

# Central & Eastern Europe Business Opportunities

## COUNTRY NEWS

### Ryanair will open its base in **Slovakia**

The Bratislava airport in Slovakia gets definitively put on the aerial map of Europe as **Ryanair** CEO Michael O'Leary unveiled the company's plan to **open its first base** there next March. **Investments are planned at EUR 160.6 million.** Ryanair will operate 16 routes from this base, which should bring 60 flights weekly and **one million passengers annually.** O'Leary hopes to later extend the fleet with more aircraft and double the number of passengers to 2 million within five years.

### EUR 400 million for metro extension in **Bulgaria**

Bulgaria's capital **Sofia** will get **EUR 400 million** from the EU Operational Programme Transport and Transport Infrastructure 2014-2020 **for an extension of its two metro lines** – the red line to the Sofia airport and to a business park in Mladost 4 district. Sofia will also soon send a batch of **transport projects totalling EUR 673 million** to Brussels for approval – these include metro, road and railway projects, intermodal terminals, traffic management and transport safety improvement systems.

### **Poland's** rural development program approved by the EC

The European Commission has approved Poland's **rural development program for 2014-2020** which aims to create more than 22,000 jobs, **provide investment support to ca. 200,000 farms** and to establish some **1,800 producer groups.**

### **Latvian** ports see 6% increase in cargo turnover

Cargo turnover at Latvian ports reached **68 million tons in January-November 2014, 6% more than in the same period in 2013.** Bulk cargo made up the largest part – 32.72 million tons, followed by liquid cargo – 24.35 million tons, and general cargo – 10.9 million tons. **Latvia's small ports handled 1.45 million tons** of cargo in January-November 2014, **15.2% more** than in the same period in 2013.

### EUR 116 million to build a new geothermal plant in **Hungary**

Hungary's EU-FIRE is teaming up with Icelandic peer Mannvit to build a **EUR 116 million geothermal power plant near Battonya** in southeast Hungary. The power plant, to be **completed by the end of 2018,** will generate 12 MW of electricity and 60 MW of heat energy annually. The project is supported with a EUR 39.3 million European Union grant.

### EU grants **Romania** an extra EUR 260 million for highways

The European Commission has decided to supplement Romania's funds dedicated to building new highways with extra EUR 260 million from its cohesion funds. In total, **Brussels will give Romania EUR 439 million to update its highway system.** The extra allocation will be used to pay for the construction of two new highway segments (Arad-Timisoara highway and part of Constanta's ring road) initially financed by the state through bank loans.

## DID YOU KNOW...?

### SLOVAKIA

... *the steam engine* saw its **first use** in Europe in 1723 in **Nova Bana mine** in Slovakia.

... is the world's **largest exporter of vehicle bodies** with - 26% of global exports come from Slovakia.

### RUSSIA

... is *the largest importer of vehicle bodies* – 42% of the world's import.

### ROMANIA

... Romanian is the **second language spoken in Microsoft.**

### POLAND

... is the world's **largest exporter of coke** – 27% of global supply comes from Poland.

### ESTONIA

... was the **first country** in the world **to use online voting in public elections.**

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COUNTRY IN  
A NUTSHELL

## SLOVAKIA

- ▶ Enjoyed 15 consecutive years of growth from 1994 to 2008 (averaging 4.7% over the period), forecast for 2-3% growth in 2014-15
- ▶ Adopted the Euro in 2009 as the second country in the CEE region
- ▶ Ranks third in CEE in terms of GDP per capita
- ▶ World's no. 1 in car production per-capita, other key industries include precision engineering, metallurgy & metal processing, electronics, and chemicals & pharmaceuticals

Area / Capital	49,035 sq km / Bratislava
Population / Language	5.4 million / Slovak language
Currency	Euro (EUR), since 2009
GDP per capita (PPP, 2013)	USD 24,605

## MARKET AND SECTOR HIGHLIGHTS

**Medical: Romania****Romania's private healthcare market grew by 30.2%**

According to manageranticriza.ro, the **private healthcare market in Romania expanded** on the back of constant growth in the number of clients, with **an average annual growth rate of 5.4%** in 2008-2013. Medical centres held 78.4 % of the market in 2013, while dental clinics and retailers of medical equipment had of 11.2 % and 10.5 %, respectively.

**Oil & gas: Croatia****Five bidders win rights to explore Croatia oil fields**

The Croatian-Hungarian company INA, Greece's Marathon Oil, Italy's ENI, Medoilgas of Italy and the Austrian company OMV have been granted permission to explore gas and oil deposits on the Adriatic coast. The companies competed for a total of 29 exploration and exploitation zones, varying from 1,000 to 1,600 square km each. Since **offers were accepted only for ten fields, a new tender for the remaining 19 zones is expected in the first half of 2015**. Croatia claims **the fields in the Adriatic have potential to attract around EUR 40 million in direct investment**, reviving Croatia's flagging local economy.

## MARKET LEADER PROFILE

**Automotive: Czech Republic****Czechs produce 10% of world's headlights, new factory to open in 2016**

Czech producers of headlights manufacture approximately **16 million front headlights per year**, representing 10% of global production. Total annual exports reach **EUR 1 billion in value, selling to most renowned car-makers** (Volvo, Toyota, Volkswagen, etc.), as well as for luxury vehicles, such as Bugatti Veyron, Jaguar XK or Bentley. The four largest manufacturers – Varroc Lighting Systems, Hella Autotechnik Nova, Automotive Light and Koito employ more than **6,000 people in production and R&D** and will soon be joined by **Hyundai Mobis**, which is going to start building **a plant worth CZK 4 billion** creating jobs for another 600 people (no sooner than in 2016).

## EASYLINK'S CURRENT &amp; RECENT PROJECTS

- ▶ Export development program for 5 Northern Ireland companies to the Czech Republic – training, in-depth market research, partner search projects, in-market and follow-up support
- ▶ Meeting itineraries for a US Council of Great Lakes Governors trade mission to the Czech Republic and Poland
- ▶ Market potential evaluation for a US manufacturer of defense communication solutions
- ▶ Partner search and meeting itineraries for a Latvian producer of functional underwear in the Czech Republic and Hungary
- ▶ Market & distributor research for an Israeli producer of labels for high-tech industries in the Czech Republic, Hungary and Slovakia
- ▶ Trade mission of UK companies to Romania and Bulgaria