

Central & Eastern Europe Business Opportunities



DID YOU KNOW...?

ROMANIA

... is the *leader in Europe*, and *sixth in the world*, by number of certified *IT specialists*, with more IT experts per 1,000 inhabitants greater than in the US or Russia.

LATVIA

... After Finland, Sweden and Slovenia, *Latvia* has the *4th* highest portion of land covered by forests in the European Union.

POLAND

... Poland boasts *17 Nobel prize winners*, including four Peace Prizes and five in Literature.

SERBIA

... is slightly smaller than *South Carolina, USA* in area.

ESTONIA

... has the highest number of *meteorite craters* per land area in the world

EasyLink
BUSINESS SERVICES

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

MARKET NEWS

GE to invest EUR 370 million in Czech aircraft engines factory

General Electric plans to build an aviation R&D and manufacturing plant in the Czech Republic for the design and production of engines for medium-sized and small planes. The facility is expected to cost around **EUR 370 million** and create **900 new jobs**. Last year, GE revealed that the Czech Republic was high on its list of potential locations for the investment, listing Prague as its favoured location. The new plant is scheduled for completion in 2020.

Tender for Wi-Fi communication system in Bulgaria ports

Bulgaria has called a tender for designing and building a Wi-Fi communication system at the country's **two biggest Black Sea ports**, in Varna and Burgas with the estimated cost of **EUR 6 million**. Bids will be accepted by 28 March 2016.

Czech Army: tenders for radars, 3D radio locators, helicopters

The Czech Ministry of Defence declared a new tender for **airport radars** that had been cancelled in 2015, because only one firm applied for the contract worth **EUR 24.6 million**. The Czech Army also announced another tender worth **EUR 133 million** for 8 sets of mobile **3D radio locators**. The government is in talks with contractors from the UK, Sweden, France and Israel. Yet another tender for 12 **helicopters** should be finalized by the Czech Army in late 2016. The government will source from NATO countries and has begun talks about the contract worth **EUR 370-550 million** with the governments of Italy, France and the USA.

Hungarian agency helped EUR 1.4 billion worth of projects

Hungary's investment promotion agency, HIPA, supported 67 investment projects last year, with a combined value of **EUR 1.4 billion**. HIPA helped launch 21 percent more projects last year than in 2014 creating **12,995 new jobs**. Hungary's per capita foreign direct investment (FDI) is currently EUR 8,263, the second highest in the region after the Czech Republic.

CEE region saw record investments in real estate

Real estate investment in Central and Eastern European (CEE) countries, excluding Russia, for 2015 reached a record level of over **EUR 9.55 billion**, representing a 19 per cent increase year-on-year. The Czech Republic and Poland put in strong performance, recording investment volumes of EUR 2.7 billion and EUR 4 billion, respectively. Most of the CEE countries performed strongly in 2015, with strong growth in transaction volumes in the Czech Republic, Hungary, Poland and Serbia.

Czech Republic: outstanding GDP growth figures

The Czech economy's performance last year was outstanding. The country stood among the fastest-growing economies in the EU as its GDP growth picked up to a post-recession peak of **4.3%**.

COUNTRY IN
A NUTSHELL

ESTONIA

- ▶ Strongest economy among the three Baltic states
- ▶ Ranks number two in adult literacy with its rate of 99.8 percent.
- ▶ 8th freest economy in the world, 4th in Europe (Index of Economic Freedom 2015)
- ▶ Over 65% of Estonian work force is in the service sector.

Area / Capital	45,339 sq km / Tallinn
Population / Language	1.3 million / Estonian
Currency	Euro (EUR), since 2011
GDP per capita (PPP, 2016)	USD 30,038 (2016 est.)

SECTOR HIGHLIGHTS

Automotive: Slovakia**Slovakia produced over 1 million cars in 2015 – first time in history**

For the first time in history, the number of cars produced in Slovakia exceeded 1 million in 2015. The share of automotive production in Slovak industry is 44 percent and Slovakia remains the **country with the biggest number of cars produced per 1,000 inhabitants: 184**, an increase from last year's 179 cars. The market leader VW Slovakia launched a **EUR 600 million body shop** for production of bodies for Audi Q7 and started producing the new generation of Audi Q7 and bodies for Bentley. It also started **construction of a EUR 500 million new body shop for Porsche and a EUR 300 million assembly hall**.

Agriculture: Romania**Romania prepares to make the most of its agricultural potential in Europe**

Romania is among the best endowed European countries in terms of land, water, and people. Recent years saw a surge in its farm output, and a historic shift of agri-food trade to a positive balance. The Ministry of Agriculture and Rural Development managed over EUR 14 billion during the 2007-2013 period and is managing another **EUR 21.5 billion over 2014-2020**.

MARKET LEADER PROFILE

Automotive: Czech Republic**Production of cars in the Czech Republic broke the record**

Production of passenger cars in the Czech Republic **grew by 4% in 2015** to a new record of **1.298 million vehicles** (with Škoda accounting for 1.05 million cars). **Bus production** also recorded **a record with 16% growth to 4,517 buses**. Škoda registered another record by supplying 91,600 cars in January 2016 (5.2% growth y-o-y) with major markets being China, EU and Russia. Czech Republic is **second worldwide (after Slovakia) in terms of car production per capita**.

EASYLINK'S CURRENT & RECENT PROJECTS

Recent: ▶ U.S. manufacturer of gluten free products evaluates potential of the Polish market ▶ Partner search in Slovakia for a leading Baltic packaging material producer ▶ School supplies research in Poland and Romania ▶ Liaising with key Polish government officials in the defense sector for a US defense and aerospace consultancy

Upcoming: ▶ Trade mission of Korean LED lighting and electronics exporters (Prague, Czech R., and Vienna, Austria) ▶ Trade mission of 15 companies from Mauritius (Czech R.) ▶ Multi-sector mission from Northern Ireland to Poland

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