Germany. The major ones include Rozvadov, Folmava, Lisková, and Železná Ruda.

Road transport plays the main role in the Region, taking over the dominant position of rail transport. The transport network in the Region (road and rail) has a distinctly radial arrangement and the city of Plzeň is an important transport junction. Regional transport is serviced mainly by buses. An integrated transport system is operated in the environs of Plzeň, which is the chief point of interchange for public transport. Cycling trails are being built in different parts of the Region and some are linked with international networks.

The structure of rail transport is similar to that of road transport. Five lines meet at the Plzeň junction. The main international transit lines are Prague – Plzeň – Chéč – Germany and Plzeň – Domažlice – Česká Kubic – Germany.

### Education, Culture, and Tourism

In comparison with the average in the Czech Republic, the Region has a lower share of people with university background, and a higher share of graduates from vocational and training schools. A significant concentration of university and secondary school graduates exists in the city of Plzeň, the seat of two universities and a number of secondary and training schools. University education is offered by the University of West Bohemia at its eight faculties (Applied Sciences, Economics, Electrical Engineering, Philosophy, Pedagogics, Law, Mechanical Engineering, and Medicine) and by the Plzeň Faculty of Medicine of Charles University Prague.

The Region has favourable conditions for tourism. There are many cultural monuments in Plzeň. Natural sites in the city include the Bolevec Pond System, a unique late-Gothic work of the 15th century. Other frequented places include the Zoo and Botanical Gardens of Plzeň.

The cultural monuments of the Region include the Baroque Manětin Chateau, the convent in Plasy (National Cultural Monument), Kašperk Castle, the moated castle in Švihov, chateaux in Horšovský Týn, Kaceřov, Kozel, Nebřilovy, and Lužany, and

Total exports of the Region	CZK175 237 million (approx. EUR 6 312 million)
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#### Mainly:

Machinery and transport equipment	65.5%
Industrial consumer goods	16.6%
Semi-finished products and materials	12.4%

Share in total CR exports	8.17%
Of which to EU 25	92.3%

Data: Czech Statistical Office, 2007 Yearbook

### More information:

Plzeň Region	<a href="http://www.kr-plzensky.cz">www.kr-plzensky.cz</a>
Town of Plzeň	<a href="http://www.plzen.eu">www.plzen.eu</a>
University of West Bohemia	<a href="http://www.zcu.cz">www.zcu.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/plzensky-kraj">www.czechinvest.org/plzensky-kraj</a>

the Kladruby Monastery. Many visitors are attracted to Domažlice for the annual Chodsko Festival.

Excellent conditions for both summer and winter recreation exist in the Bohemian Forest, which has many hiking and cycling trails, and opportunities for cross-country and downhill skiing.

### Krajský úřad Plzeňského kraje (Regional Authority of the Plzeň Region)

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The centre of the Region is Karlovy Vary, primarily famous as a spa and the venue of many cultural events. The best known of the latter is the International Film Festival, which has been attended by Sean Connery, Michael Douglas, Robert Redford, Sharon Stone, Robert De Niro, and dozens of other stars. Business between Czech and German companies, in the form of joint ventures, is important for the Region. Investors are extremely interested in this Region. For example, the Israeli BCD Group is planning to set up a large economic centre near the town of Aš.

# Karlovy Vary Region

## Territorial Division, Location, and Population

The Karlovy Vary Region is situated in the west of the Czech Republic. It neighbours on Germany – Bavaria in the west and Saxony in the north. Together with the Ústí nad Labem Region, it forms NUTS 2 –North-west, which is defined as a border area by the European Union. The Karlovy Vary Region consists of three districts - Karlovy Vary, Sokolov, and Cheb.

The Region is spread over 4.2% of the area of the Czech Republic and is its second-smallest Region. It has a share of approximately 3% of the number of inhabitants of the Czech Republic, but its share of urban population is much higher (82%). Typical of the major part of the territory are many small municipalities. The Region has 132 municipalities, of which 28 are towns. Almost 18% of the inhabitants of the Region live in its capital, Karlovy Vary. Other large towns are Cheb, with 10% of the inhabitants, and Sokolov, with 8.5% of the regional population.

## Economic Characteristics

The Region has a very varied economic structure. The spa industry and tourism are dominant in the Karlovy Vary and Cheb micro-regions, in contrast to the purely industrial Sokolov area (lignite mining,

power industry, chemical production, and engineering). Traditional in the Region is the manufacture of glass, china, liqueur, mineral water and musical instruments.

The construction of industrial zones in recent years has been attracting foreign investors to the Cheb micro-region, and light industry has been developing.

In 2007, the classification of activities according to sectors showed that 31.7% of business entities were active in trade, 17.9% in real estate and rental, 10.9% in industry, and 10.8% in construction.

The hilly landscape and the climatic and soil conditions do not provide conditions suitable for agriculture. Of the total area of the Region, 43% is under forest. The most important natural resources are lignite and ceramic clay and, in particular, mineral and curative water springs.

## Transport

Road transport, especially of freight, soared after the borders had opened in 1989. The Karlovy Vary Region has a dense network of roads and railway lines. The major roads include the I/6 from Prague to Germany via Cheb, I/13 Chomutov – Děčín, I/20 Karlovy Vary – České Budějovice and I/25 from Ostrov to Germany. The railway lines with the heaviest traffic are No. 140 - Cheb – Karlovy Vary – Chomutov – Prague, as well as 170 - Prague – Plzeň – Germany and 147 - Cheb – Vojtanov – Germany.

Karlovy Vary has an international airport. The next closest is the Prague-Ruzyně airport (110 km).

## Education, Culture, and Tourism

The University of Karlovy Vary, which has approximately 1 200 students, provides

### Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Cheb	1 046	95 203	40	91
LAU 1 – Karlovy Vary	1 515	119 165	54	79
LAU 1 – Sokolov	754	93 081	38	123
NUTS 3 – Karlovy Vary Region	3 315	307 449	132	93
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district

education in Law, Economics, Communication, and Management. The study of Economics is also offered by the University of West Bohemia in Cheb. The Karlovy Vary Higher Professional School provides education in Tourism and Languages. The Secondary and Higher Professional Medical School is also based in Karlovy Vary. The Karlovy Vary Technological Park is a scientific research institute focused on Regionalistics and Ecology.

The main spas of the Czech Republic are concentrated in the Karlovy Vary Region. The spas of Karlovy Vary and Jáchymov are in the Karlovy Vary District, while Mariánské lázně, Františkovy lázně, and Lázně Kynžvart spas are in the Cheb District.

Many cultural and sporting facilities are connected with the spa tradition, as are many regular cultural events, such as the aforementioned Karlovy Vary International Film Festival, Dvořák's Karlovy Vary Autumn, Tourfilm, the International Jazz Festival, and Beethoven Days.

Although the main destinations of visitors are the spa towns, the Region has many other attractions, such as the historic towns, including Cheb, Jáchymov, Loket, Ostrov,

and Horní Slavkov. Sports-loving tourists have a choice of golf courses and horse races.

The Karlovy Vary Region is also an important congress destination. A large choice of congress venues of all sizes with qualified staff and a rich selection of fringe programmes – spa and wellness programmes, cultural, sporting and social events, and many nearby destinations for excursions – make the Region ideal for the organisation of small and medium-sized events.

The border location provides opportunities for co-operation in production, infrastructural development, environmental protection, cultural and educational activities, and especially for tourism. The activity of the Egrensis Euroregion, which was established for this purpose, is a boon to cross-border co-operation.

Total exports of the Region CZK 51 192 million (approx. EUR 1 844 million)

**Mainly:**

Semi-finished products and materials	39.5%
Machinery and transport equipment	27.4%
Industrial consumer goods	12.7%

Share in total CR exports	2.4%
Of which to EU 25	90.6%

Data: Czech Statistical Office, 2007 Yearbook

**More information:**

Karlovy Vary Region	<a href="http://www.kr-karlovarsky.cz">www.kr-karlovarsky.cz</a>
Karlovy Vary	<a href="http://www.karlovyvary.cz">www.karlovyvary.cz</a>
The University of Karlovy Vary	<a href="http://www.vskv.cz">www.vskv.cz</a>
The University of West Bohemia, Faculty of Economics in Cheb	<a href="http://www.fek.zcu.cz">www.fek.zcu.cz</a>
CzechInvest Regional Office	<a href="http://www.czinvest.org/karlovarsky-kraj">www.czinvest.org/karlovarsky-kraj</a>

**Krajský úřad Karlovarského kraje  
(Regional Authority of the Karlovy Vary Region)**

Závodní 353/88, 360 21 Karlovy Vary, Czech Republic  
phone: +420 353 502 111, fax: +420 353 502 108  
e-mail: [epodatelna@kr-karlovarsky.cz](mailto:epodatelna@kr-karlovarsky.cz), [www.kr-karlovarsky.cz](http://www.kr-karlovarsky.cz)

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The economic importance of the Region is historically given by its natural wealth, especially extensive deposits of lignite. This, and qualified labour, are prerequisites for the development of industrial production. This contrasts with the Districts of Litoměřice and Louny, which are dubbed the "Garden of Bohemia" due to their vegetable and fruit production. An asset of the Region is the Labe River, which is the most important waterway in the Czech Republic and allows shipping transport to Hamburg.

# Ústí nad Labem Region

## Territorial Division, Location, and Population

The Ústí nad Labem Region is situated in the north-west of the Czech Republic and neighbours on Germany in the north. Together with the Karlovy Vary Region, it forms NUTS 2 – North-west. The Region has an area of 5 335 sq. km, inhabited by 8% of the population of the Czech Republic. The Ústí nad Labem Region has seven districts with 354 municipalities, of which 58 are towns. The regional capital is Ústí nad Labem with 97 160 inhabitants. The most heavily populated area is the lignite basin below the Krušné hory (Ore Mountains), and areas with a lower population density are the Ore Mountains and the Louny and Litoměřice Districts, in which small villages predominate.

## Economic Characteristics

The economic importance of the Region is historically given by its natural wealth, especially extensive deposits of lignite lying close to the surface. The lignite basin is situated below the slopes of the Ore Mountains, spreading from Ústí nad Labem to Kadaň. Also important are the deposits of quality sands for glassmaking and the foundry industry, and of building stone. There is an area with highly developed industrial production in the foothills of the Ore Mountains (the Districts of Chomutov, Most, Teplice, and partly Ústí nad Labem).

Significant sectors include the energy

industry, coal mining, engineering, and the chemical and glassmaking industries. The Litoměřice and Louny areas are noted for their production of hops and vegetables. Areas on the Labe and Ohře Rivers are famous fruit-growing regions, dubbed the "Garden of Bohemia". Vines grown in the Litoměřice area have a good name. Viticulture in the Most area became well-known in recent years after vineyards had been planted on land regenerated after lignite mining.

The Region has a share of 6.5% in the GDP of the Czech Republic. Dominant in regional exports are semi-finished products and materials (31.7%), and machinery and transport equipment (28.6%). In consequence of the decline in coal mining, the restructuring of enterprises and

reduction in manufacturing and agriculture, the Ústí nad Labem Region has the highest unemployment rate (7.7%) in the country. Great effort is being exerted to create conditions for investors whose business plans and environmentally friendly operations would help to expand the range of production in North Bohemia and significantly reduce unemployment. The biggest employers in the Ústí nad Labem Region include Mostecká uhelná, Severočeské doly, and Chemopetrol.

## Transport

The Region has an important position for transport, due to links to the EU. The significant international road E 55, which connects the north

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Děčín	909	135 441	52	149
LAU 1 – Chomutov	935	125 743	44	134
LAU 1 – Litoměřice	1 032	117 159	105	114
LAU 1 – Louny	1 118	86 710	70	78
LAU 1 – Most	467	116 728	26	250
LAU 1 – Teplice	469	129 202	34	275
LAU 1 – Ústí nad Labem	404	120 197	23	298
NUTS 3 – Ústí nad Labem Region	5 335	831 180	354	156
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district



Stone Spa (Kamenné lázně) in Teplice

and south of Europe, crosses the Teplice and Litoměřice Districts and from Lovosice continues as the D 8 motorway. Another important road leads from the Karlovy Vary Region along the Ore Mountains to the north of the Liberec Region (I/13). Also important is the I/7 road from Germany to Prague via Chomutov and Louny. The main railway line runs from Germany to Prague via Ústí nad Labem. The Labe River is the most important waterway in the Czech Republic, allowing shipping transport to the North Sea port of Hamburg. The Region has 14 customs border crossings on roads, three on railways, and one on a river, and many new crossings for pedestrians and cyclists.

### Education, Culture, and Tourism

The restructuring of production and services have dictated the need for higher professional qualifications. The role in this respect is played by 24 grammar schools, 48 vocational training centres, 74 secondary specialised schools, and

universities: Jan Evangelista Purkyně University in Ústí nad Labem, a faculty of the Czech Technical University in Prague located in Děčín, and the newly-opened Institute of Finance and Administration in Most. Their contacts with partners in neighbouring Saxony could pave the way for economic and cultural co-operation between future generations of the two regions.

The environment in the border districts of the present Ústí nad Labem Region has been significantly improved in recent years. The thermal power plants have been desulphurised, the quality of water in the Labe River has been markedly improved by new waste water treatment plants, and chemical production, which polluted the environment, has been reduced.

### Krajský úřad Ústeckého kraje (Regional Authority of the Ústí nad Labem Region)

Velká Hradební 3118/48, 400 02 Ústí nad Labem, Czech Republic  
phone: +420 475 657 111, fax: +420 475 200 245  
e-mail: urad@kr-ustecky.cz, www.kr-ustecky.cz

Total exports CZK 144 828 million (approx. of the Region EUR 5 216 million)

#### Mainly:

Semi-finished products and materials	31.7%
Machinery and transport equipment	28.6%
Industrial consumer goods	10.5%

Share in total CR exports	6.7%
Of which to EU 25	87.3%

Data: Czech Statistical Office, 2007 Yearbook

Ecological criteria, which conform to European Union standards, are decisive for further industrial production.

The Ústí nad Labem Region has very many natural beauties – the Ore Mountains, the Central Bohemian Highlands, the Lužické hory Mountains, the interesting rock formations of the Tiské stěny Walls, the "Bohemia-Saxony Switzerland" area, and the picturesque Labe valley. It abounds in curative springs (Lázně Teplice, Bílina), and many historical monuments, castles, and chateaux. The best known include the Baroque chateau in Duchcov, the Romanesque rotunda on Mount Říp, the Gothic church in Most, the monasteries in Osek and Doksany, and Ploskovice and Libochovice Chateaux.

#### More information:

Ústí nad Labem Region	<a href="http://www.kr-ustecky.cz">www.kr-ustecky.cz</a>
Ústí nad Labem	<a href="http://www.usti-nad-labem.cz">www.usti-nad-labem.cz</a>
Jan Evangelista Purkyně University	<a href="http://www.ujep.cz">www.ujep.cz</a>
Institute of Finance and Administration	<a href="http://www.vsfs.cz">www.vsfs.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/ustecky-kraj">www.czechinvest.org/ustecky-kraj</a>

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The Region's foundries and wealth of sands for glassmaking facilitated the development of the manufacture of glass and costume jewellery, which is famous abroad. The Region attracts foreign investors due to the presence of the Technical University of Liberec and the well-prepared industrial zones. This was the first region to establish cross-border co-operation. The first Euroregion, which associates municipalities in the Czech-German-Polish border area, was established in the territory of the present Liberec Region some time before the Czech Republic acceded to the European Union.

# Liberec Region

## Territorial Division, Location, and Population

The Liberec Region is situated in the north of the Czech Republic and its northern boundary forms the border with Germany, followed by the 130-km border with Poland.

The Liberec Region, together with the Hradec Králové and Pardubice Regions, forms NUTS 2 – North-east.

The Region is mostly mountainous. The territory includes the north of the Bohemian Basin, the Jizerské hory Mountains, the west of the Krkonoše (Giant Mountains), and the eastern part of the Lužické hory Mountains. The best-known mountain of the Region is Ještěd, (1 012 m), which is the highest point of the Ještěd Ridge.

The Region has four districts: Liberec, Jablonec nad Nisou, Česká Lípa, and Semily, and 215 municipalities, of which 39 are towns. More than 78% of the Region's inhabitants live in towns. The regional capital is Liberec with 101 000 inhabitants, the second largest town is Jablonec nad Nisou with 46 240 inhabitants.

## Economic Characteristics

The Liberec Region is mainly an industrial area. The sectors include engineering and branches of the manufacturing industry, which are connected with plastics processing and automobile production. The traditional

textile industry has lost its dominant position due to reductions in recent years. The foundries and wealth of sands for glassmaking facilitated the development of the manufacture of glass and costume jewellery. The quarrying and working of stone for decorative and construction purposes has been significant in the Region for a long time. The Liberec Region accounts for 3.5% of the GDP of the Czech Republic. Machinery and transport equipment are predominant in its exports (50.8%).

In agriculture, which is only a complementary sector, the main crops are cereals and fodder plants for cattle breeding.

## Transport

The Liberec Region is situated in a sector between two motorways, D 8 – Ústí nad

Labem – Dresden, and D11 – Prague – Hradec Králové – Lubowka – Legnica. The main transport axis is the express road from Prague, which provides a good connection with the centre of the country. The north-south axis is the road I/9 Svoboda – Česká Lípa – Mělník and the west-east road is I/13, 35 Děčín – Nový Bor – Hrádek nad Nisou – Liberec – Turnov – Hradec Králové.

No railway line in the Liberec Region is part of an international corridor. The network of lines serving international combined transport (AGTC lines) includes the regional section of the Prague – Liberec – Černousy – state borderline, which can transport trucks. Passenger transport is served by fast trains on the Liberec – Česká Lípa – Děčín – Ústí nad Labem; Liberec – Turnov – Semily – Hradec Králové – Pardubice; and Prague – Tanvald lines.

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Liberec	989	166 547	59	168
LAU 1 – Jablonec nad Nisou	402	89 450	34	223
LAU 1 – Česká Lípa	1 073	103 254	57	96
LAU 1 – Semily	699	74 697	65	107
NUTS 3 – Liberec Region	3 163	433 948	215	137
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district



Hrubá skála Castle

### Education, Culture, and Tourism

The Region has a qualified labour force, due to the existence of a number of specialised vocational schools and training facilities. However, most important is the Technical University of Liberec with its faculties of Mechanical Engineering, Textile Engineering, Economics, Pedagogics, Architecture, and Mechatronics. About 700 students graduate from the university every year.

The Liberec Region has a rich cultural and historical tradition, which is reflected in very many architectural and historic monuments and cultural facilities. Prominent cultural institutions include F.X. Šalda Theatre with its Small Theatre stage, the Naive Theatre in Liberec, and the Zoological and Botanical Gardens in Liberec.

Geographic diversity also makes the Liberec Region very attractive for tourism. Thousands of tourists arrive every year to enjoy the opportunities it offers for hiking, cycling, and winter sports. The Region has five protected landscape areas (the Central Bohemian Highlands, Jizerské and Lužické hory Mountains, the Bohemian Paradise, and the Kokořín area), seven National

Nature Reserves, eight National Nature Monuments, 35 nature reserves and 56 nature monuments. There are two spa towns (Lázně Libverda and Lázně Kundratice), which treat disorders of the locomotive apparatus, the heart and blood circulation, and rheumatism. Many visitors come to see the Region's sites of historic value, which include castles and chateaux (Bezděz, Zákupy, Lemberk, Frýdlant, Sychrov, Hrubý Rohozec, and Valdštejn). The countryside is studded with lakes and ponds, of which the best known is the Mácha Lake.

The territory of the Liberec Region is included in the Euroregion Neisse-Nisa-Nysa, which was established in 1991 as the pioneer of cross-border co-operation, particularly in tourism, education, and economy.

Total exports of the Region	CZK 93 794 million (approx. EUR 3 379 million)
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**Mainly:**

Machinery and transport equipment	50.8%
Semi-finished products and materials	29.4%
Industrial consumer goods	13.9%

Share in total CR exports	4.4%
Of which to EU 25	79.2%

*Data: Czech Statistical Office, 2007 Yearbook*

### More information:

Liberec Region	<a href="http://www.kraj-lbc.cz">www.kraj-lbc.cz</a>
Town of Liberec	<a href="http://www.liberec.cz">www.liberec.cz</a>
Technical University	<a href="http://www.tul.cz">www.tul.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/liberecky-kraj">www.czechinvest.org/liberecky-kraj</a>

### Krajský úřad Libereckého kraje (Regional Authority of the Liberec Region)

U Jezu 642/2a, 461 80 Liberec 2, Czech Republic  
 phone: +420 485 226 111, fax: +420 485 226 444  
 e-mail: [info@kraj-lbc.cz](mailto:info@kraj-lbc.cz), [www.kraj-lbc.cz](http://www.kraj-lbc.cz)



The Hradec Králové Region is suitable for medium-sized business with a large share of services, but it also has a huge potential for the development of tourism. Natural formations in its territory include the Krkonoše (Giant Mountains), the highest Czech range, and Český ráj (Bohemian Paradise), which is popular among tourists. Important for regional development is cross-border co-operation within the largest Euroregion in the Czech Republic – Euroregion Glacensis. A major project of Czech-Polish co-operation at present is to assist in the development of environmentally friendly transport.

# Hradec Králové Region

## Territorial Division, Location, and Population

The Region is situated in north-east Bohemia and in the north and east shares a border of 208 km with Poland. Together with the Liberec and Pardubice Regions, it forms NUTS 2 – North-east, which is one of the largest regions in the Czech Republic in terms of both area and population. The Region has five districts: Hradec Králové, Jičín, Náchod, Rychnov nad Kněžnou, and Trutnov, and a total of 448 municipalities, of which 47 are towns. The regional capital is Hradec Králové with 99 130 inhabitants.

## Economic Characteristics

The Hradec Králové Region has an agricultural-industrial character. The manufacturing industry has developed in the north-east mountainous area, which has less favourable conditions for agriculture. The textile industry is concentrated in a number of small towns in the foothills. Other important sectors in the Region include general engineering, food and beverage production, and the metal working, electrical engineering, rubber, and plastics industries. Gravel sand, building stone, sandstone, and limestone are quarried in the Region.

Farming is intensive in the Labe valley, where cereals are grown and cattle and poultry bred.

The Region accounts for 4.2% of the GDP of the Czech Republic. Machinery and transport equipment are dominant in its exports (50.1%).

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Hradec Králové	892	161 349	104	181
LAU 1 – Jičín	887	78 852	111	89
LAU 1 – Náchod	852	112 507	78	132
LAU 1 – Rychnov nad Kněžnou	982	79 042	80	80
LAU 1 – Trutnov	1 147	120 462	75	105
NUTS 3 – Hradec Králové Region	4 758	552 212	448	116
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district

Tourism in the mountainous areas is a significant economic asset to the Region and the whole country. The major tourist centres are in the Giant Mountains, the Orlické hory Mountains and the Adršpašsko-teplické and Prachovské skály Rocks.

## Transport

The transport system is very diverse. The transport network is dense in the Labe valley and thins out in the border mountains direction. Characteristic of the area are radial routes to the regional capital and circular routes along the foothills of the Giant Mountains and the Orlické hory Mountains. Hradec Králové is an important junction of seven main roads from Prague, Liberec, Náchod, Šumperk, Brno, Pardubice, and Kutná Hora. The Region is linked with the D11 motorway in the direction of Poděbrady.

The Region has a dense network of regional railway lines.

The seven public airports in the Region include those in Jaroměř, Dvůr Králové nad Labem, Hořice, Vrchlabí, and Jičín, but none of them have international status except for the military airport in Hradec Králové, which is not

Total exports of the Region	CZK 89 661 million (approx.)
	EUR 3 230 million)

### Mainly:

Machinery and transport equipment	50.1%
Semi-finished products and materials	32.4%
Industrial consumer goods	8.9%

Share in total CR exports	4.2%
Of which to EU 25	80.1%

Data: Czech Statistical Office, 2007 Yearbook

public at present. The nearest international airports are in Pardubice (20 km) and Prague (110 km).

### Education, Culture, and Tourism

The provision of good education is a priority of the Hradec Králové Region.

Academic education is provided by the University of Hradec Králové with three faculties (Pedagogy, Informatics and Management, and Humanities), as well as by the Faculties of Medicine and Pharmacy of Charles University. Studies in Military Medicine are also offered.

Regional secondary education is provided by a network of 59 schools, some of which serve the whole country. The latter include the Vocational School of Stonemasonry in Hořice and the Vocational School of Forestry in Trutnov. Besides the state-run schools, there are private and church schools, which include two grammar schools, twelve specialised secondary schools, and four vocational schools. The Region also has ten higher professional schools.

A number of annual cultural events, many of them traditional, take place in the Hradec Králové Region. The town of Hradec Králové hosts the European Regions Theatre international review of professional stage ensembles, and the "Jazz Goes to Town" Festival.

Areas with a significant natural potential for recreation and tourism include the Giant Mountains, Orlické hory Mountains, the environs of Broumov, and the Bohemian



The highest peak of the Czech Republic – Sněžka

Paradise. Neighbouring Poland is reflected in cross-border tourism and the recently promoted co-operation between the municipalities in the border area. Euroregion Glacensis, one of the Euroregions established in the Polish-Czech borderland, includes 60 municipalities on the Czech side, most of them in the Hradec Králové area.

#### More information:

Hradec Králové Region	<a href="http://www.kr-kralovehradecky.cz">www.kr-kralovehradecky.cz</a>
Hradec Králové	<a href="http://www.hradeckralove.org">www.hradeckralove.org</a>
University of Hradec Králové	<a href="http://www.uhk.cz">www.uhk.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/kralovehradecky-kraj">www.czechinvest.org/kralovehradecky-kraj</a>

### Krajský úřad Královéhradeckého kraje (Regional Authority of the Hradec Králové Region)

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The Pardubice Region has several primacies. It was the first region in the Czech Republic and Central Europe to gain a credit from the European Investment Bank for the modernisation of its network of roads. Pardubický perník (Pardubice Gingerbread) was the first regional product to be awarded the EU protective mark. Pardubice is the venue of the annual Pardubice Steeplechase, which is one of the most difficult and most prestigious horse races in the Old Continent.

# Pardubice Region

## Territorial Division, Location, and Population

The Pardubice Region is situated in eastern Bohemia and, together with the Hradec Králové and Liberec Regions, forms NUTS 2 – North-east.

A section of the Region's north-east boundary forms the Czech-Polish State border.

Its area of 4 518 sq. km is 6% of the total area of the Czech Republic.

The Region has 511 400 inhabitants in four districts: Pardubice, Chrudim, Svitavy, and Ústí nad Orlicí. The regional capital is Pardubice with 89 954 inhabitants.

## Economic Characteristics

The Pardubice Region is an industrial and agricultural area. Its industrial structure is varied, the main sectors are engineering and the chemical industry, and the other sectors are the textile, electrical engineering, food, and construction industries.

Agriculture is focused on crop production and the production of milk, eggs, and meat.

The manufacturing industry accounts for 31% of the regional GDP, followed by agriculture with 4.8%. The Region's share of total exports of the Czech Republic is 7.2%, which is the fourth largest share among the 14 existing regions.

## Transport

The Pardubice Region has a dense network of

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Chrudim	993	103 860	108	105
LAU 1 – Pardubice	880	163 926	112	186
LAU 1 – Svitavy	1 379	104 756	116	76
LAU 1 – Ústí nad Orlicí	1 267	138 858	115	110
NUTS 3 – Pardubice Region	4 519	511 400	451	113
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district

regional railway lines, and the town of Pardubice is an important railway junction on the E040 international railway line (Paris – Nuremberg – Prague – Vienna) and the E061 (Berlin – Prague – Brno – Vienna) line. Important national lines in the direction of Liberec and Havlíčkův Brod via Chrudim and Hlinsko are connected to the main corridor in Pardubice.

The most important road is the I/37, running from the north through Pardubice and Chrudim to Ždírec nad Doubravou, and I/17 in the direction of Čáslav – Heřmanův Městec – Hrochův Týnec – Zámrsrk. A point of intersection of important roads in the south-east part of the Region is at Svitavy. From there, road I/35 leads to the north-west via Litomyšl, Vysoké Mýto, and Holic to Hradec Králové. A fundamental change in the road transport of the Pardubice Region will be the

new section, now under construction, of the existing Prague – Poděbrady motorway, to be linked to the R35 express road, which will become the backbone of the regional transport system.

The decisive role in air transport is played by the Pardubice International Airport with mixed military and civilian air traffic.

Total exports of the Region CZK 154 022 million (approx. EUR 5 545)

### Mainly:

Machinery and transport equipment	78.4%
Semi-finished products and materials	9.1%
Industrial consumer goods	5.9%

Share in total CR exports	7.2 %
Of which to EU 25	83.3%

Data: Czech Statistical Office, 2007 Yearbook

As for river transport, the Pardubice Region can use only a short navigable section of the Labe River. Regular seasonal passenger transport on the river route Kunětice – Pardubice – Přelouč is an important tourist attraction.

### Education, Culture, and Tourism

The Region has a high standard of education provided by 260 elementary schools, 100 secondary schools, and nine higher professional schools, as well as the University of Pardubice with its seven faculties (Transport, Economics and Administration, Electrical Engineering and Informatics, Philosophy, Chemical Technology, Art Restoration, and Medicine).

The Pardubice Region has many prerequisites for tourism – beautiful lowlands and mountains, a favourable climate,

opportunities for swimming, water sports, hiking, cycling, and winter sports. Agrotourism is developing in all the foothill areas of the Region. The breeding of the Kladruby Horses is traditional. Cultural attractions include Pardubice Chateau, which houses expositions of the East Bohemian Museum and the East Bohemian Gallery, the Museum of Puppet Cultures in Chrudim, and Emil Holub Memorial – African Museum in Holic.

The Pardubice Region hosts musical events such as the Pardubice Music Spring,

Smetana's Litomyšl, and music festivals in Přelouč. The Chamber Philharmonic of Pardubice is famous throughout the world.

### More information:

Pardubice Region	<a href="http://www.pardubickykraj.cz">www.pardubickykraj.cz</a>
Town of Pardubice	<a href="http://www.pardubice.eu">www.pardubice.eu</a> <a href="http://www.mesto-pardubice.cz">www.mesto-pardubice.cz</a>
University of Pardubice	<a href="http://www.upce.cz">www.upce.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/pardubicky-kraj">www.czechinvest.org/pardubicky-kraj</a>

### Krajský úřad Pardubického kraje (Regional Authority of the Pardubice Region)

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The Vysočina Region has an industrial and agricultural tradition. Small and medium-sized enterprises are its economic backbone. The arrival of significant foreign investors in recent years testifies to a favourable environment for business and suitable conditions for successful development.

# Vysočina Region

### Territorial Division, Location, and Population

The Vysočina Region is situated on the boundary between Bohemia and Moravia, in the very centre of the Czech Republic. Together with the South Moravia Region, it forms NUTS 2 – South-east. It differs from the neighbouring regions by the ruggedness of the landscape, higher altitude, and sparse settlement.

Its area of 6 796 sq. km is 8.6% of the area of the Czech Republic. The Region has 513 677 inhabitants in five districts and 704 municipalities, of which 34 are towns. The

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regional capital, with 50 140 inhabitants, is Jihlava, which is also the commercial, industrial, and cultural centre.

### Economic Characteristics

The Vysočina Region is an industrial and agricultural area. The economy of the eastern part of the Region is influenced by the neighbouring Brno agglomeration, and the north-east is a catchment area of Prague. The main sectors are engineering, electrical engineering, the food industry, and woodworking. The other

### Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Havlíčkův Brod	1 265	95 618	120	76
LAU 1 – Jihlava	1 199	111 257	123	93
LAU 1 – Pelhřimov	1 290	72 958	120	57
LAU 1 – Třebíč	1 463	114 153	167	78
LAU 1 – Žďár nad Sázavou	1 579	119 691	174	76
NUTS 3 – Vysočina Region	6 796	513 677	704	76
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district



Telč Castle is on the UNESCO World Heritage List

sectors in the Region are the chemical, glass, textile, power, and construction industries, and the manufacture of components for the automobile industry.

Agriculture is focused on meat and milk production, and the crops are potatoes, flax, and rape. Important sectors are forestry and fish and waterfowl breeding.

The Region accounts for 4.3% of the GDP of the Czech Republic. Dominant in regional exports is machinery and transport equipment.

A good locality for foreign and domestic investors is Bystřice nad Pernštejnem, which has many advantages, when compared to similar industrial zones in the Czech Republic and Central Europe.

### Transport

The road and rail network of Vysočina is strategic in both the Czech Republic and Europe. The Region is situated on the main Central European axis of Berlin – Prague – Vienna/Bratislava – Budapest. Also important are the first-class roads I/38 (Jihlava – Znojmo – Vienna) and I/23 (Třebíč – Telč – Jindřichův Hradec, which crosses the south of the Region in an east-west direction).

Two railway lines crossing the Region

(Jihlava – České Budějovice) and (Havlíčkův Brod – Jihlava – Brno) have a significant transport capacity and carry both passengers and freight.

Other major lines are Berlin – Prague – Havlíčkův Brod – Brno – Vienna, and Jihlava – Veselí nad Lužnicí, to which local lines are connected.

A freightliner terminal is situated in Jihlava-Pávov.

The Jihlava-Henčov airfield, the only one in the Region, serves sporting purposes.

### Education, Culture, and Tourism.

The network of schools provides education of a high standard. These include the College of Polytechnics Jihlava and the West Moravian University in Třebíč.

The Vysočina Region has many prerequisites for the development of tourism. It ranks among the regions of the Czech Republic with the finest environment. It has 124 protected landscape areas and nine natural parks. Municipal information centres offer a broad range of tourist attractions. Marked trails are prepared for hiking and cycling. The main destinations include the Zoo in Jihlava, the Museum of Records and

Curiosities in Pelhřimov, the Western Šiklův Mlýn near Zvole nad Pernštejnem, and the Urban Monument Reserves in Telč, Jihlava, and Třebíč, which are on the UNESCO World Heritage List.

Total exports of the Region	CZK 92 050 million (approx. EUR 3 316 mil.)
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#### Mainly:

Machinery and transport equipment	56.8%
Semi-finished products and materials	22.2%
Industrial consumer goods	10.4%

Share in total CR exports	4.3%
Of which to EU 25	87.1%

Data: Czech Statistical Office, 2007 Yearbook

### More information:

Vysočina Region	<a href="http://www.kr-vysocina.cz">www.kr-vysocina.cz</a>
Jihlava	<a href="http://www.jihlava.cz">www.jihlava.cz</a>
College of Polytechnics Jihlava	<a href="http://www.vspji.cz">www.vspji.cz</a>
West Moravian University in Třebíč	<a href="http://www.zmvs.cz">www.zmvs.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/kraj-vysocina">www.czechinvest.org/kraj-vysocina</a>

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South Moravia has a large economic potential, agriculture of a high standard, specialised in viticulture of European standard, four localities entered on the UNESCO Cultural Heritage List, and rich folk traditions. The chief city, Brno, attracts foreign investment by the structure and education of its population. In 2007, Brno, through the CzechInvest Agency, gained 15 new investors, 10 of whom are planning to invest in development centres.

# South Moravia Region

## Territorial Division, Location, and Population

The Region has an advantageous geographic situation on the historic route between the south and north of Europe. The South Moravia Region neighbours on Austria and Slovakia and, together with the Vysočina Region, forms NUTS 2 – South-east. The Region has 1 140 534 inhabitants in 7 districts with 673 municipalities, of which 49 are towns.

Brno, the largest city in Moravia and the second-largest city in the Czech Republic, is the capital of the Region and its inhabitants account for one-third of the regional population. Brno is the seat of a number of mainly judiciary institutions of the Czech Republic. It is an important centre of culture and university education. Brno holds a significant position in science and research, connected with its industrial tradition and the large choice of seats of higher learning. Brno is the second-largest centre of education in the Czech Republic, offering a complete range of study branches.

## Economic Characteristics

The South Moravia Region has a significant economic potential and the GDP created in it accounts for 10% of the GDP of the Czech Republic. GDP in parity with the purchasing power per inhabitant of the South Moravia Region has been 72% of the EU average.

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Blansko	863	105 885	116	123
LAU 1 – Brno-město	230	368 864	1	1 604
LAU 1 – Brno-venkov	1 499	196 411	187	131
LAU 1 – Břeclav	1 038	113 214	63	109
LAU 1 – Hodonín	1 099	157 110	82	143
LAU 1 – Vyškov	876	87 640	80	100
LAU 1 – Znojmo	1 590	112 889	144	71
NUTS 3 – South Moravia Region	7 196	1 142 013	673	159
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district

Engineering and Electrical Engineering have for a long time been the major sectors in the structure of the regional industry, with centres in Brno and Blansko, but the manufacturing industry is dominant now, with a share of 24.1% of the gross added

value in the Region. Agriculture and other traditional branches, mainly in the south of the Region, have a share of 3%. In 2007, a total of 275 industrial enterprises with 100 and more employees were based in the South Moravia Region, and thus it

The South Moravia Region has excellent conditions for the development of science and research, due to the large number of university students and the very high rating of its seats of higher learning. This is confirmed by companies (such as Bio Vendor, Honeywell, FEI, IMI Norgren, MMM Group, Pliva, Tescan, Grisoft, NESS Technologies, and Siemens) which have placed their research and development centres in Brno.

In 2007, investment in the Region was undertaken by 40 companies, which will spend an estimated CZK 13 billion (approx EUR 0.5 billion) on their projects in the coming years. Last year, Brno, through the CzechInvest agency, gained 15 new investors of whom 10 are planning development and service centres.

ranked first among regions in the Czech Republic.

The southern part of the Region has very suitable conditions for intensive agricultural production. More than 60% of its total area is farmland, of which 83% is arable land. The Znojmo and Brno-Country (venkov) Districts have the largest share of arable land. Agriculture is focused on cereals, rape, and sugar beet. Excellent natural conditions allow the continuation of the traditional viticulture and fruit and vegetable growing-90% of the vineyard area in the Czech Republic is in the South Moravia Region. Viticulture is especially developed in the Districts of Břeclav (with 48% of the vineyard area of the Czech Republic), Hodonín, Znojmo, and a part of Brno-Country. In livestock production, the Region holds one of the most important positions in pig and poultry breeding.

Favourable development has been recorded in recent years in cross-border co-operation in the Pomoraví Euroregion, which associates Weinviertel, South Moravia, and West Slovakia. Co-operation is particularly successful in metal processing, woodworking, and supplies for the automobile industry. Agriculture and connected industries and the food sector are gaining in importance.

### Transport

The South Moravia Region is important in transit transport. The backbone of the transport system are the D 1 (Prague – Brno) and D 2 (Brno – Bratislava) motorways. Both are a part of the trans-European motorway network. The north and south are linked by the R 43 and R 52 express roads. Brno is an important junction of road, motorway, and railway transport, and the integrated transport system of the South Moravia

Region. The civilian airport in Brno-Tuřany can receive all types of aircraft throughout the year. Two main railway corridors, which link the EU countries, cross the Region. Brno belongs to the Association of European Cities for High-speed Rail.

### Education, Culture, and Tourism

The high standard of education in the South Moravia Region is due to the network of schools and a high-quality system of university education – 11.7% of all university students in the Czech Republic attend 11 universities in the Region. The importance of university-level military education is noteworthy, with facilities in Brno and Vyškov, which have a vast training area and modern infrastructure.

Brno, the centre of regional culture, has 14 theatres, 6 cinemas, 17 museums, and 41 galleries. The centre of music is Besední House, the seat of the State Philharmonic Orchestra, Brno. The significance of the new Music Stage of the Brno Municipal Theatre goes beyond the Region.

With respect to international tourism, the Region has some of the most popular landscape and historic complexes in the Czech Republic. These include the Lednice-Valtice complex, which is on the UNESCO World Heritage List, the Moravian Karst, and the Slavkov (Austerlitz) Battlefield. Brno with its cultural monuments naturally plays a major role in international tourism. Attractions of the Region primarily include the Podyjí National Park, but many other

monuments and sights are a boon to the development of tourism. Other magnets are wine cellars, folk traditions, and folk culture. The picture of South Moravia would be incomplete without a mention of the ideal conditions for cycling – bicycle trails include the international Moravia-Silesia Long-distance Trail, Greenways, the Jade Trail, and the Brno – Vienna Trail.

Total exports of the Region	CZK 151 666 million (approx.)	EUR 5 463 million)
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#### Mainly:

Machinery and transport equipment	49.6 %
Semi-finished products and materials	23.0 %
Industrial consumer goods	15.7 %

Share in total Czech Republic exports	7.0 %
Of which to EU 25	79.8 %.

Data: Czech Statistical Office, 2007 Yearbook

### More information:

South Moravia Region	<a href="http://www.kr-jihomoravsky.cz">www.kr-jihomoravsky.cz</a>
Brno City	<a href="http://www.brno.cz">www.brno.cz</a>
Masaryk University	<a href="http://www.muni.cz">www.muni.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/jihomoravsky-kraj">www.czechinvest.org/jihomoravsky-kraj</a>
Brno Trade Fairs	<a href="http://www.bvv.cz">www.bvv.cz</a>

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The Olomouc Region has an industrial tradition with a broad range of sectors and branches, as well as qualified labour. The Science and Technology Park of Palacký University in Olomouc supports the establishment of enterprises which are to make use of the results of its scientific research. The Park includes a Technology Transfer Centre, a Technology Centre, and a Business Incubator, which assists innovative beginners.

# Olomouc Region

## Territorial Division, Location, and Population

The Olomouc Region is situated in Central Moravia and in its northern part forms a 104-km state border with Poland. Geographically, the Region is divided into two parts: the mountainous north including the Jeseníky Range with its highest peak, Mount Praděd (1492 m), and the southern lowlands with the fertile area called Haná. Its area of 5 267 sq. km is 6.6% of the total area of the Czech Republic. Together with the Zlín Region, the Olomouc Region forms Nuts 2 – Central Moravia. The Region has five districts and 398 municipalities, of which 30 are towns. 58% of the regional population live in towns. The cultural and administrative centre of the Olomouc Region is the town of Olomouc with 110 000 inhabitants.

## Economic Characteristics

The Olomouc Region has a long industrial tradition with a broad range of sectors and branches, as well as qualified labour, which creates very good conditions for the development of all kinds of entrepreneurial activities.

The main industrial centres of the Region are the towns of Olomouc, Přerov, and Prostějov, which offer favourable conditions for the development of services. The main sectors are engineering, the chemical, textile,

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Jeseník	719	41 565	24	58
LAU 1 – Olomouc	1 618	230 607	95	143
LAU 1 – Prostějov	770	109 979	97	143
LAU 1 – Přerov	845	135 165	104	160
LAU 1 – Šumperk	1 316	124 475	78	95
NUTS 3 – Olomouc Region	5 267	641 791	398	122
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district

and clothing industries, and optical apparatus manufacture.

The southern and central parts of the Region are areas with very fertile soil. The average yields of crops – barley, wheat, rape, and technical beet – are the highest in the Czech Republic. The food industry connected with farming has a significant position, especially in Haná, i.e. in the Olomouc, Přerov, and Prostějov areas.

The Region accounts for 4.6% of the GDP of the Czech Republic. Predominant in regional exports is machinery and transport equipment (45.5%).

## Transport

The transport service is provided by the network of 600 km of railways and 3 568 km

of roads. Railway lines are placed evenly throughout the territory, motorway sections and roads are located in the southern central part of the Region. Přerov is an important railway junction and crossroads of roads which serve transit transport in the north-

Total exports of the Region	CZK 83 051 million (approx. EUR 2 992 million)
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### Mainly:

Machinery and transport equipment	45.5%
Semi-finished products and materials	24.5%
Industrial consumer goods	15.1%

Share in total CR exports	3.9%
Of which to EU 25	82.2%

Data: Czech Statistical Office, 2007 Yearbook

south direction (Poland – Austria and on), and in the east-west direction (Slovakia and on), and connect north and south Moravia with east Bohemia. Most important are the motorways D1 – Prague – Brno – Olomouc – Ostrava, and D 2 to Vienna, and the road E 442, I/35 Liberec – Hradec Králové – Olomouc – Poland.

The nearest airports for international transport are the Brno-Tuřany Airport at a distance of approximately 70 km, Ostrava-Mošnov (approx. 80 km) and Prague-Ruzyně (270 km). There is an airport for international public transport with limited traffic near the city of Olomouc (3.8 km), run by the Olomouc Municipal Council. An airport which serves military purposes is in Přerov.

### Education, Culture, and Tourism

The network of educational facilities is comprised of 310 elementary schools, 20 grammar schools, 49 specialised secondary schools, 44 vocational schools, and seven higher professional schools. The centre of education is Palacký University in Olomouc,

which offers Bachelor and Master programmes in seven faculties (Natural Science, Pedagogics, Medicine, Philosophy, Law, Theology, and Physical Culture) with a total of 18 000 students. The University has established a Technology Park and a Biotechnology Centre, which will help to increase the standard of research and development in the Region. The private College of Logistics was opened in Přerov in 2004.

The number and significance of its natural and cultural assets make the Olomouc Region one of the richest in the Czech Republic and a leading area for tourism. The Region has many castles, chateaux, churches, museums, galleries, and spas.

The historic town of Olomouc is renowned for many Romanesque, Gothic,

and Baroque monuments. The mountainous area in the northern part of the Region offers opportunities for sports and recreation. Popular tourist destinations include the Protected Landscape Area of Jeseníky with the largest Moravian peat bog of Rejvíz, a waterfall, and the Dlouhé Stráně water reservoir and power station.

### More information:

Olomouc Region	<a href="http://www.kr-olomoucky.cz">www.kr-olomoucky.cz</a>
Olomouc	<a href="http://www.olomouc.eu">www.olomouc.eu</a>
Palacký University in Olomouc	<a href="http://www.upol.cz">www.upol.cz</a>
College of Logistics in Přerov	<a href="http://www.vslg.cz">www.vslg.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/olomoucky-kraj">www.czechinvest.org/olomoucky-kraj</a>

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The regional capital is Zlín, the town in which Tomáš Baťa established his footwear company in 1894. Within a few years, he built up a rapidly-growing, prosperous enterprise, and thus took credit for the enormous industrial development of the town. Baťa's influence is also apparent in the Zlín functionalist architecture. The best-known building of that period is the 77.5-metre "Twenty-One" skyscraper, which housed the management of the Baťa concern.

# Zlín Region

### Territorial Division, Location, and Population

The Zlín Region is situated in the south-east of the Czech Republic. Its eastern boundary is a part of the state border with Slovakia. The

advantageous location of the area along the Morava River, together with favourable climatic conditions, created conditions for settlement more than 25 000 years ago. Since primeval times, the main merchant trail from the Adriatic

to the Baltic Sea crossed this area. It was also here that the first states were formed – The Samo Empire in the 7th century and the Great Moravian Empire in the 9th century.

The territory has a diverse character. Most

of it is hilly and mountainous. Fertile lowlands stretch along a part of the Morava River in the Kroměříž area, called Haná. Another fertile region is Slovácko in the Uherské Hradiště area.

The Zlín and Olomouc Regions form NUTS 2 – Central Moravia. With an area of 3 964 sq. km, this is one of the smallest regions in the Czech Republic. The Region has 304 municipalities, of which 30 are towns. The town of Zlín with 80 000 inhabitants is the regional capital.

### Economic Characteristics

The industrial potential of the Region is based on the existence of the former major engineering companies and on good use of raw materials and semi-finished products. The Region is known for its deposits of building materials, of which the most important are gravel sands. Also important are deposits of building stone, limestone, brick clay, and a limited amount of petroleum and natural gas. Manufacturing enterprises, which account for 17.9 % of all registered entities, are the hub of the industrial potential of the Zlín Region. They are mainly companies operating in metallurgy, metalworking, woodworking, electrical engineering, and the textile industry. The Region accounts for 4.6% of the GDP of the Czech Republic.

### Transport

The transport importance of the Region is documented by the inclusion of its main route, the Pomoravský Corridor, in the Trans-European Networks (TEN).

The Region is linked with the motorway network by first-class roads, in the north-south direction by I/55 and I/57, and in the east-west direction by I/50 and I/35.

The main railway lines are Poland – Petrovice u Karviné – Otrokovice – Staré Město – Břeclav – Austria, which is a part of the 2nd transit railway corridor, the line from Hranice na Moravě to Slovakia and the line Staré Město u Uherského Hradiště – Vlárský průmysk – Slovakia.

The Zlín Region has three civilian airports: Kunovice, Otrokovice, and Holešov. The nearest international airports are in Brno and Ostrava, each at a distance of 100 km.

### Education, Culture, and Tourism

The Zlín Region has two seats of higher learning. Tomáš Bata University in Zlín has

Total exports of the Region	CZK 103 270 million (approx.)
	EUR 3 720 million)

#### Mainly:

Semi-finished products and materials	35.0 %
Machinery and transport equipment	31.4%
Industrial consumer goods	13.1%

Share in total CR exports	4.8%
Of which to EU 25	82.4%

Data: Czech Statistical Office, 2007 Yearbook

### Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Zlín	1 034	192 988	88	187
LAU 1 – Vsetín	1 143	145 761	59	128
LAU 1 – Uherské Hradiště	991	144 242	78	146
LAU 1 – Kroměříž	796	107 789	79	135
NUTS 3 – Zlín Region	3 964	590 780	304	149
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district

five faculties (Technology, Management and Informatics, Multimedia Communication, Applied Informatics, and Humanities) and plans to offer studies in Marketing and Advertising. This specialisation should combine the forgotten tradition of art schools in Zlín with the possibilities of modern information technologies. Zlín has excellent prerequisites in this respect, several outstanding film makers and designers and other artists were educated at its schools. University-level education is also provided by the European Polytechnic Institute in Hodonín.

The location of the Zlín Region is also important for the development of tourism.

The Kroměříž area, also called the "Athens of Haná", is famous throughout the world for

people also visit the Wallachian Open-air Museum in Rožnov pod Radhoštěm. The surroundings of Uherské Hradiště are known by most people to be synonymous with good wine. However, this area had an eventful history. Its reminders are Buchlov Castle, Buchlovice Chateau, and the pilgrimage site in Velehrad, to which the Slavonic apostles, Constantine and Methodius, came with their mission of Christianity.

The spa of Luhačovice attracts thousands of domestic and foreign visitors every year. Treatment is also offered in smaller spas, such as Kostelec, near Zlín, with its modern golf course, and Ostrožská Nová Ves, which has sulphurous water springs that are beneficial for the treatment of the locomotive system and skin diseases.



Kvetná zahrada in Kroměříž is on the UNESCO World Heritage List

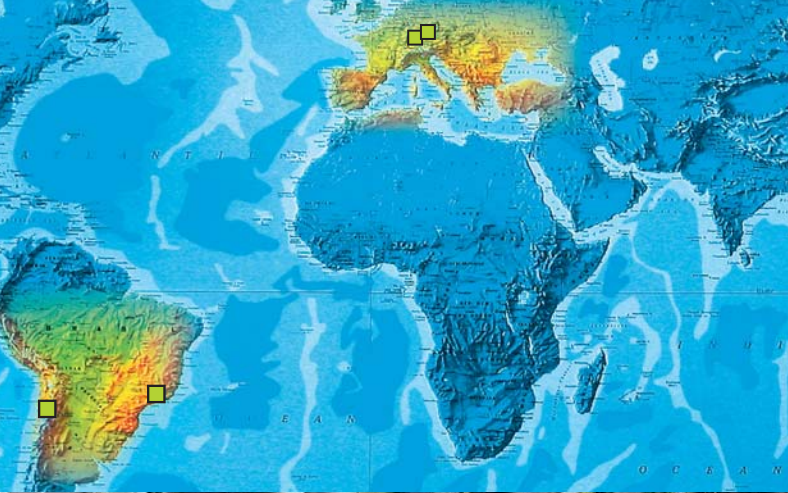
the unique architecture of the Podzámecká and Kvetná Gardens and for the magnificence of the Archiepiscopal Chateau. The uniqueness of these sites was the reason for the inclusion of Kroměříž in the UNESCO World Cultural Heritage List. The Vsetín area attracts people who enjoy skiing and mountain tourism. Many

#### More information:

Zlín Region	<a href="http://www.kr-zlinsky.cz">www.kr-zlinsky.cz</a>
Town of Zlín	<a href="http://www.mestozlin.cz">www.mestozlin.cz</a>
Tomáš Bata University	<a href="http://www.utb.cz">www.utb.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/zlinsky-kraj">www.czechinvest.org/zlinsky-kraj</a>

### Krajský úřad Zlínského kraje (Regional Authority of the Zlín Region)

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The Region is the traditional centre of metallurgy and hard coal mining in the Czech Republic. The major changes made in the structure of sectors in recent years have brought to the fore information and communication technologies, the automobile industry, and woodworking. The technically highly qualified labour is attracting foreign investment. The Region is deservedly regarded as one of the most rapidly developing areas in this country.

# Moravia-Silesia Region

## Territorial Division, Location, and Population

The Region is situated in the north-east of the Czech Republic. It borders on Poland (provinces of Silesia and Opole) in the north and east, and on Slovakia (Žilina Region) in the south-east.

The Moravia-Silesia Region has six districts (NUTS IV) – Bruntál, Frýdek-Místek, Karviná, Nový Jičín, Opava, and Ostrava-City (město). Its area of 5 427 sq. km accounts for 6.9% of the area of the Czech Republic, and is its sixth-largest Region. The Region is divided into 22 administrative units with extended competences, and has a total of 299 municipalities, of which 41 are towns. With its 1 249 897 inhabitants, it is the most populated region in the Czech Republic, but its 299 municipalities rank it among the regions with the lowest number of settlements. Most of the population (62 %) live in towns with more than 20 000 inhabitants, which is exceptional in the Czech Republic. Almost one-quarter of the inhabitants live in the regional capital, Ostrava. Other towns with more than 50 000 inhabitants include Havířov, Karviná, Opava, and Frýdek-Místek.

## Economic Characteristics

Since the 19th century, the Region has been one of the major industrial areas in Central Europe. Its core is the Ostrava-Karviná industrial and

## Brief characteristics of the Region

NUTS	Area (sq. km)	Population	Municipalities	Population density (persons/sq. km)
LAU 1 – Bruntál	1 536	98 148	67	64
LAU 1 – Frýdek-Místek	1 208	210 369	72	174
LAU 1 – Karviná	356	275 397	17	774
LAU 1 – Nový Jičín	882	152 352	53	173
LAU 1 – Opava	1 113	176 820	77	159
LAU 1 – Ostrava město	332	336 811	13	1 014
NUTS 2 – Moravia-Silesia Region	5 427	1 249 897	299	230
NUTS 1 – Czech Republic	78 867	10 381 130	6 249	132

Source: Czech Statistical Office, 2007 Yearbook

NUTS – territorial unit according to the unified classification of the EU, LAU 1 – district

mining area, where industrialisation has been closely linked to the use of the local natural resources, especially the hard coking coal of high quality, and the follow-up development of heavy industry and metallurgy. The Region is the country's main area of metallurgy and hard coal mining.

The engineering industry is represented by automobile manufacture and metalworking. The Region's chemical industry mostly turns out large-volume chemicals as primary products or intermediate products designed for further processing, as well as rubber and plastics. In addition, sectors which are increasingly gaining ground in the Region include the food industry (mainly beer brewing and meat processing), woodworking, the

manufacture of electronic and optical apparatus, and electricity and gas production and distribution.

The Moravia-Silesia Region accounts for 10.5% of the GDP of the Czech Republic

Total exports of the Region	CZK 225 492 million (approx.) EUR 8 122 million)
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### Mainly:

Semi-finished products and materials	41.2%
Machinery and transport equipment	33.2%
Mineral fuels and lubricants	8.5%

Share in total CR exports	10.5%
Of which to EU 25	84.9%

Data: Czech Statistical Office, 2007 Yearbook



*Pustevny, the most visited alpine resort in Beskydy*

which is the second highest share after Prague.

Employment is highest in the manufacturing industry, metallurgy, and mineral raw materials mining.

After Prague and the Central Bohemia Region, the Moravia-Silesia Region has the third highest gross monthly salary average (EUR 741). Salaries are highest in mineral raw materials mining.

The borderland location of the Region allows effective co-operation in manufacture, infrastructural development, environmental protection, culture and education, and tourism. Four Euroregions have been established for this purpose – Beskydy, Praděd, Silesia, and Těšín Silesia.

### Transport

The D 47 motorway, which went under construction in 2003, is to become a part of the 6th Pan-European Multimodal Corridor. This 80.2-km motorway between Lipník nad Bečvou and the Polish border near Bohumín is to improve the transport service, boost the economy, and link the area with the main European transport network.

The present backbone of the road system are the international roads I/11 Opava – Ostrava – Český Těšín – Mosty u Jablunkova, and R48 Nový Jičín – Frýdek-Místek – Český Těšín, which cross the eastern part of the Region.

Two international railways, which are parts of speed corridors, pass through the Region: the Břeclav – Bohumín – Dětmorovice – Poland section of the 2nd transit railway corridor, and the Dětmorovice – Slovakia section of the 3rd transit railway corridor. This allows, for instance, speed train connection on the entire modernised Prague – Bohumín line.

Access by air is provided by the Leoš

Janáček international airport in Mošnov, the second-largest airport in the Czech Republic. Its 3.6-km runway enables aircraft of all categories to land without limitation.

### Education, Culture, and Tourism

The quality of the system of education in the Moravia-Silesia Region is high. It has a broad range of primary, secondary, and vocational schools and training facilities, besides 12 higher professional schools and four universities – VŠB-Technical University of Ostrava, the University of Ostrava, the Silesian University in Opava, and the Business School Ostrava, which have a total of 33 000 students.

Traditional cultural centres of the Region include Ostrava, Opava, and Český Těšín for the area of Těšín Silesia with its sizable Polish minority. The Region has 23 Theatres, 78 museums, 129 galleries, and 62 cinemas. Janáček Philharmonic Orchestra of international renown is based in Ostrava.

Besides cultural and sporting facilities in the towns and villages, northern Moravia and Silesia offer many opportunities for recreation, tourism, visits to cultural monuments, and stays in spas. In summer, the Region's extensive network of tourist trails is ideal for hiking and cycling and, in winter, the mountain ranges of Hrubý Jeseník and Beskydy are popular areas for cross-country and downhill skiing. Pride of the Moravia-Silesia Region are its many cultural monuments, Urban Monument

Reserves and chateaux. The most prominent castles are Sovinec in the Rýmařov area, Starý Jičín, and Hukvaldy in the Beskydy area. The choice of industrial tourism is specific, for example, the Technical Museum of Automobiles in Kopřivnice, the Wagon Museum in Studénka, the Mining Museum, the Dolní Vítkovice complex and the Michal Mine, which is a National Cultural Monument.

The spa industry in the Region is known for the utilisation of the curative effects of the iodine-bromide water in Darkov Spa and, since the early 1990s, also in the new sanatorium in Klimkovice. Carbon and metasilicic acid water springs have been used in the spa of Karlova Studánka since the 17th century.

### More information:

Moravia-Silesia Region	<a href="http://www.kr-moravskoslezsky.cz">www.kr-moravskoslezsky.cz</a>
City of Ostrava	<a href="http://www.ostrava.cz">www.ostrava.cz</a>
VSB-Technical University of Ostrava	<a href="http://www.vsb.cz">www.vsb.cz</a>
University of Ostrava	<a href="http://www.osu.cz">www.osu.cz</a>
Silesian University in Opava	<a href="http://www.slu.cz">www.slu.cz</a>
Business School Ostrava	<a href="http://www.vsp.cz">www.vsp.cz</a>
CzechInvest Regional Office	<a href="http://www.czechinvest.org/moravskoslezsky-kraj">www.czechinvest.org/moravskoslezsky-kraj</a>

### Krajský úřad Moravskoslezského kraje (Regional Authority of the Moravia-Silesia Region)

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# Useful Addresses in the Czech Republic

## SUPREME BODIES

### Office of the President of the Czech Republic/Kancelář prezidenta České republiky

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Fax: +420 224 373 300  
www.hrad.cz

### Parliament of the Czech Republic/Parlament České republiky Chamber of Deputies/Poslanecká sněmovna České republiky

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www.psp.cz

### Senate of the Parliament of the Czech Republic/Senát Parlamentu České republiky

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Fax: +420 25707 5700  
E-mail: info@senat.cz  
www.senat.cz

### Office of the Government of the Czech Republic/Úřad vlády České republiky

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### Ministry of Agriculture/Ministerstvo zemědělství

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www.mze.cz

### Ministry of Culture/Ministerstvo kultury

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www.mkcr.cz

### Ministry of Defence/Ministerstvo obrany

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E-mail: info@army.cz  
www.army.cz

### Ministry of Education, Youth, and Sport/Ministerstvo školství, mládeže a tělovýchovy

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Phone: +420 257 193 111  
E-mail: info@msmt.cz  
www.msmt.cz

### Ministry of the Environment/Ministerstvo životního prostředí

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www.mzp.cz

### Ministry of Finance/Ministerstvo financí

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www.mfcf.cz

### Ministry of Foreign Affairs/Ministerstvo zahraničních věcí

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E-mail: info@mzv.cz  
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### Ministry of Health/Ministerstvo zdravotnictví

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### Ministry of Industry and Trade/Ministerstvo průmyslu a obchodu

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www.justice.cz

### Ministry of Labour and Social Affairs/Ministerstvo práce a sociálních věcí

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www.mpsv.cz

### Ministry for Regional Development/Ministerstvo pro místní rozvoj

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E-mail: info@mmr.cz  
www.mmr.cz

### Ministry of Transport/Ministerstvo dopravy

nábřeží L. Svobody 1222/12, 110 15 Praha 1  
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## OTHER INSTITUTIONS

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Na Příkopě 28, 115 03 Praha 1  
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E-mail: info@cnb.cz  
www.cnb.cz

### Czech Statistical Office/Český statistický úřad

Na padesátém 81, 100 82 Praha 10  
Phone: +420 274 051 111  
E-mail: infoservis@czso.cz  
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### Academy of Sciences of the Czech Republic/Akademie věd České republiky

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www.mzv.cz/luxembourg

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e-mail: naxxar@honorary.mzv.cz,  
lavaletta@embassy.mzv.cz, www.czech-malta.com

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Fax: +3170/3563349  
e-mail: hague@embassy.mzv.cz, Economic section:  
commerce\_hague@mzv.cz  
www.mzv.cz/hague

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Fax: +4822/5251-898  
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## Romania

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## Spain

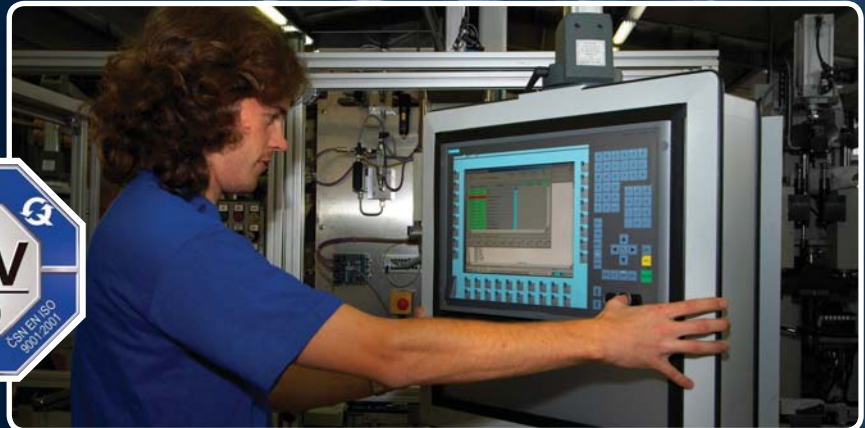
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# The Most Important Websites in the Czech Republic

General information on the Czech Republic	<a href="http://www.czech.cz">www.czech.cz</a>	Official Site for the CR
BusinessInfo	<a href="http://www.businessinfo.cz">www.businessinfo.cz</a>	Official site for professionals searching for information, assistance, or business contacts in the CR
Doing Business in the Czech Republic	<a href="http://www.doingbusiness.cz">www.doingbusiness.cz</a>	General information about business climate, structure, and development on the Czech economy
Portal of the Public Administration	<a href="http://portal.gov.cz">http://portal.gov.cz</a>	Electronic gateway for the public to administration and government services
<b>Company Contact Information</b>		
Hoppenstedt Bonnier	<a href="http://www.hopbonn.cz/project">www.hopbonn.cz/project</a>	Company database with information on the most important companies in the CR and the SR
Inform, cz	<a href="http://www.inform.cz">www.inform.cz</a>	Czech Company Catalogue
Kompass	<a href="http://www.kompass.cz">www.kompass.cz</a>	Czech Company Catalogue
Albertina Data	<a href="http://www.albertina.cz">www.albertina.cz</a>	Czech Company Monitor
Creditinfo Czech Republic	<a href="http://www.cicr.cz">www.cicr.cz</a>	Leading provider of financial and credit information in the CR
European Databank	<a href="http://www.edb.cz">www.edb.cz</a>	Information Operator
Czech exporting companies	<a href="http://exporters.czechtrade.cz/en">http://exporters.czechtrade.cz/en</a>	Czech Exporters Directory
Zlaté stránky	<a href="http://www.zlatestranky.cz">www.zlatestranky.cz</a>	Yellow pages - telephone and companies directory
<b>Legislation</b>		
Iuridica	<a href="http://iuridica.eunet.cz">http://iuridica.eunet.cz</a>	Legal services in the Czech Republic
<b>Finance</b>		
Czech National Bank	<a href="http://www.cnb.cz">www.cnb.cz</a>	Monetary, financial, and macroeconomic data, CZK exchange rates etc.
Prague Stock Exchange	<a href="http://www.pse.cz">www.pse.cz</a>	Prague Stock Exchange data
RM-System	<a href="http://www.rmsystem.cz">www.rmsystem.cz</a>	RMS Securities Market
Středisko cenných papírů	<a href="http://www.scp.cz">www.scp.cz</a>	Securities Centre Prague
Patria Group – Patria Finance	<a href="http://www.patria.cz">www.patria.cz</a>	Investment portal
<b>Statistics</b>		
Czech Statistical Office	<a href="http://www.czso.cz">www.czso.cz</a>	Official statistical data and information covering different subjects
<b>Fairs and Exhibitions</b>		
Association of Fair and Exhibition Organisers of the CR	<a href="http://www.czechfairs.cz">www.czechfairs.cz</a>	Exhibition centres companies organising trade fairs inland and abroad
Brněnské veletrhy a výstavy – BVV	<a href="http://www.bvv.cz/">www.bvv.cz/</a>	Brno Trade Fairs and Exhibitions site – list of exhibitions in Brno and relevant information
<b>Miscellaneous</b>		
The Industrial Property Office	<a href="http://www.upv.cz">www.upv.cz</a>	Czech Patent and Trademark Office website offers information on Norms, Patents, and Standards and list of national and foreign IPR databases available free of charge on the Internet
Česká pošta (the Czech Post) (PSC), philately etc.	<a href="http://www.cpost.cz">www.cpost.cz</a>	Incl. postcodes of municipalities and their districts
The Grant Agency of the Czech Republic	<a href="http://www.gacr.cz/rra">www.gacr.cz/rra</a>	Czech Science Foundation
The Register of Advertising Agencies	<a href="http://www.registrra.cz/rra">www.registrra.cz/rra</a>	Expert assistance in choosing and working with advertising and communication agencies in the CR
Residence of Foreigners in the CR	<a href="http://www.domavcr.cz">www.domavcr.cz</a>	Advice for living in the CR



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- **Ingots**

#### References

We export our products to more than 40 countries worldwide. Our customers are leading companies in the following sectors: Power engineering, Oil pipelines, Natural gas, Water, Mining industry, Chemical industry, Industrial equipment, Construction, Automotive industry, Healthcare.



