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NEWSLETTER VALIANS

Trends and opportunities in Eastern Europe

July 2018

The content of this newsletter is based on:

- *The reports and market analysis of PMR (www.pmrpublications.com), leader in market analysis and publications in Eastern Europe, and partner of VALIANS INTERNATIONAL.*
- *Contacts and experiences of our team of consultants gathered during their different projects on a daily basis. You will find below an overview of the trends and opportunities on the markets gathered from their main players.*

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Industry / Construction / Environment

CEE : The construction industry is driving demand for machinery

Central Europe is currently experiencing a boom in the construction sector. Indeed, the different governments and the EU are investing more and more in the construction of infrastructures. In Poland an investment of 547 million € is planned for the construction of 22 bridges across the country, the EU has invested 107.7 million € for the construction of pipeline "Polska-Slovakia", Hungary intends to invest 1.65 billion € for the construction of a train line between Budapest and Belgrade to facilitate the transport of goods to the east, finally in Romania an investment in the petrochemical site of Petromidia will allow the construction of two new oil projects. In addition, these investments in infrastructure are accompanied by the expansion of dwelling. The domestic construction market is expected to grow to PLN 200 billion in Poland in 2018. Lack of skilled employees is now forcing construction companies to invest in equipment for the mechanization of labor to meet the demand for construction. That's why today the construction equipment rental market is in high demand. *Source : PMR, The news, Romania Insider, DailynewsHungary, Spectator*



On the field

New investment prospects in Poland



The new law on investment aid came into force on June the 30th. According to the Ministry of Entrepreneurship and Technology, the new scheme replaces the mechanism of the 14 Special Economic Zones (SES) whose area (25,000 ha) represents less than 1% of Polish territory. According to the new law, investment support will be more flexible as it can be applied to investment projects throughout Poland once the conditions are met. These criteria will include items such as the number of new jobs, the R & D component of the project, or investment in advanced industries or modern support services.

Source : DG Trésor

CEE : Various investments in airports in Central Europe



The number of passengers traveling to and from Central Europe has increased in recent years, and according to forecasts it will go on and on. In response to this phenomenon, the majority of Central European countries invest in their airports. Poland will invest € 7 billion in the construction of a new airport

between its capital, Warsaw, and Lodz. Krakow airport is currently undergoing renovation for the extension and reconstruction of the terminal as well as the modernization of the other parts of the airport. The Czech Republic and Romania plan respectively to invest € 1.04 billion and € 1 billion for the expansion and construction of the airports of Prague and Bucharest. Finally, Hungary is planning this summer the construction of a logistics cargo centre at the Budapest airport. The airport will invest later on the development of this "cargo business". *Source: Radio.cz, DailynewsHungary*

Poland: Investment in a thermo-modernization program.



In the implementation of the "Clean Air" program, the Polish government is planning an investment of between € 6 and € 7 billion for a thermo-modernization program in 23 Polish cities of less than 100,000 inhabitants, mainly located in the region of Silesia and its surroundings, on the WHO list of the most polluted cities by smog. Over the next ten years, between 3 and 4 million single-family houses will benefit from the program that includes thermo-modernization, the replacement of coal-fired boilers with gas-fired boilers and heat pumps, the connection to heat networks, the installation of solar collectors and photovoltaic micro-installation *Source: DG Trésor*

Retail / Food / Pharma / ITC

Poland : CEE’s top investment magnet

Poland is the most attractive country to invest in hotels in Central and Eastern Europe. Poland's top position in the CEE region means that Poland is the first choice for those aiming to enter the hotel business in this part of Europe. Last year, investments in hotels in Poland reached PLN 1.53 billion (EUR 350 million). As a flexible market, Poland attracts investors, that's why a growing number of hotels are being built and new operators intent to open new facilities. The high demand in the hotel segment is in line with a general trend of investors that look at Poland for investment opportunities.



Source : The News

Czech Republic: Advertising market continues to expand

Predictions that television advertising needs to be replaced by other formats, especially on the internet, are currently inaccurate. In the Czech Republic, the entire advertising market is growing, on television and elsewhere. Last year, just for television, companies spent about 48 billion Koruna, about two billion Euros. These expenses were up by 13% from 2016. The TV advertising market is expected to continue growing this year. In 2018, the total television market is expected to reach 160 billion Koruna, more than 6 billion euros. But, contrary to what was expected with the development of the internet, the share of television does not really decrease. On average, a Czech person watches television for three and a half hours a day. Source: Radio.cz



Romania: the 5G’s strategy to be ready by year-end



The national 5G strategy will be ready by the end of the year, said Bogdan Cojocaru, the Minister of Communications and Information Society. The implementation of the technology is expected to bring USD 9 billion investments by 2026, the Minister said. The investments will cover areas such as energy and utilities, public

safety, financial services, health, transport, auto, retail and agriculture. “Romania needs digitalization, this aspect is clear for everybody. The national strategy for 5G, a telecommunication standard that will support the increase of the digitalization of the government services provided to the population and companies, will be finalized by the end of the year,” Cojocaru said. When it is completed, the strategy will be put up for public debate. According to EU’s development strategy, each member state needs to have at least one 5G-connected city by 2020. Source : Romania Insider

On the field

Czech Republic

The market for electric bicycles is booming



Electric Bicycles are currently booming in the Czech Republic, whether importing and exporting. With 100,000 electric bicycles that were imported into the Czech Republic in 2017 for a total amount of 550,000 million Koruna (€ 21 million), the sales of electric bikes continue to increase. This market is the most dynamic as the export sales of these e-bikes (63,000 in 2017) now exceed the export sales of "classic" bicycles or without the assistance of a small engine.

Source: Czech.cz

CONTACT

Do not hesitate to contact us:
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More news about trends and opportunities in Central and Eastern Europe :

