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## NEWSLETTER VALIANS

### Trends and opportunities in Eastern Europe

September 2019

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*The content of this newsletter is based on:*

- *The reports and market analysis of PMR ([www.pmrpublications.com](http://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.*

# Industry / Construction / Environment

## Poland: Exemption of income tax for young people under 26y old



Since the 1<sup>st</sup> of August 2019, a measure, decided by the Polish government, allows young people under 26 to be exempted from income tax. The decision has two objectives. First, encourage young people to quickly join the labor market, which is increasingly lacking of manpower as explained by the Deputy Minister of Finance Leszek Skiba. The young employee should have 18% more at the end of the month, which his employer will not retain anymore to pay to the tax department. The government's second goal is also to reduce youth migration to the West and its high salaries. For the government, the total cost could reach, in total, 2.5 billion zlotys (about 580 million euros). Half of this money will not go to the government and the other half will reduce local government revenues. *Source: Le Monde*

## Slovakia: An investment of €100 million to produce batteries for electric cars.

A new plant producing batteries for e-cars should emerge in Slovakia in the second quarter of 2020. The Slovak company InoBat signed a contract with American company Wildcat Discovery Technologies (WDT) concerning cooperation on development and production of accumulators for the automotive industry. The investment should reach €100 million, including investment into development and costs of the construction of production line, the SITA newswire reported. The production of accumulators will be launched at the end of 2021. "New strategic cooperation with Wildcat Discovery Technologies, whose clients include Apple, Samsung and BMW, for example, will allow us to build a vertically integrated supply chain, starting with research and development and ending with production," SITA quoted Marián Boček of InoBat as saying. This patented technology would serve for all producers of cars in central and eastern Europe. M. Boček believes that it has the potential to launch a revolution of accumulators for cars in the whole of Europe. *Source: spectator.sme.sk*



## Poland : The government adopted the 2030 environmental Policy

### Polityka ekologiczna państwa 2030

The Council of Ministers adopted and the Prime Minister Morawiecki signed a resolution on the adoption of the 2030 Environmental Policy – a development strategy in the field of environment and water management. It is a strategic document that clarifies the Strategy for Sustainable Development by 2030. The document identifies, among others, the following priorities:

sustainable use of water, removal of sources of air pollutant emissions, soil protection, environmental risk prevention, sustainable forest management, waste management, geological resource management, support for the implementation of green technologies, fight against climate change, ecological education. The "National Ecological Policy 2030" will form the basis of investments from the European envelope 2021 - 2027. *Source : DG-Trésor*

## On the field

### ROMANIA

96% of Romanians own the accommodations they live in – highest share in Europe



Romania is first in the European Union when it comes to number of homeowners. Over 96% of Romanians own the houses in which they live according to Eurostat statistics. Only 4% of the population (compared to 30% EU average) is living in rented houses.

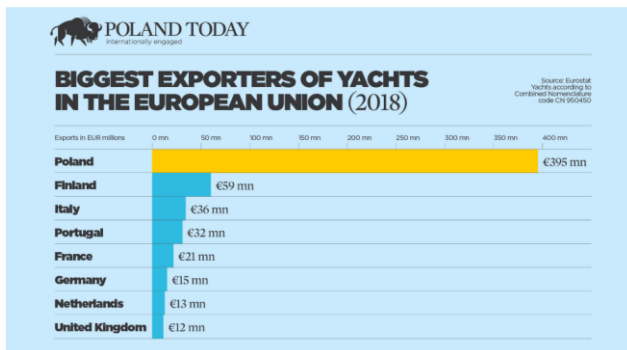
In Romania, the very high share of homeowners is caused by the high share of the rural population (45%) and the fact that Romanians could buy the homes they lived in at very low prices after the fall of the communist regime in 1989. But the young generations also prefer owning their own accommodation, although the real estate interest rates for mortgage loans are much higher in Romania than in Western Europe. Today, over 30% of young Romanians, between the ages of 18 and 25, are considering a loan for the purchase of a home while 13% of them have already taken such credits for periods of up to 30 years.

*Source : Romania-insider*

# Retail / Food / Pharma / ITC

## Poland : Biggest exporters of yachts in the European Union

The Polish Economic Institute (Polski Instytut Ekonomiczny) shone the spotlight on export champions that have been making more noise outside than within the borders of Poland. For example, Poland is the largest exporter of pleasure and sports watercraft in the



EU. Each year Polish shipyards produce around 22 thousand units, according to the aptly named industry body, POLBOAT (the Polish Chamber of Marine Industry and Water Sports). These high-value exports are largely destined for the USA, Norway, France, Germany, Russia and the Middle East, while a growing number of Polish-produced yachts have been spotted in waters as far as Australia, China and Japan. Internationally, Poland is ranked just behind the USA in the production of smaller watercraft in the nine-metre or under category.

Source: Poland today

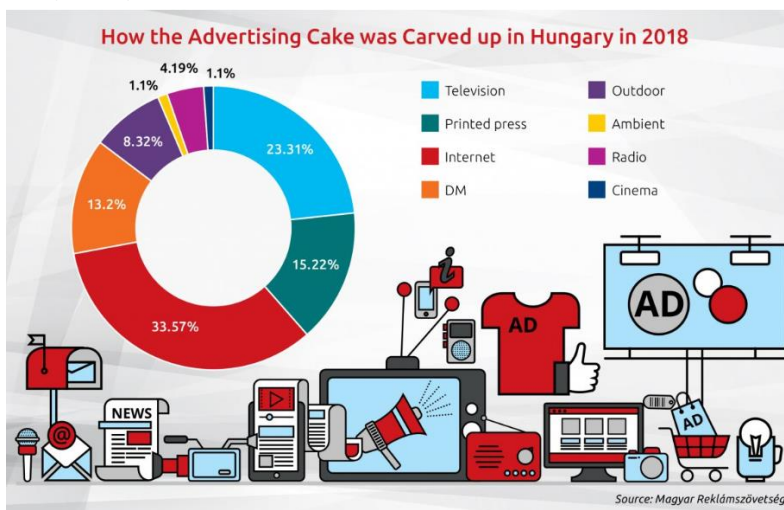
## Czech republic: Czech consumers want better quality food

The vast majority of Czech consumers, some 97 percent, want tougher quality parameters on foodstuffs sold in the country, according to a recent survey made public by the Czech Consumer Association on Tuesday. More than nine out of ten respondents also said that they wouldn't mind if the tougher rules resulted in restrictions on cheap food imports. Source: Radio Praha



## Hungary : Ad Market continues to grow

Advertising spend in Hungary reached HUF 259.69 billion (€ 783 million) last year (a growth of 7,7%), with online remaining the most dominant segment and outdoor registering the largest increase (16,28%), the Hungarian Advertising Association (MRSz) has announced. Source Budapest Business Journal



## On the field

### ROMANIA

Insurance market up 7.8% in the first half 2019



The insurance companies operating in Romania collected gross premiums amounting to almost RON 5.44 billion (EUR 1.15 bln) in the first half of the year, up 7.8% over the same period of 2018, according to a report of the Financial Supervisory Authority (ASF), quoted by Profit.ro. The total volume of gross premiums underwritten on the general insurance segment was RON 4.3 bln (EUR 915 mln), up 8.7% compared to the same period in 2018. About 96% of the total volume of gross premiums on this segment was realized by the first 10 of the 28 companies active on the market. The mandatory third-party car insurance (RCA), voluntary car insurance (CASCO) and home insurance had the highest shares on the general insurance segment. The life insurance segment advanced at a rate of 4.6% year-on-year to RON 1.12 bln (EUR 238 mln).

Source Romania-insider