



A trusted partner for the development of your business in Eastern Europe

Accelerate your business expansion in Eastern Europe

EXPORT
SOURCING
INVESTMENT

NEWSLETTER VALIANS

Trends and opportunities in Eastern Europe

March 2020

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.*

©VALIANS INTERNATIONAL Sp. z o.o.

ul. Feldmana 4/7, 31-130 Kraków, Poland, Tel: (+48) 12 631 12 89 Fax: (+48) 12 423 47 02

valians@valians-international.com www.valians-international.com

Industry / Construction / Environment

Poland: Electric buses will hit Polish roads

Over the next ten years, 3,500 alternative fuel buses will run on Polish roads. Currently, around 90 electric buses and around 350 buses running on compressed natural gas (CNG) are in service in the country, and around 180 other vehicles with alternative fuel have been ordered. Poland must be the European leader in zero-emission public transport - this is the aim of the national policy. According to the E-bus program, in 2023, 1,000 electric buses should be produced each year. According to the Polish Development Fund (PFR), 1,500 electric buses should circulate in Polish cities in the same year (around 13% of all public transportation stock in the country).



The law on electromobility and alternative fuels imposes on local authorities of more than 50,000 inhabitants, the obligation to develop ecological transport. The required share of zero emission buses in fleets must be 5% by 2021 and 30% until 2028. Poland is one of the European leaders in electromobility in the field of public transport. *Source: ekologia.pl*

Romania: The first Smart City project integrated into Piatra Neamt

Electrogrup announces the start of work to implement the first integrated Smart City project in Romania under a contract worth RON 21.1 million (EUR 4,39 million). The projection and execution contract was signed on February 25, 2020, while the overall project execution period is 25 months.

Piatra Neamt's new public transport waiting stations will be equipped with WiFi, multimedia touch screens, USB ports to charge smartphones, photovoltaic panels, intelligent cameras for video analysis and traffic monitoring, environmental sensors, traffic information for users, fully operated via a central control.

Source : business-review.eu

CEE: Convergence of the purchasing power of the CEE towards the standards of the European Union

GDP per capita in purchasing power standard (PSA) ranges from central Europe from 71% of the EU-27 average in Latvia, Hungary and Poland to 91% in the Czech Republic in 2018 .

	2000	2016	2017	2018
Union européenne à 27	100	100	100	100
France	118	106	105	104
République tchèque	73	88	90	91
Estonie	42	78	79	82
Lituanie	38	76	79	81
Slovaquie	51	78	77	78
Hongrie	54	67	68	71
Pologne	48	69	70	71
Lettonie	36	65	67	71

Source: DG Trésor

On the field

CEE

Central Europe continues to attract investors



2020 should be another very active year on the real estate investment markets of Central Europe. The pursuit of business growth is limited only by a limited supply of investment products.

In 2019, Poland was the first market with 55% of the investment volume followed by the Czech Republic with 22.5%, Hungary with 13.5%, Romania with 6%, Slovakia with 3% and Bulgaria with 2% according to Kevin Turpin, regional director of CEE research at Colliers International.

Colliers International divided the real estate investment sectors in the CEEs in 2019 to 51% for offices, 16% for retail, 14% for industry, then 8% for the booming hotel sector.

Source : bbj.hu

Retail / Food / Pharma / ITC

Poland: Żabka opened 100 stores in 2.5 months

Żabka is a local retail network in Poland. On December 18, 2019, the Żabka chain opened 6,000 stores in Poland. There are currently 6,100, which means that within 2.5 months, the network has opened 100 additional stores.

2.1 million transactions are made in Żabka stores every day, and 12 million Poles are within 300 meters of a Żabka. Also, there are nearly 3000 franchisees associated with Żabka for more than 3 years.

Source: portalspozywczy.pl



Czech: Czechs are spending more and more money on their pets

While pet owners invest primarily in quality food, there is also a growing demand for other products, including pet clothing, fur conditioners, vitamins and paw wipes. A growing number of Czech pet owners are willing to spend several thousand crowns per month on their pets, with the highest amount spent on food. "The current trend is towards high quality food. Customers are more interested in the ingredients, and gluten-free and hypoallergenic foods are becoming more popular," said Patricie Šedivá, spokesperson for Alza.cz, one of the largest Czech online stores. Source: radio.cz



Poland: First drone coordination system

The Polish Air Navigation Services Agency (PAŻP) launched the first coordination system for drone flights in Europe, called PansaUTM. It allows digital communication between air traffic controllers and the operators of these machines, in order to improve safety, especially around airports. According to the Agency, PansaUTM, has successfully passed the accreditation process led by PAŻP and supervised by the Civil Aviation Office and was launched in the controlled areas of the airports of Poznań, Bydgoszcz and Modlin. The full implementation process is expected to be completed in the second quarter of 2020. Currently, more than 570 controllers protect the Polish sky and carry out nearly 800,000 commercial air operations per year. PAŻP also provides an aerial information service for general aviation, ensuring the safety of pilots and crews of more than 200,000 small aircrafts and other aircrafts in uncontrolled space, up to a height of 3,000 meters. Source: Businessinsider.com



On the field

ROMANIA

The flower market in Romania will grow by 15% this year



KeysFin analysts estimate that the local flower market will grow by around 15% in 2020.

This market has grown considerably in the past five years: 96% compared to 2014 and 6% compared to 2017, reaching RON 330 million (EUR 68,65 millions) in 2018, according to the National News Agency of Romania. This year, the flower market is expected to reach RON 450 million (EUR 93,62 million).

The online commerce market has also been on an upward trend, according to KeysFin. There were around 150 online florists in Romania in 2019.

Source: romania-insider.com