

Central and Eastern Europe Business Opportunities



DID YOU KNOW THAT...?

POLAND

...that Europe's first hybrid bus was designed and produced in Poland by the company Solaris in 2006?

CZECH REPUBLIC

...is Europe's industrial superpower with 37% employees working in the industry sector as compared to the average of 24% in the EU?

BULGARIA

...is one of the biggest producers of rose oil in the world?

ESTONIA, LATVIA, LITHUANIA

...the three Baltic states lead the EU in the second quarter of 2011 in terms of y-y economic growth rate: Estonia 8.4%, Lithuania 5.9%, and Latvia 5.7%?



Strategic Market Research
and International Trade
Consultancy

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COUNTRY NEWS

HUNGARY

Robolution to build USD 528 mil lab and offices in Paks

Hungarian robot-integrator company Robolution Kft will build a nearly USD 528 mil, 750-square-meter experimental laboratory and office building in central Hungary. The company expects this year to substantially exceed the company's last year's 15% rise in revenues.

SLOVAKIA

Honeywell to invest USD 53.4 mil in Slovakia

Honeywell plans to build a turbocharger plant, creating some 450 jobs. The government of Slovakia will debate a state subsidy scheme for the U.S. company, including tax breaks.

CEE

Akamai expands into five CEE countries

The leading provider of cloud optimization services announced its formal expansion into the Czech Republic, Hungary, Poland, Romania and Slovakia. The company has been successful in triggering significant demand for its expertise. Forecasts predict that the CEE region will achieve Internet adoption rates of 54% within 2013 and the number of broadband connections is predicted to reach 43.2 million in 2012, 10 million over the total for 2010.

RUSSIA

IT market in Russia more than 20% up in 2011

The Russian IT market is experiencing a strong bounce back after a sharp decline observed in 2009. Forecasts for 2011 are optimistic and assume that the market will jump by another 20% year-on-year.

CZECH REPUBLIC

Czech turboprop engine for the U.S.

Prague's GE Aviation has developed a new turboprop engine for mass production, which is expected to multiply the company's manufacturing of turboprop units more than ten-fold. The transnational GE Aviation has been supplying to Boeing and Airbus as well as to the U.S. military aircrafts but an engine for smaller planes has been long absent from the production portfolio. The company thus revamped its 40-year-old M601 unit successful in L-410 commuter planes and introduced the greatly enhanced H80 engine.

CONSUMER TRENDS

POLAND

Poles to spend USD 10 billion on clothes and shoes

The value of Poland's clothing and footwear market will grow by 5.8 percent this year up to PLN 29.45 billion (USD 10.16 bil) and the upward trend is likely to continue in the future.

BULGARIA

Despite crisis, Bulgarians continue to spend on computers and handsets

At a time of inflation and frozen incomes when households buy fewer products and spend more on essential goods such as food, medicines, and fuels, Bulgarians continue to buy computers and mobile phones (steady growth since January, in June recorded at 2.7% y-y).

ROMANIA

Modern retailers expect to continue expansion in Romania

FMCG retail market revenues in Romania are expected to grow by about two thirds by 2020 from USD 23 billion in 2010. Retail chains plan to open approx. 150 stores in 2011. Some counties in northern Romania still have no hypermarket and are thus presenting major potential for modern retail.



COUNTRY IN A NUTSHELL POLAND

- ◆ biggest consumer market in the CEE region by size and value of total purchasing power
- ◆ the only country in Europe with a steady GDP growth despite the economic downturn in 2009 (+1.7% in 2009, +3.8% in 2010)
- ◆ strong manufacturing (automotive & electronics industries; highly qualified workforce at relatively low cost)

Area & Capital	120,727 sq miles/ 322,575 sq km (Warsaw)
Population & Language	38.2 million (Polish)
Currency	Złoty (PLN)
GDP per capita (PPP, 2010)	USD 18,800 / EUR 13,000

MARKET AND SECTOR HIGHLIGHTS

Mining: POLAND, BULGARIA, UKRAINE

New opportunities in extensive shale gas reserves

High concentrations of shale gas in Northern Poland could provide a boost for investments, infrastructure, and regulation of Poland's emerging shale gas industry. Bulgaria too is launching exploration works for shale gas and plans to call further tenders after U.S. Chevron won to explore reserves in Northern Bulgaria. There are also signs that Ukraine will open up the energy sector to major international energy corporations. Ukraine may find luck in developing unconventional gas resources such as shale and methane gas or investing into the country's first liquefied natural gas terminal. Soon, a tender will open for oil and gas extraction on the Sakhalin field, which has 15 bil m³ gas reserves, 1.7 million tons of gas condensate and 1.7 million tons of oil.

Defense: CZECH REPUBLIC, BULGARIA, HUNGARY

A tender for fighters in the Czech Republic ◆ Armed forces modernization in Bulgaria ◆ Hungarian MiG-29 fighters up for bid

The Czech government will launch a tender for fighter planes to replace the 14 Jas-39 Gripens the country leased from the Swedish government until the end of 2014. The American Lockheed Martin confirmed an interest in participating with its F-16 fighter jets. ◆ Bulgaria is poised to spend up to USD 2.2 billion on 13 "priority projects" to modernize, boost and increase the capacity of its armed forces. The projects include modernization of the MiG-29 fighter fleet, the creation of an additional mechanized combat brigade, and the overhaul of the E-71 frigates of the Bulgarian Navy. ◆ The Hungarian Air Force is disposing of a package of six MiG-29B fighters and two MiG-29UB two-seater trainers. The fighters are up for a bid by Sept 15, 2011 and the lowest accepted bid is around USD 18.28 mil.

MARKET LEADER PROFILE

CZECH REPUBLIC

Czech Linet hospital beds manufacturer successful in the U.S.

Linet was founded in Zelevce, Czech Republic in 1990 and now counts among the five world largest manufacturers of hospital beds with products sold in 93 countries. It is the second non-U.S. company in the past 50 years to have succeeded in the U.S. medical equipment market. Recently, Linet was selected to showcase its Multicare hospital bed as a part of a U.S. national program on innovation. The company also won a tender for Florida Baptist Healthcare hospitals to supply 300 hi-tech hospital beds and 25 ICU beds at the amount of USD 2 mil over the next five years.



CURRENT & RECENT EASYLINK'S PROJECTS

- ◆ Trade mission for 10 Korean companies to come to the Czech Republic and meet with prospective business partners in mid Sep
- ◆ Partner search project in Poland, Hungary, and Czech Rep. for a U.S. manufacturer of operating room tables and lights. Consultants in each country identified approx. 20 prospective companies of which the client shortlisted 5-8 for further evaluation
- ◆ Easylink assisted a U.S. bio-medical company in a distributor search in the Czech Rep.; currently a distributor agreement is under negotiation. ◆



Newsletter resources: Budapest Business Journal, the Kyiv Post, PMR, the Sofia Echo, Warsaw Business Journal, and other local news media outlets