

Central and Eastern Europe Business Opportunities



DID YOU KNOW...?

CZECH REPUBLIC

... one of the most favorite destinations for tourists due to its historical heritage, spas and resorts as well as mountains.

The country boasts 12 historical monuments on the UNESCO heritage list. Tourist attractions include over 200 castles and chateaus, 40 protected historical towns, and 36 spa towns.

SLOVENIA

... was the first new EU member to adopt the Euro (on 1 January 2007).

LITHUANIA

... with a population of 3.5 mil., is the largest economy among the Baltic states, generating the same GDP as Estonia and Latvia combined.



Strategic Market Research and
International Trade Consultancy
www.easylink-cee.eu

COUNTRY NEWS

CZECH REPUBLIC

Czech textile Juta expanding to Great Britain

Czech textile companies have finally overcome the last remnants of bankruptcy waves and have had a consecutive turnover growth for the last three years. **Juta**, one of Europe's leading industrial groups operating 14 plants in the CR, will start production **in Great Britain this year**. Juta is the **largest Czech industrial textile company** and is already a market leader in roofing materials in the UK. The company exports 71% of its output, selling to 65 countries worldwide.

POLAND

EIB expects to lend EUR 5.5 billion for new investments in Poland

The **European Investment Bank** plans to grant a record **5.5 billion euros** (\$7.2 billion) of loans in Poland this year. Along with the recently announced **Polish Investments program**, supported sectors include energy (production and distribution), gas and shale gas (storage, extraction), transportation, telecommunications, waste management facilities as well as local government projects.

RUSSIA

Poll shows business climate in Russia improved in 2012

A study released by the Russian Union of Industrialists and Entrepreneurs and Fleishman-Hillard Vanguard shows that compared with 2011, 44% of foreign companies operating in Russia noted an improvement in the business climate, while 48% said no changes had taken place, and only 8% deemed the climate had deteriorated. Half of the respondents regard bureaucracy as the major obstacle for business, while 42% named corruption, and 37% noted underdeveloped infrastructure. Over half of the respondents would welcome tax incentives as a key stimulus for economic development, while 48% think transparent decision making by government agencies should be a priority, and 40% wish to see an end to perceived current over-regulation.

ROMANIA

Monsson Group to invest in smart grids and energy storage

Renewable energy developer **Monsson Group** is aiming to complete **wind farms** in near term and is planning **R&D investments in smart grid technology and energy storage equipment**. This key Romanian company has a portfolio of 2,400MW of wind projects, out of which 1,700MW have acquired all required permits already. The group has sold 850MW of wind assets, which represent over 40 percent of its operational wind projects, to four companies including power utilities CEZ and STEAG.

LATVIA

Latvia's recovery continues as it eyes Euro adoption

Latvia's economy recorded impressive performance in 2012, eclipsing economic growth in the two other Baltic countries. In the fourth quarter of 2012, Latvia's **GDP increased by 5.1%**, while Lithuania's growth was 4.1% and Estonia's was 3.7%. While high unemployment remains a key challenge (13.8% in the fourth quarter), Latvia **signed a formal application** for an assessment by the European Commission and European Central Bank of its readiness to change its currency. Latvia is confident it meets all the Maastricht criteria and intends **to adopt the Euro** on 1 January, 2014.

BULGARIA

Burgas, Varna and Sofia in Global 100 Cities Destination Ranking

Bulgaria's Black Sea cities **Burgas** and **Varna** have placed **74th** and **79th** in the **Top 100 Cities Destination** ranking by Euromonitor International. The country's capital Sofia has ranked 96th on this list of the world's top cities in terms of international tourist arrivals in 2011. The 2011 international tourist arrivals in Burgas are estimated at 1.860 million people, in Varna – at 1.814 million, and in Sofia – 1.468 million. Hong Kong topped the ranking with more than 20 million arrivals in 2011.

COUNTRY IN
A NUTSHELL

UKRAINE

- ◆ An attractive emerging market with significant economic potential – characterized by low level of competition in many sectors, well educated labor force, proven agricultural potential, significant energy and mineral resources and a strategic geographic location
- ◆ With population of 46 million, Ukraine is the second largest market in Central and Eastern Europe.
- ◆ Ukraine's is the world's largest producer of sunflower oil and sugar

Area & Capital	603,700 sq km / Kiev
Population & Language	46.1 million / Ukrainian & Russian
Currency	hryvnia (UAH)
GDP per capita (PPP, 2011)	USD 7,200

MARKET AND SECTOR HIGHLIGHTS

Transportation & Infrastructure: Russia**Moscow plans a EUR 10.2 billion international tender to buy metro cars**

Transmashholding has supplied all trains currently in use in the Moscow subway, but the metro's expansion plans provide an **opportunity for equipping new lines** and train depots **with trains built by foreign manufacturers**. Based on the city's demand, the estimated amount of possible supply and service contracts is over 400 billion rubles (EUR 10.2 billion). Moscow metro currently uses 4,800 cars and plans to buy over **2,000 new cars** until 2021. By then, the total length of the metro lines will increase from 314 to about 450 kilometers. The tender will be held before the end of this year in order to receive first shipments in 2015.

Automotive: Slovakia**A good year for the VW Bratislava plant, soon to invest in hybrid cars production**

German carmaker **Volkswagen** will invest tens of millions of euros in production of **hybrid electric cars** in its Bratislava-based plants, according to company board member Michael Macht. The announcement will affect production of hybrid versions of the Volkswagen Touareg, Audi Q7 and Porsche Cayenne SUVs. Meanwhile, the shell of the **new body shop for SUVs** has already been erected at the Bratislava-based plant. The construction of the 110,000 square meter body shop worth EUR 600 million started in July 2012 and should provide jobs for around 550 people when completed, which is estimated for mid 2014.

MARKET LEADER PROFILE

Aerospace: Czech Republic**LOM Praha offers U.S. Armed Forces modernization and repair of Russian helicopters**

LOM Praha, the largest (still state-owned) Czech aerospace company, is the only enterprise from the countries of the former Warsaw Pact that has all necessary certificates from the original manufacturer of Russian Mi-series helicopters. The contract has a potential of billions of Czech crowns. Modernization projects of Mi helicopters include lightening and fitting with more powerful engines and Western electronics. LOM has further consolidated its leading position in the sector of transportation helicopters in Europe in the last year.

EASYLINK'S CURRENT & RECENT PROJECTS

- ◆ Trade mission of Northern Ireland companies to the Czech Republic – 10 tailor-made partner search projects and meeting itineraries
- ◆ Pennsylvania trade mission to Ukraine and Russia
- ◆ Competitive price analysis of building materials in Czech Republic
- ◆ Distributor search for Italian producer of artificial ice rinks – in Slovakia and Czech Republic
- ◆ Market insight on materials handling equipment in Romania, Bulgaria, Poland and Czech Republic
- ◆ Pharmaceutical distributor screening in 5 Latin American countries
- ◆ Research of medical clinics in Moscow and Russia
- ◆ Research of labor costs in automotive industry in Slovenia, Poland, and Russia (by region).

Newsletter resources: Warsaw Business Journal, Kyiv Post, Romania Business Review, company press releases, and other local media outlets