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NEWSLETTER VALIANS

Trends and opportunities in Eastern Europe

May 2019

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: Europe’s biggest roofed water park aims to open this year

One of Europe’s biggest water park is on course to open this year, bringing it with some 32 slides, pools covering 3,500 square metres and a “water jungle”. The Suntago Water World, near Mszczonów, in central Poland, will be the biggest water park in the country, and, according to the developers, the biggest roofed water park in Europe. The opening of the EUR-150 million water park is planned for September or October 2019. The site will be able to use water from an underground thermal spring with a natural temperature of 45 degrees Celsius. The thermal water, drawn from a well 1,720 metres deep, will be used to heat the swimming pools and the building as a whole. The entire construction site covers eight hectares. Planned near the water park are the Suntago Village with around a 100 cabana-style cottages, a children's playground, swimming pools, a fitness zone, saunas, a spa and parking for 2,500 vehicles. Along with this the planners intend to add a four-star hotel to the complex with 3,600 square metres of conference space by the second half of 2021. A five-star hotel will be built later. *Source: Thefirstnews*



On the field

Poland

Development and modernization of seaports



The Polish seaports have transhipped in 2018 more than 100 Mt compared to 87 Mt in 2017. This level was reached for the first time in the history of these ports. To ensure their future development and enable them to maintain this high rate of growth, the Ministry of the Maritime Economy and Inland Navigation plans to invest by 2030 more than PLN 25 billion (about € 5.8 billion). The 3 main seaports will invest in the extension and modernization of their infrastructure: PLN 8.6 billion (€ 2 billion) in Gdańsk, PLN 4.5 billion (€ 1.1 billion) in Gdynia and PLN 9.5 billion (€ 2 billion) in Szczecin-Swinoujście. The modernization and the deepening of 12.5m of the port seaway of Szczecin-Swinoujście obtained a European co-financing of PLN 1.4 billion (€ 325.6 million) from the Operational Program “Infrastructure and Environment”.

Source : DG Trésor

Slovakia: A “greener” environmental strategy



At the end of February 2019, the government has approved the 2030 Environmental Policy entitled “Greener Slovakia”. This new vision aims to achieve a better quality of the environment and develop the circular economy by using as little as possible non-renewable natural resources and dangerous toxic substances. This new strategy

presents the country’s main environmental challenges such as air quality, waste management and low recycling rate, the protection of habitats and species, particularly in the ecosystems of forests, pastures and wetlands. Moreover, Slovakia wants to become a leader in fighting plastic waste in central Europe. The country will put a definite stop to the use of single-use plastic products by January 2021 with the ban of the use of nine types of products. The ministry also wants to work on the methodology of supporting the no-package shops in Slovakia *Source: DG Trésor, Spektator*

Hungary: The construction project of the French group COLAS

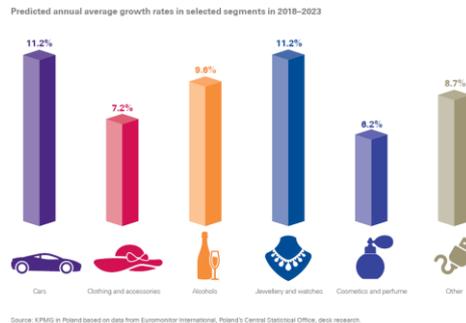
The French construction group COLAS won, in a consortium with the Hungarian company HE-DO, the deal for the construction of the connection of the Bosch factory in Maklár to the motorway M25. The cost of the project of € 4.5 million is entirely financed by the European Union. The M25 motorway will eventually connect the Eger region, in the north, to the M3 motorway linking Budapest to the Romania and Hungarian borders. COLAS and HE-DO had already built the northern section of the M25 motorway, and also won the tender for its southern section. *Source: DG Trésor*



Retail / Food / Pharma / ITC

Poland: The luxury goods market is booming

In 2018, the value of the luxury goods market is estimated at nearly PLN 24 billion (€ 5.6 billion). This represents an increase of 13.8% compared to 2017. The fastest growing segments include: jewellery and watches, luxury and premium cars, as well as alcohols. Forecasts for 2023 are also promising: according to KPMG estimates, the luxury goods market will reach a value exceeding PLN 39 billion (€ 9 billion). *Source: KPMG*



Czech Republic: The trend of electric bikes



Despite the initial purchase price much higher than a regular basic bike, electric bicycles are more and more popular in Czech Republic. Their sales increased by 30% last year, between 50 and 60 thousand electric bicycles were sold. 30,000 Crowns (1,164 Euros) is the basic purchase price of an electric bike, however more Czech cyclists choose to invest in this solution for travelling and leisure. Cycling is a popular activity in Czech Republic, but a whole generation is getting older and they prefer to invest in an electric bike because of their health concerns that come with age. Electric bicycles are therefore very popular with elderly but also with people who just had an operation of the hip or knee. *Source: Radio.cz*

Poland: Cracow labelled French Tech by the French government

The French Tech is a non-profit association promoted by the French Ministry of the Economy and Finance since 2015. This initiative aims to promote French technological excellence, but also to allow start-ups to have expansion tools on its territory and abroad. The network has 99 communities and capitals labelled, representing 900 members supported by 2,500 entrepreneurs. Krakow's weight in the European start-up ecosystem is important and confirm the need for French support through to French Tech. Formalized on 3 April 2019 by Cédric O, Secretary of State for Digital, The French Tech Cracow is the local relay of information of innovation for France in Poland. The main goal is to help French start-ups gain access to the Polish market, and to advise young Polish entrepreneurs to integrate the French one. Various tools are available, including a partnership with Station F, the largest start-up campus in the world, based in Paris. The goal of 2019 is to create and sponsor major local events around 3 pillars: Tech for Good / Scale-up / Diversity.

On the field

Romania

Sales of home appliances and electronics increasing

Expenses on home appliances increase, either as gifts or to cover the needs of the household. People are allocating € 100 for their first smart electronic device while the second purchase has a budget increased 4 times. The prices of smart electronics and appliances decreased, on average, by 20% in 2018 compared to 2017. Intelligent products have become more and more frequent in Romanian homes such as smart robot vacuum cleaner, speaker assistant, cooking appliance controlled via smartphone, intelligent socket. This phenomenon is due to the fact that those products become more accessible and the requirement for this category is getting bigger as a result of awareness of the benefits it offers. Forecast estimates an increase of 50% in sales of smart electronics and home appliances in 2019. *Source : Business Review*



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