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## NEWSLETTER VALIANS

### Trends and opportunities in Eastern Europe

July 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.*

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

[valians@valians-international.com](mailto:valians@valians-international.com) [www.valians-international.com](http://www.valians-international.com)

# Industry / Construction / Environment

## Poland: Fifteen years of european funds



Poland's fifteenth year in the EU reveals that European funds co-financed more than 200,000 Polish investments worth EUR 159.5 billion between May 1, 2004 and December 31, 2018. During this period Poland contributes to the European budget by EUR 51.8 billion. Its positive balance amounts to EUR 107.7 billion. The ten projects benefiting from

European co-financing are infrastructural investments, such as the construction of the Warsaw metro, the deepening to 12.5 m of the sea access to the port of Szczecin-Swinoujscie, the construction of the expressways S5 (Wroclaw-Poznan) and S7 (Lubien-Rabka and Gdansk-Elblag), modernization of railways in Upper Silesia and the Warsaw-Lublin line. *Source: DG-Trésor*

## Serbia : Development of a biomass power plant to power 5 000 homes

Serbian holding company MK Group has announced plans to construct a biomass-fired power plant worth EUR 8.1 million.



According to the Serbian press, the new plant will be built by MK Biogas, a subsidiary of the conglomerate, in partnership with German biotechnology firm Wabio Technologie in Vrbas, northern Serbia. "With such innovative investments, our group contributes to the protection of environment and makes our business more efficient and sustainable," said MK Biogas director Predrag Božić. Once established, the alternative energy plant will produce an annual 20,000 MWhs, satisfying the energy consumption of around 5,000 Serbian households. *Source: Emerging Europe*

## Poland : Construction of Europe's largest logistics complex

In Łódź, central Poland, at the crossroads of the European West-East and North-South axes, Panattoni Europe, market leader in industrial real estate in Europe, carries on with the construction of the Europe's largest logistics complex "Central European Logistics Hub" with planned space of 600,000 sqm. To date, 250,000 sqm have been completed and a further 160,000 sqm are under development. *Source : DG-Trésor*

## Lithuania : Top EU Member States in plastic packaging recycling

With 75% of plastic packaging recycled, compared with an EU average of 42%, Lithuania is the world leader in the recycling of plastic packaging. The country has significantly improved the collection of plastic, metal and glass packaging since 2016 through a law implementing an automated deposit system. Lithuania wants to participate in the group of like-minded states. Regarding manufacturers developing recycling systems, the Lithuanian Minister of the Environment is interested to know the new industrial processes developed in France. *Source : DG-Trésor*



## On the field SLOVAKIA

### Bratislava to host the European Labour Authority



Bratislava has been selected on the 13<sup>th</sup> of June 2019 as the seat of the future European Labour Authority (ELA). The ELA will support member states in the enforcement of EU legal acts in the areas of labour mobility and social security coordination and provide information to individuals and employers in cross-border labour mobility situations. "We're thereby gaining our first EU institution, and I see it as a big success that we managed to win in the first round," stated Pellegrini. The prime minister stressed that almost 150 top European experts will come to Slovakia along with the agency and that experts in labour law from across Europe will regularly meet in the country as well. "This will definitely increase Bratislava's reputation as a pro-European capital," added Pellegrini.

The European Commission proposed in March 2018 the creation of such a European authority. Its aim is to facilitate the mobility of citizens in the EU and to ensure that it is governed by fair and respected rules.

According to data from the European institutions, nearly 17 million Europeans live or work in another Member State than their own, a number that has doubled in ten years. *Source : Europa*

# Retail / Food / Pharma / ITC

## Poland: a company makes edible plates

In northeastern Poland, the company Biotrem, founded by Jerzy Wysock produces 15 million edible plates a year and makes possible to replace traditional plastic plates with biodegradable plates. These are made from wheat bran, which is compressed using a machine designed for this purpose. An edible plate is around € 15 cts more expensive than plastic plates, but "in the price of



the current plastic plate, we do not take into account the impact on the environment and the cost of recycling, pollution of oceans...", explains Malgorzata Then, President of Biotrem. These plates are currently sold in Europe, Asia, North America and Australia and the company estimates that its production could be multiplied by a hundred or even a thousand, following the decision of the European Union to permanently ban plastic cutlery and plates by 2021. *Source : L'info durable*

## Romania's cosmetics market (production & trade) up to 50 % in the past 5 years to over EUR 1.7 billion



The cosmetics production market has doubled in value between 2013 and 2017 to over EUR 100 million, and the preliminary data for 2018 indicate that the value had exceeded EUR 120 million. Importation of cosmetic products has increased by 102% since 2010 to value EUR 525.5 million in 2018. In terms of exportation,

romanian cosmetic products advanced by 276 % since 2010, to EUR 327.5 million in 2018. Romanian companies mostly exported hair care products (70 % of total in 2018) followed by body hygiene, beauty, makeup and perfume products.

*Source Business-Review*

## Poland : The growth of ecommerce

The ecommerce market in Poland represents one of the fastest growth in the EU-28 in 2018 and worth more than € 10 billion (+ 12.5% vs. 2017). According to the projection of UKE (the Institute of Electronic Communication), the market is expected to grow by more than 50% in the next 3 years and reach more than € 16 billion. Almost all chains of retails present in



Poland have developed their stores online and we estimate a number of more than 25 000 of e-shops. This ecommerce market is boosting the parcel transport market. In 2018, Poland registered a total of 391.7 million deliveries (+ 17.1% vs. 2017) generating a turnover of € 1.2 billion (+ 15.1% vs. 2017). The Polish Post remains the main player, but alternative shipping companies are developing and growing much more faster, with a growth of 16% in 2018. *Source : Wiadomoscihandlowe*

/ UKE

## On the field

### HUNGARY

#### Hungary sets ambitious tourism target



Hungary has announced ambitious plans and aims to become Central Europe's leading tourist destination by 2030, as the country's government set to provide more than 260 billion forints (800 million euros) to support tourism development.

"Hungary has unique natural and cultural treasures, and these opportunities must be exploited," said Tamás Schanda, state secretary for European Union development projects. "Tourism is a strategic sector, and the goal is that by 2030 the total contribution of Hungarian tourism to GDP will increase from the current 10 % to 16 %."

Much of the government's attention is focused on Lake Balaton and the surrounding area, where it is committed to developing 26 projects, creating new cycle paths, ports, hiking trails and recreation parks.

In 2018, commercial lodgings around Hungary registered 12.5 million guests, an increase of more than 5 % compared to 2017. Of these, almost 50 % were foreign visitors. The two most popular destinations were Budapest and Lake Balaton.

*Source : Emerging europe*