

INDUSTRIAL ZONES IN THE USTI NAD LABEM REGION

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Abstract: Transformation of the Czech economy has markedly proved in the Usti nad Labem region with high unemployment. Foreign investments will have to take part in the basic human geography changes of this region. New industrial zones are being built both brown fields and green fields. The article describes these processes. These activities will bring economy restoration and growth of new job opportunities.

Key words: Unemployment, industrial zone, brown field, green field.

1. INTRODUCTION

The beginning of the nineties of the 20th century brought an array of changes that have reflected even in the land utilization alteration. This period brought about rather extensive transformation of industrial production in connection with the economic transformation of the Czech Republic. The impact of this transformation has markedly projected in the Usti nad Labem region. The negative consequences of unilaterally directed economical development before 1989, when short-term objectives and rapid source exploitation were preferred, proved fully in structural adjustment of industry in the Usti nad Labem region. This process is attended by series of the socio-economic and environmental issues (decline of industrial production, unemployment, deteriorated population structure, necessity of huge environmental investments).

2. INDUSTRIAL ZONES IN THE USTI NAD LABEM REGION

As a consequence of restructuring it is necessary to gain outside investments especially foreign investments. Foreign capital plays important role in speeding up of the

process of modernizing and restructuring of economy. The multiplication effects of these investments will have an impact on new job opportunities creation, revenue enhancement of the region or export increase. Likewise new investors will bring new technologies into the region, open up new markets and bring about even changes in business climate. Existing small and medium-sized businesses will relate to the new coming investors. Also a comeback of the secondary school and university graduates seems to be an important asset for the present and the future of the region. A convenient activity for attracting investments is creating the **Industrial zones**¹ and the **Strategic industrial zones**².

These zones are established as:

- a) Brown fields – the sites that were exploited for industrial, agriculture, construction or other activities in the past. They can be completely or partly deserted industrial grounds, old agriculture objects, unused railway territories, former military areas, exploited residential districts etc. These areas can be unoccupied, deserted and devastated or contaminated as a consequence of previous utilization. They are encumbered with unclear and ambiguous claims to property. The sites are built-up with useless buildings; the objects must be usually reconstructed and the site cleared yet before the grounds can be employed again. The problem lies also in the fact that technical and transport infrastructure is obsolete, needs to be relocated and is often insufficient in terms of capacity. Thus the attractiveness for future use is limited. There are 155 localities intended for regeneration in the Usti nad Labem region (position as per December 31st 2004).
- b) Green fields – free space on a "green meadow". These localities are preferred by investors. An investor constructs objects that comply with the size and quality according to his demands with no regard to existing buildings. There is no need to reconstruct and clear the site. The technical and transport infrastructure is newly built, thereby it has guaranteed longer lifespan and most importantly it is built according to the needs. A significant role in it plays the land price, which is lower on the outskirts of the city than in downtown. In terms of financial charges building new objects is always more effective than to redevelop the old ones, which is linked with a range of adverse factors raising necessary input costs. Production on assembly lines requires single-storey assembly shops with large floor, which are easily constructed on a "green meadow".

Conditions for establishing industrial zones in Usti nad Labem region are very diverse. The reason for it is a regional variety of the Usti nad Labem region itself and even its particular districts – differences in geographical settings, in access of towns and villages to road network and in access to the finances that can be used for development programmes. Important factors influencing the formation of industrial zones are also the qualification of manpower or industrial and other production diversity. For instance, the Decin district is typical with its geographical setting and nature of the terrain, where about two thirds of the territory is filled with protected landscapes and the National

¹ An industrial zone can be demarcated as a continuous area approximately rectangular in shape specified in an obligatory part of an approved territorial plan of the place as an area covered with buildings intended for industrial production or as an area for location of industrial production, trade and services.

² A strategic industrial zone can be seen as an industrial zone of an area at least 200 hectares set by government resolution (there is only one such zone – Triangle – former military airport in the Usti nad Labem region) or as an industrial zone of an area at least 200 hectares realized on an unused area covered with buildings approved by government resolution

nature reserve Ceske Svycarsko (The Czech Switzerland). That's why only one industrial zone has been intended in this district just in Rumburk. The Usti nad Labem district is, as for area, the smallest of former administrative division.

Industrial tradition, relatively sufficient amount of qualified labour force are the prerequisites for development of industrial production of varied branches. The Most and Chomutov districts rank among heavy industrial localities but on the other hand dramatically affected by the shake-out resulting in mass unemployment. The industrial zones are an important factor at solution of joblessness in these districts.

The Usti nad Labem region is provided with nearly 1 383 hectares of prepared areas in 30 localities³. The industrial zones in the Usti nad Labem region are abundant in a range of advantages and disadvantages.

Advantages:

- ♦ proximity of the constructed D8 highway, hence very good traffic connection Czech Republic – Germany,
- ♦ region houses an array of small and medium sized businesses directed at traditional machinery, textile and processing industry,
- ♦ a range of vocational schools with working structure of in-service training facilities are located in the region as well as several universities,
- ♦ proximity of the international airports in Dresden and Prague,
- ♦ an important international railway connecting North and South of Europe,
- ♦ make use of the river Labe for shipment.

Disadvantages:

- ♦ some of the proposed industrial zones are small as for their area,
- ♦ buried services are missing in some cases,
- ♦ the smaller industrial zones have worse transport services,
- ♦ unclear claims to property in some cases,
- ♦ labour force one-sidedly oriented in some areas.

A review of the industrial zones in the Usti nad Labem region (position as per December 31st 2004).

1. Komerčně industriální zóna Ústí nad Labem – Všebořice
2. Komerčně industriální zóna Ústí nad Labem – Neštětice
3. Průmyslová zóna Ústí nad Labem – Předlice
4. Komerčně industriální zóna Ústí nad Labem – Střekov
5. Průmyslová zóna Libouchec – Žďárek
6. Průmyslová zóna Trmice
7. Průmyslová zóna Rumburk
8. Průmyslová zóna Chomutov – Nové Spořice
9. Průmyslová zóna Chomutov – Za výtopnou
10. Průmyslová zóna Chomutov – Severní Pole
11. Průmyslová zóna Kadaň – Královský Vrch
12. Průmyslová zóna Jirkov – lokalita 115, 116, 117
13. Průmyslová zóna Jirkov – Otvice
14. Industriální park Verne Klášterec nad Ohří
15. Průmyslová zóna Třebenice
16. Průmyslová zóna Štětí
17. Průmyslové a logistické centrum Lovosice

³ Provided that one hectare of industrial zone area can make in average 50 direct jobs (according to EU data), up to 69 150 new posts could have been created

18. Průmyslová zóna Louny – západ
19. Průmyslová zóna Louny – jihovýchod
20. Průmyslová zóna Podbořany – Alpka
21. Průmyslová zóna Domoušice
22. Průmyslová zóna Triangle Žatec
23. Průmyslová zóna Peruc
24. Průmyslová zóna Most – Stanley
25. Průmyslová zóna Most – George II
26. Průmyslová zóna Havraň – Joseph
27. Průmyslová zóna – Benedikt východ
28. Průmyslová zóna Most – Pod Lajsníkem
29. Průmyslová zóna Litvínov – Louka
30. Průmyslová zóna Krupka – Modlany

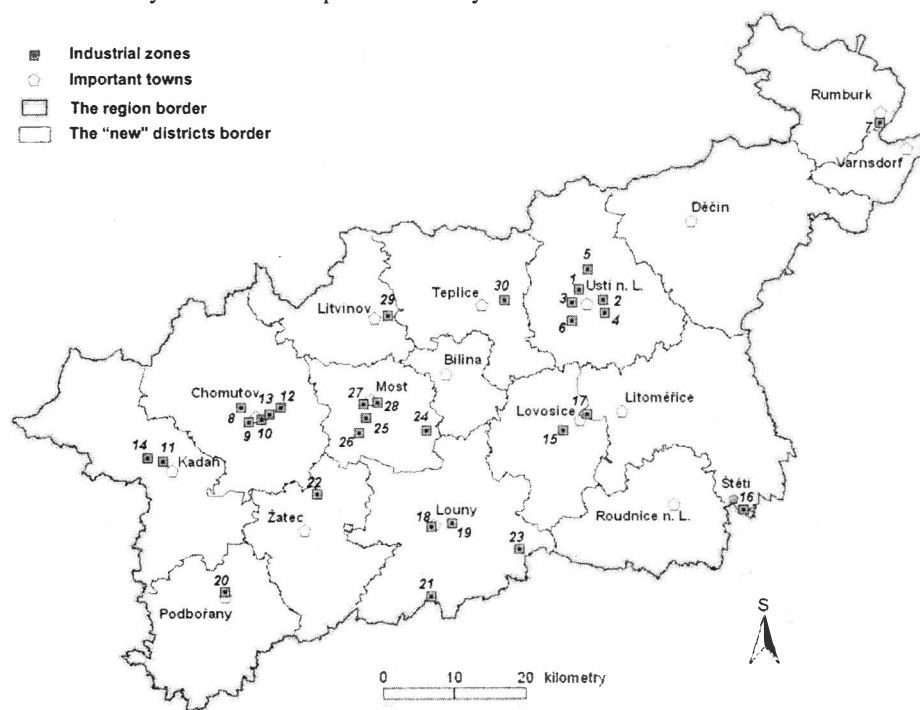


Figure 1 Industrial zones in the Ústí nad Labem region

Among the important investors in industrial zones in the Ústí nad Labem region rank the Japanese companies Aisen Industry, Fujikoi, Takada Industry, Tokai Rika, Aoyama Seisakusho, Toyoda Gosey, Koito Manufacturing. Another important investors are German firms e.g. Arian Naturdäme, Tschechien, Interier Automotive Seating, Parker Hannif Industrial. Companies from other countries like Belgium and Italy also participate in investing. By the end of 2003 the investors created 3 000 new jobs and another 7 500 jobs are supposed to be created by the end of 2006⁴.

⁴ The labour force data are adopted from the Czechinvest monitored industrial zones

Another 5 000 – 7 000 new jobs will be created in the industrial zones in control of local authorities. Production of car components and plaster parts are prevailing in the business branch bids.

Industrial zone Verne in Klasterec nad Ohri, industrial and logistic centre in Lovosice, industrial zone in Zatec and industrial zone Podborany are successful in terms of attracting prospective investors and job creation. The strategic industrial zone Zatec appears to be also perspective one.

3. CONCLUSION

Building of industrial zones will continue even in the years to come. Besides, another project "Brownfield Regeneration Strategy" will be launched. The Czech Republic, Usti nad Labem region accordingly, will have to face what most of the highly developed countries had gone through. It will abandon the cheap production demanding lots of low qualified labour force but on the contrary high-tech branch investments, developmental and joint service centres will be on increase.

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Priemyselné zóny v regióne Ústí nad Labem

Resume

Transformácia českej ekonomiky po roku 1989 mala za následok, že v regióne Ústí nad Labem dosiahla miera nezamestnanosti veľmi vysokú úroveň. Prílev zahraničných investícií, tak ako v iných regiónoch Českej republiky, vyvolal výrazné zmeny aj v regióne Ústí nad Labem. Nové investície vyvolali rozvoj priemyselných zón v tejto oblasti. Tieto zóny boli zakladané ako „brown fields“ alebo „green fields“. Poznamenať treba, že investori preferovali zakladanie priemyselných zón na zelenej lúke. V regióne Ústí nad Labem vzniklo na ploche približne 1383 ha 30 priemyselných zón. Región Ústí nad Labem disponuje vo vzťahu k rozvoju priemyselných zón niektorými výhodami, z ktorých je potrebné uviesť najmä výhodnú dopravnú polohu k Nemecku po dobudovaní diaľnice D8, tradície priemyslu, dobrú školskú základňu, vrátane univerzitného vzdelávania, blízkosť letísk v Prahe a Drážďanoch a samotnú riekou Labe. Medzi nevýhody tohto regiónu treba zaradiť malú rozlohu viacerých novovzniknutých priemyselných zón, absenciu niektorých služieb, slabé vnútropravné zabezpečenie viacerých zón a

jednostranne orientovanú pracovnú silu. Rozvoj priemyselných zón v tomto regióne bude pokračovať aj naďalej. Vo vnútroštátnom, ale aj zahraničnom konkurenčnom prostredí bude však pre úspech potrebné realizovať niekoľko opatrení, akými sú napríklad vytvorenie spoločných službových centier, zvyšovanie kvalifikácie pracovných síl najmä v oblasti informačných technológií a ďalšie.