

# Central & Eastern Europe Business Opportunities



## DID YOU KNOW...?

### CROATIA

... the *White House* is built of *stone* from the *Croatian* island of Brač.

### CZECH REPUBLIC

... *Prague Castle* is the world's *largest castle area in the world*. Its three courtyards and many magnificent buildings cover over 7 hectares (18 acres).

### ROMANIA

... *tops EU honey production*.

### ESTONIA

... became the *first country* to institute a *flat income tax*.

### POLAND

... Polish-born astronomer *Nicolaus Copernicus* was the first person to propose that the Earth was not the center of the universe.

**EasyLink**  
BUSINESS SERVICES

Strategic Market Research and  
International Trade Consultancy  
[www.easylink-cee.eu](http://www.easylink-cee.eu)

## MARKET NEWS

### ThyssenKrupp to build its second plant in Hungary

Germany-based automotive giant **ThyssenKrupp** is planning to build a new plant in **Hungary's Debrecen** through an investment of **EUR 35 million**, supported with a EUR 12.3 million government grant. Construction of the new factory with a planned capacity for 6 million automotive springs and stabilizers annually, on an area of **100,000 m<sup>2</sup>**, is set to start this year, and due to be finished in 2018.

### Poland' economic success brings money to healthcare market

The market for medical services in Poland is set to grow at an average rate of **4.2 percent** a year in the next four years and reach **EUR 32 billion by 2020**. Despite fast growth, Poland still lags behind most other countries in Europe in terms of per capita spending on health. At **less than EUR 1,000 a year**, Poland spends more than only Bulgaria and Romania. To compare, spending in Britain exceeds EUR 4,000 a year, and runs at EUR 5,500 in Germany. Poland's healthcare market has high growth potential as people are increasingly health conscious and enjoy growing earnings generated by the region's largest and prospering economy.

### Estonia, European guru of e-government, invites foreigners to become its "e-residents" and set up their businesses

In the first two years of the e-residency project, which provides foreigners with the opportunity to set up companies in Estonia and use other e-state services, Estonia has already **15,000 e-residents** who have created more than **1,000 businesses** in Estonia. According to the manager of the e-residency project Kaspar Korjus, companies set up by e-residents leave more than **EUR 4.3 million annually** in Estonia as taxes and fees. "If our calculations are correct, every euro that Estonia has invested in developing e-residency brings in at least **EUR 43** to our state and economy," he said.

### Microsoft to open a new software development centre in Prague

The US software giant **Microsoft** has announced plans to open a new software development centre in Prague focused on customer relationship management. Microsoft wants to employ **80 people** by the end of this year. Over the next three years, the company is to create up to **200 new posts**, mostly for software engineers and graduates from technical universities. Already in 2014, Microsoft established a development centre for **Skype** in Prague - the biggest in Central Europe, with around 250 employees, to benefit from the country's highly qualified labour.

### Monaco-based Mecaplast invests EUR 10 million in Romanian factory

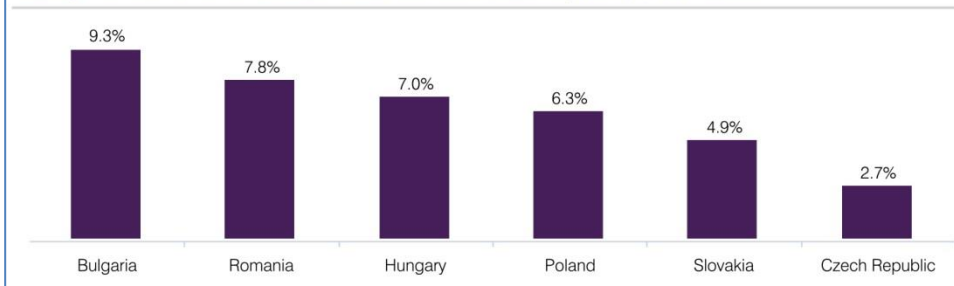
Monaco-based automotive equipment maker Mecaplast is investing **EUR 10 million** in a factory in Romania to produce components for local automobile manufacturer Dacia. This is Mecaplast's **second investment in Romania**. In November, it acquired local plastic injection moulding company Diaplast. The company already produces roof racks for Dacia Duster in its 32,000-square-foot plant in Mioveni.

## FOCUS

### Pharmaceuticals market: CEE

#### Romania and Bulgaria are most attractive OCT markets

Average CAGR for OTC markets in the CE countries analysed (%), 2016-2021



The OCT (over-the-counter) market in Poland, Romania, Bulgaria, Hungary, Czech Republic, and Slovakia will **exceed EUR 8 billion** in 2021, driven by **growth in Bulgaria and Romania**. The key reasons for their strong growth include improvement in the economic situation of both countries coupled with low current saturation of their OTC markets.

## SECTOR HIGHLIGHTS

### FDI: Lithuania

#### Lithuania still leading CEE in per capita FDI

Lithuania still leads the Central & Eastern Europe region for foreign direct investment (FDI) projects per capita, according to the latest data from fDi Markets, a database run by the Financial Times. Last year Lithuania attracted **16.8 FDI projects per million inhabitants**, ranking it **first in the region and 5th in the EU**. Analysts at the agency Invest Lithuania stated that Lithuania's attraction rate was more than double the average rate for the whole CEE region and also for the EU as a whole.

### Logistics: Czech Republic

#### CZ strengthens its position as logistic hub in Central Europe

Tchibo introduced the first part of a new distribution centre for its e-shop at Panattoni Park in Cheb, Czech Republic. After the second part is completed, the centre will have **73,000 m2** and will become the **second largest logistic facility** in the Czech Republic after Amazon's, with 350 employees dispatching over 40,000 shipments daily.



## MARKET LEADER PROFILE

### Digital society: Estonia

#### Estonia - a frontrunner in modern IT solutions

With a population of just 1.3 million, Estonia produces more start-ups per head than any other country in Europe. 88% of households have computers and broadband coverage exceeds 86%. 95% of tax declarations are filed online and 98% of medicals are prescribed online. The ICT sector makes up for 4.6% of GDP and 9.3% of total employment. Estonia is No. 1 in World Rankings 2015 in Tax Competitiveness and EU Digital Economy and Society, and No 2 in Internet Freedom.

## EASYLINK'S CURRENT & RECENT PROJECTS

**Recent:** ✔ Microsoft had EasyLink conduct a strategic market research study in 9 Central & Eastern European markets. ✔ U.S. supplier of fiber reinforcement technology for asphalt met distributors in Bulgaria and Romania ✔ Partner search completed in the Czech Republic and Germany for a Belarusian producer of ladies' fashion & outerwear ✔ Successful search of Turkish distributors supplying to oil & gas, aerospace and construction industries ✔

**Current & Upcoming:** ✔ Trade mission of 10 companies from Virginia, USA to the Czech Republic and Poland ✔ Business meetings of 5 Korean exporters with Czech distributors in Prague ✔ Trade mission of 13 Mauritian companies to Czech Republic and Hungary ✔ Search for qualified Russian distributors for an Italian producer of medical implants ✔