

# Central & Eastern Europe Business Opportunities



## DID YOU KNOW...?

### BULGARIA

...the world's *first digital watch* was invented by Peter Petrov.

### SLOVENIA

... *Slovenia's education* ranks as the *12th best* in the world and *4th best* in the European Union, high above OECD average.

### LITHUANIA

... the method of *making vodka from corn* was first discovered by the Lithuanians.

### CZECH REPUBLIC

... Czechs are the *biggest producer of poppy seeds* (25,000 tonnes in 2014). 80% of production is exported.

### CROATIA

... *first hydropower plant* in the world was "Iskrice" on the river Krka, built in 1895.

**EasyLink**  
BUSINESS SERVICES

Strategic Market Research and  
International Trade Consultancy  
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## MARKET NEWS

### Foxconn to invest EUR 92 million in Czech Republic by 2018

The Taiwanese technology firm **Foxconn** is set to invest around **EUR 92.4 million** in the Czech Republic in the next three years. The investments will be in Foxconn's **factories in the Czech Republic** and in the **building of a research centre and data centres**.

### Croatia opens tender for Krk Gas Terminal

The first Croatian terminal will receive, store and re-gasify LNG. With a projected capacity of up to **6 billion cubic metres of gas**, the cost of the terminal is set at **EUR 600 million**. Including accompanying infrastructure, the total cost goes over a billion euro. Construction will start in **mid-2016** and will last for three years.

### Czech economy fastest growing in Europe

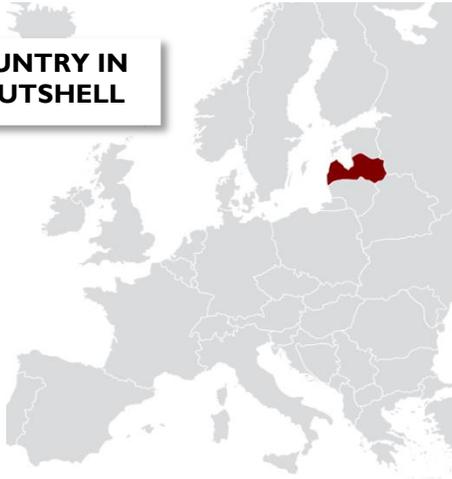
Czech GDP growth at 4.6% was **the highest in Europe** in Q2 2015, reflecting favourable trends in the economy. Predictions for full-year growth stand at 4.5% which will be **the best result since 2007** boosting employment, state budget revenues and helping the country come even closer to advanced markets in the EU.

### Jaguar Land Rover to build a plant in Slovakia

Jaguar Land Rover plans to build a factory in Slovakia, its first European plant outside the UK, as it seeks to continue an aggressive growth strategy. Slovakia trumped rival bids from Poland, Hungary and Mexico to build the **300,000 car-per-year** factory worth **EUR 1.5 billion** and employing over **6,000 people**. Slovakia's strong points included excellent automotive supplier network and good logistic infrastructure. The investment is a great opportunity for local 2nd-tier and 3rd-tier automotive suppliers. The first cars should leave the plant in **2018**.

### Baltic countries increase defence spending

**Latvia's** and **Lithuania's defence ministers** have announced plans to increase their countries' military spending — to **2 percent and 1.5 percent** of their **GDP** respectively. Other issues discussed by the two officials during a recent meeting included a project to set up a mid-range air defence system to be operated by Lithuania, Latvia and Estonia. Likewise, the **Estonian government** has agreed investment in its military forces will be **upped by EUR 114 million**—approximately a quarter of the budget, in 2016. More than **EUR 40 million** will be spent on **weapons** and **EUR 52 million** on **infrastructure**. This will include EUR 15 million for new buildings, including barracks and maintenance halls which will accommodate 240 conscripts and fighting vehicles.

COUNTRY IN  
A NUTSHELL

## LATVIA

- ▶ Latvia joined the euro zone in 2014, confirming its stability, solid government and financial policies, and economic strength.
- ▶ Latvia was one of the fastest growing economies of Europe before the crisis of 2008, but declined sharply in 2009. By late 2012, its economic revival was the EU's strongest.
- ▶ Latvia operates one of the largest underground gas storage facilities in Europe and the only one in the Baltic states.

Area / Capital	64,589 sq km / Riga
Population / Language	2 million / Latvian
Currency	Euro (EUR), since 2014
GDP per capita (PPP, 2013)	USD 25,195 (2015 est.)

## SECTOR HIGHLIGHTS

## Renewables: Poland

## Poland's fast growing photovoltaic industry

A survey conducted by the Institute for Renewable Energy (IRE) shows that **12.7 MW** of solar photovoltaic installations were launched in Poland in the first four months of 2015, while the total PV capacity installed last year reached **15.7 MW**. During the same four-month period, the industry achieved output of **EUR 27.5 million**, compared to EUR 36.6 million for the entire year in 2014. According to IRE, the Polish photovoltaic market amounted to EUR 6.9 million in 2013, and only EUR 98,200 in 2010.

## Transport: Poland and Hungary

## Polish Railways will invest EUR 13.7 billion in cargo infrastructure

In the last three years, PKP has modernized more than **1,000 km** of tracks per year. Last year alone, PKP modernized **1,300 km** of railway tracks, spending more than **EUR 2.6 billion**. By 2023, the group will invest more than **EUR 13.7 billion** in the rail network. Annual average investment value, including EU funding, will reach about EUR 2.7 billion.

## Fixed track transport development in Hungary could receive EUR 3 billion grant

The Hungarian government is planning to allocate **EUR 3.2 billion** for the development of fixed track transport during the EU fiscal cycle extending to 2020. Various projects planned as a part of the overall project include upgrading an 800-kilometre section of the international TEN-T (Trans-European Transport Networks), installing a GSM-R communication system on a 2,554-km section, electrification of 450 km of railway lines, and track refurbishment of a 400-km section by 2018.

## MARKET LEADER PROFILE

## Nanofabrics: Czech Republic

The Czech Republic is a **leader** in nanotechnologies. Scientists from the Technical University in Liberec have developed a **new nano-fabrics membrane**, which in its breathable features (1.3 RET) **surpasses Gore-tex** (3 RET), the so far most widely used membrane in the textile industry. "Nano-membranes" have wide use in civil, military and medical applications. **Elmarco** (a company also seated in Liberec) is the industry's first and leading supplier of industrial scale nanofiber production equipment. The membrane will be produced locally by SVITAP and the first nanomembrane outdoor jacket should be produced by the specialist outdoor clothing producer DIRECT ALPINE.

## EASYLINK'S CURRENT &amp; RECENT PROJECTS

- ▶ Market assessment for UK manufacturer of filing solutions – Czech Republic, Hungary, Poland and Romania
- ▶ Medical market survey in Slovakia and Czech Republic
- ▶ ICT market review Czech Republic
- ▶ Partner search and meeting itineraries for trade missions from the Netherlands (environmental sector, to Slovakia and Hungary), South Korea (electronics, to Czech Republic), Latvia (food, Czech Rep.), Northern Ireland (to Poland and Czech Rep.), Mississippi (to Poland, Czech Republic, Hungary, Lithuania and Estonia)
- ▶ Export development for Northern Ireland companies targeting the Czech Republic – training, in-depth market research, partner search projects, in-market and follow-up support