

Central & Eastern Europe Business Opportunities



COUNTRY NEWS

Industrial production rises across **Central & Eastern Europe**

Central & Eastern Europe is getting back on track as **industrial outputs in almost all CEE countries** have surpassed expectations. **Hungary, Romania, Czech Republic, Poland and Slovakia** are leading the group with **y-o-y results better by 5%-12%** in the first few months of 2014. Last data from April 2014 pointed at Hungary and the Czech Republic as the leaders in the entire EU, recording 10.1% and 9.2% y-o-y growth, respectively.

DID YOU KNOW...?

HUNGARY

... has one of the most important *thermal spring cultures* in Europe, boasting no less than **1,500 spas**, and has *the world's largest thermal lake* at Heviz.

... Hungarian *inventions* include *Rubik's cube* (Erno Rubik), *krypton electric bulb* (Imre Bródy), and the *noiseless match* (János Irinyi).

SERBIA

... has been *topping* the global *raspberry export* list for several years – raspberries account for **64% of Serbia's fruit exports**.

CZECH REPUBLIC

... ranks **5th in the world in the Environmental Performance Index** (2014).

EUR 2.2 billion for wastewater treatment in **Poland**

Poland has drafted new legislation to **bring sewage treatment to EU standards**. The most urgent tasks include introduction of higher standards of **nutrients treatment in 726 sewage plants** located in 380 municipalities, as well as **further development of infrastructure** in this field. Poland plans to spend **EUR 2.2 billion within the next 10 years**, EUR 1.9 billion of which will come from EU funds allocated for 2014-2020. In the previous funding period (2007-2013), over 4,600 km of sewerage and water supply systems were built and set in operation.

New law to reopen idled mines in **Romania**

Romania, a key holder of coal, gold, copper, silver and uranium reserves, is preparing a **new mining law** that will allow for the **reopening of some of 550 mines, including about 100 coal mines**, closed over the past years for economic ineffectiveness, failure to meet environmental standards and outdated technology. **New technologies allowing efficient production** and private funds may allow mines to reopen based on increased interest from investors in the past 2-3 years. The law is currently under debate and should be **adopted later this year**.

Lithuania one step closer to adopt the euro in 2015

EU finance ministers gave Lithuania a green light to adopt the Euro currency next year. The **euro area will then span the whole Baltic region**, as its neighbours, Estonia and Latvia, switched to the Euro in 2011 and 2014. Lithuania's formal decision to **join the Euro club from January 2015** will be taken in late July.

Technology for assisted reproduction booming in **Czech Republic**

Czech clinics involved in **fertility treatments saw a record year** with more than 30 thousand couples using their services, a **y-o-y growth of 11%** between 2012 and 2013 and the number of medical facilities going from 31 clinics in 2010 to 41 clinics in 2013. Current **estimated value of the assisted reproduction treatment amounts to EUR 110 million**. More than 10,000 clients (around 40% of total) visiting Czech fertility centres are foreigners attracted by the high standard of medical services combined with comparatively low prices, which can go as low as EUR 1,800 per IVF cycle, which is less than one third of prices in the USA.



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COUNTRY IN
A NUTSHELL

HUNGARY

- ◆ Medium-sized open, export driven economy with high level of foreign investments and hosting 30,000 firms with foreign share
- ◆ Private sector generates over 80% of GDP
- ◆ Strong in automotive manufacturing (21% of exports), electronics, pharmaceuticals and biotech, medical technologies, ICT, shared service centers, food processing, tourism & HORECA
- ◆ EU funding worth EUR 20.5 billion in 2014-2020

Area / Capital	93,030 sq km / Budapest
Population / Language	9.9 million / Hungarian language
Currency	Hungarian forint (HUF)
GDP per capita (PPP, 2013)	USD 20,065

MARKET AND SECTOR HIGHLIGHTS

Agriculture: Romania**Agriculture drove Romania's growth in 2013 - investments into irrigation are needed**

Last year's superior harvest contributed to a **half of the country's economic growth of 3.5% in 2013** and the sector generated **5.6% of Romania's GDP**. In Europe, Romania also came first on the amount of sunflower produced, second on corn, and sixth on wheat and rapeseed. According to the Minister of Agriculture, further **development of irrigation system is crucial** for securing future growth. Romania has allotted **EUR 370 million to modernize secondary irrigation infrastructure** and is currently pursuing approval from the European Commission to finance investments from EU funds.

Automotive: Czech Republic**Nexen Tire to build a Czech factory worth EUR 870 million**

South Korean tyre maker Nexen Tire is going to build a **EUR 870 million production facility** in the Czech Republic from 2016 to 2023 to tap into rising demand in Europe and to supply automakers such as Volkswagen and its Skoda Auto and Seat units. The plant will represent one of the largest investments ever made in a Central European state. Nexen plans to **launch production in 2018** and eventually expand its **annual capacity to 12 million units**.

MARKET LEADER PROFILE

Automotive: Hungary**Hungary fourth-biggest engine producer in Europe, first in CEE**

With Germany ranking first with more than 4 million engines produced, France second with 2.75 million, and UK third with 2.55 million, **Hungary is closing up with 1.9 million engines** produced last year. The country has become a **magnet for German engine manufacturers** due to the proximity to their home markets and cost effective production. Audi has transferred production from Ingolstadt to **Audi Hungária** in Győr, which is, according to Audi, **the biggest car engine factory in the world**. Another significant player adding to the figures is the **GM plant** in Szentgotthárd.

EASYLINK'S CURRENT & RECENT PROJECTS

- ◆ Detailed insight into Czech medical devices market commissioned by Canadian Embassy
 - ◆ Distributor search for a US producer of construction technologies in Turkey
 - ◆ Partner search for a British producer of industrial textiles in China
 - ◆ Distributor search for two US companies in military field equipment and motion control systems
 - ◆ Market intelligence on medical digital imaging technologies in Hungary, Czech Republic, Bosnia Herzegovina and Serbia.
 - ◆ Lingerie and underwear distributor search in Germany
 - ◆ Metalworking contractor identification and qualification in Slovakia
- Upcoming: Council of Great Lakes Governors (CGLG) trade mission to Czech Republic and Poland (Nov 2014)**

Newsletter resources: Warsaw Business Journal, Prague Monitor, Budapest Business Journal, company press releases, and other local media outlets