

# Central & Eastern Europe Business Opportunities



## DID YOU KNOW...?

### LITHUANIA

... was the *last* European country to become *Christian in 1387*.

### UKRAINE

... has *world's largest* reserves of *manganese ore*, constituting 11% of global reserves.

### ROMANIA

... is Europe's *richest* country in *gold* resources.

### BULGARIA

... is the *top exporter* of *sunflower seeds*.

### HUNGARY

... boasts of *13* Hungarians who received a *Nobel Prize* (this is *more than* Japan, China, India, Australia or Spain).

**EasyLink**  
BUSINESS SERVICES

Strategic Market Research and  
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## MARKET NEWS

### Growing Lithuanian defence budget means opportunity

Similarly to the other two Baltic countries, i.e. Estonia and Latvia, also the southernmost of these former Soviet republics, Lithuania, has significantly increased its defence spending. **Continuous increase** of the Lithuanian national **defence budget** means higher spending of the Armed Forces for acquisition of weapons and military equipment, with **EUR 110 million** planned for this year and **EUR 126 million for 2017**. It is expected that only a small part of the money will end up with Lithuanian business companies, while the bulk of the spending will be imports. Lithuania has a short border with Russia at the Kaliningrad oblast. Lithuania is a member of the EU and NATO since 2004.

### Romanian companies look to increase R&D investments

Companies in **Romania** are planning to **increase R&D investments**, encouraged by new R&D grants available in the 2014-2020 EU funds programming period, shows a recent Deloitte CE study. While half of the respondents (51 percent) said they would invest more in the following 1-2 years months as compared to the previous year, 63 percent are planning to spend more in the following 3-5 years.

### Slovak Jaguar attracting more investments

The Spanish group **Gestamp Automoción** plans to invest **EUR 100 million** in building a new plant for production of automotive components near the future Jaguar Land Rover (JLR) plant in Nitra, says the Slovak Ministry of Industry and Trade, which offered an incentive worth **EUR 9 million** to Gestamp. Jaguar announced its decision to build a plant in Slovakia earlier this year. Gestamp is the first of expected secondary investments to follow this decision. Production of the Slovak Gestamp plant will supply JLR and other local carmakers and should be **launched in 2018**. The full capacity of **5.88 million automotive parts** should be achieved by 2022.

### Daimler Group chooses Poland as location for new engine plant

Daimler considered building the factory in Romania, but finally decided for Jawor in Poland. The investment will amount to **EUR 500 million** and will create some **1,500 jobs**. The German company owns a gearbox factory in Sebes, Romania. Dieter Zetsche, the head of Daimler, said that Romania could attract some other investments from the group in the future.

### China's Zhengzhou Yutong Bus considering production in Bulgaria

Chinese bus manufacturer Zhengzhou Yutong Bus Co. Ltd is considering construction of a factory in **Bulgaria**. Thanks to its EU membership and lowest labour costs among CEE countries, Bulgaria can become a **foothold into Europe** for Zhengzhou. The company sold **67,018 buses** last year, which is **15%** of world output. Zhengzhou bus has more than **30,000** employees and operates production plants in 15 countries. It posted turnover of about **EUR 6.6 billion** in 2015.

COUNTRY IN  
A NUTSHELL

## SLOVENIA

- ▼ Second richest of the Slavic countries behind the Czech Republic
- ▼ Almost two-thirds of people are employed in services, and over one-third in industry and construction
- ▼ The third most forested country in Europe
- ▼ 92% of population between 25 and 62 years of age speak at least one foreign language and 72% at least two foreign languages.

Area / Capital	20,273 sq km / Ljubljana
Population / Language	2 million / Slovenian
Currency	Euro (EUR), since 2007
GDP per capita (PPP, 2016)	USD 31,720 (2016 est.)

## SECTOR HIGHLIGHTS

## Mining: Czech Republic

**Lithium to become “new petroleum”: large deposits in the Czech Republic**

Growing demand for lithium used as a power source in electric cars, smart phones and home batteries has led to exploration of old and new deposits around the world. **6% of global lithium reserves** (over 1 million tons) are located in the western part of the **Czech Republic**. A number of investors have already applied for permits and plan both underground mining and exploitation of mine dumps, which entail mining of wolfram and tin as well and will make mining even more profitable.

## Defence: Czech Republic

**Czech arms companies seeing record export sales**

Export of weapons, defence equipment and services from the Czech Republic reached a record of **EUR 547 million** in 2015 with the **US** becoming the **key buyer** (in 2014 the biggest partner in the defence industry was Saudi Arabia). **Export** represents **90%** of production for the Czech arms manufacturers while in other EU countries and NATO export amounts to 10-30% of total production volume.

## MARKET LEADER PROFILE

## Education: Romania

**Over one in five Romanian university graduates are engineers, the highest share in EU**

**One in five** university graduates in Romania (**21.2%**) specialize in engineering, manufacturing & construction. Romania thus has the **highest share of engineers** (among graduates) in the European Union (EU). Austria ranks second with 20.8%, followed by Finland (20.5%) and Germany (with 20.4%). In the UK, only 8.8% of the university graduates are engineers whereas the Netherlands has a share of 8.2%.

## EASYLINK'S CURRENT &amp; RECENT PROJECTS

**Recent:** ▼ CleanTech sector analysis (Czech Republic) ▼ Partner search in Turkey for a leading US manufacturer of agricultural equipment ▼ Unregistered medicines trade patterns and key players in 4 Latin American and 7 EU countries ▼ Distributor search for an Estonian producer of bedding and nesting products for small pets in Czech Republic and Hungary

**Current & Upcoming:** ▼ Trade mission of Dutch environmental companies to the Baltic States ▼ Trade mission of 10 companies from Northern Ireland to the Czech Republic, Hungary and Slovakia ▼ Hotel furnishings – distributor search in Russia ▼ Export development in Turkey for US producer of lighting and power distribution solutions

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