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NEWSLETTER VALIANS

Trends and opportunities in Eastern Europe

September 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.*

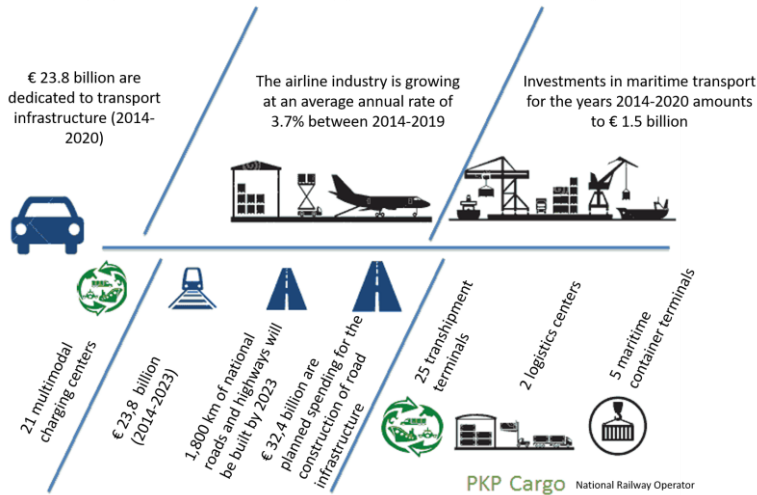
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Industry / Construction / Environment

Poland: Focus on major projects in construction and infrastructure



Source: Paih

On the field

Poland

World Foundry Congress 2018 in Krakow

The 73rd World Foundry Congress will take place in Krakow from the 23rd to the 27th of September. It's been a quarter of a century since Poland last had the privilege of hosting the event. The Congress which is organized every two years, will bring together the main world players of foundry's sector.

Source : 73wfc.com

Slovakia

Break records in car sales

While the number of cars sold in Slovakia continued to increase in the first half 2018, currently, there are more than three million cars per 5.5 million inhabitants, according to the Pravda Daily. Slovaks bought a total of 51,891 cars during the first half of this year, up by 6% year-on-year. This was a record number, even when compared with the rest of the European Union. The increase in the purchase of new cars is connected to the increase in employment and salaries but also impacted by the drop in car prices. Plus, more Slovaks are buying new cars because the average age of cars on the road (13.4 years) is older than the average of EU countries (10.7 years).

Source : The Slovak Spectator

Czech Republic: Many municipalities looking to replace old pools

The Czech Republic hosts a relatively high number of swimming pools per capita. Indeed according to a database created in 2014 by State Health Institute there are 9.1 public pools for every 100,000 inhabitants. For comparison, in Germany for the same amount of inhabitants there are only 6 pools. However, most are loss-making and many municipalities are looking to replace ageing pools with more attractive water parks. Many towns and cities are having to finance such projects from their own budgets or to take out loans. One example of this trend is the construction of a new pool complex in Opava of CZK 350 million. In total, for the next 3 years, more than 10 new swimming pools are due to open in the Czech Republic. Source: Czech Radio



Hungary: Opening of a new BMW factory



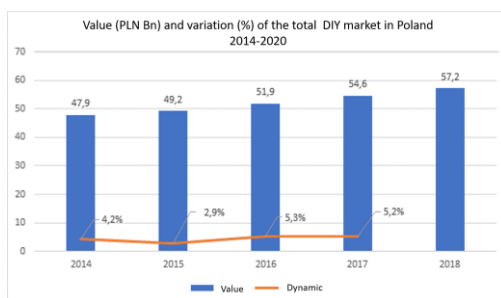
A new BMW factory will be built in Debrecen, in Hungary. This will be the first new BMW factory built in Europe in 20 years. The company plans to invest more than EUR 1 billion for this factory, creating nearly 1,000 jobs and producing 150,000 cars a year. Its main competitors Mercedes and Audi have yet their factories in Hungary. Suzuki and Opel are already well represented and have started producing their engines in 2014 in Szentgotthárd. This factory will be the 31st of BMW in the world. Its construction is scheduled to begin in the second half of 2019 and the first vehicles are expected to leave production no later than 2021. Source: Autoklut



Retail / Food / Pharma / ITC

Poland: The Do It Yourself (DIY) market is growing

The DIY is booming in Poland. Indeed, the market grew by 5.2% in 2017, with a value of PLN 54.6 billion (i.e. EUR 12.8 billion), according to the latest PMR report. These figures are the result of a double effect: on the one hand, a sharp increase of spending in DIY stores, and on the other hand, the growth of the housing and real estate market. The factor “renovation” is the main factor of this phenomenon. As a matter of facts, many renovations are carried out both in houses and apartments but also in companies offices where standards on the working environment increase. In addition, the ban on Sunday trading has the effect of reducing spontaneous purchases (clothes, shoes, cosmetics, etc.) and thus favouring major purchases related to renovation. *Source: PMR*



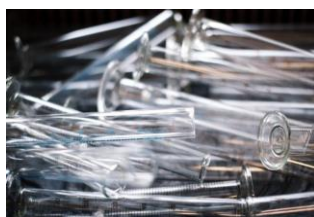
Romania: Digitization of the public services in Bucharest



Bucharest has EUR 35 mln budget to digitize public services. The program aims to create a municipal information system that covers all of the municipalities needs in the sector. It would also help reduce bureaucracy and grant citizens and companies easier access to information and public services provided by the municipality. The program includes investments for : an information system (for passengers using public transport which will be installed at bus, tram and trolleybus stops), parking sensors, a metropolitan integrated IT system, developing the Bucharest City hall portal and cyber security infrastructure. *Source: Romania Insider*

Poland: Growth of the cleaning industry

The market value of the cleaning industry (professional cleaning services, laundries, manufacturers of cleaning chemicals, distributors, etc.) is highly increasing. With a current value of € 1.39 billion compared to € 1.25 billion in 2016, the value of the market has increased by 10% and all factors show that this will increase in the next years. This result is the consequence of 2 phenomena. The first is the growing demand for cleaning services due to the growth of work and industrial spaces. The second is the increasing use of modern technologies induced by the increasing demand for cleaning work, changes in standards and automation of work, thus improving the efficiency and quality of the work. Facing a rise of labour costs, cleaning industries plan to invest € 115,7 mln in modern technologies for the end of 2018. *Source: Portalspozywczy.pl*



On the field

Czech Republic The film market

The film market is growing again in Czech Republic after its collapse in the 1990s. Film production revenues now represent 1.1% of the country’s GDP. The film and audiovisual sector is employing 12,000 direct and 20,000 indirect person. All direct and indirect revenues amount to more than CZK 104 billion (€ 4 billion), according to a Deloitte analysis. More than half of the box office revenues are generated by foreign productions. More precisely, foreign films represent 55% of all film production of the Czech market. In addition, in 2016 and 2017, more than 15 million tickets were sold in cinema. *Source: Radio.CZ*



CONTACT

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More news about trends and opportunities in Central and Eastern Europe :

