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NEWSLETTER VALIANS

Trends and opportunities in Eastern Europe

January 2019

VALIANS' Team wishes you a very happy and prosperous year 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: Simplification of administrative formalities for small businesses

Polish President Andrzej Duda has signed a law to simplify administrative formalities for micro, small and mid-size enterprises.



Among the new advantages induced by the law, we find:

- A reduced CIT rate of 15% for companies which report gross sales of less than EUR 2 million from 2020. (instead of EUR 1.2 million today)
- The abolition of safety and health training requirements for low-risk occupations. (such as office workers); the measure concerned almost 6 million workers.

The Ministry estimates that the implementation of the measure will result in savings of up to PLN 4 billion (EUR 940 million) for the 10 years to come. *Source: DG Trésor*

Slovakia: First largest robot market in Eastern Europe

Slovak companies use so many robots that their number has nearly doubled in the two last years. Robots are mostly implemented in production as in painting or welding. 85 robots per 10,000 employees is the new average for global robot density in the manufacturing industries. With 151 robots per 10,000 workers, Slovakia is the 15th largest robot market and the 1st one in Eastern Europe.



Source : The Slovak Spectator

Czech Republic: Modernization of 8 railway sections

The Czech government has approved the loan of CZK 11.5 billion (EUR 0.45 billion) from the European Investment Bank (EIB) to modernize eight railway sections between 2019 and 2025. Moreover, the Minister of Transport has signed in April 2018 a memorandum with the EIB representatives through which the Czech Republic could obtain a total of CZK 100 billion (EUR 3.91 billion) for infrastructure projects. With this loan of CZK 11.5 billion, the state plans to invest in the Prague - České Budějovice - Austrian border railway corridor, the modernization of the České Budějovice - Plzeň line, the electrification of lines or the development of high-speed rail. *Source: DG Trésor & Czech Radio*



On the field

Hungary

Airbus Helicopters to set up a parts factory for helicopters



Airbus Helicopters is setting up parts factory for helicopter in Hungary, according to the minister of foreign affairs and trade. The investment coming on line 2021 will create hundreds of jobs thanks to a cooperation agreement between the Hungarian government and the company. Two eastern Hungarian cities are competing to host the factory and the choice will be made early this year before being finalized after a decision on non-refundable government support for the project. According to the CEO of Airbus Helicopters, Bruno Even, parts manufacture involves precision work for which Airbus will rely on Hungarian expertise. Additionally, the Hungarian Ministry of Defence has ordered in December 2018, 16 H225 M multi-role helicopters. *Source : Hungary Today*



Retail / Food / Pharma / ITC

Romania: Large retailers keep turnover growth at 12% in 2018



The large retail chains in Romania that operate mainly in shopping centres managed to maintain an average growth rate of 12% in 2018. According to a study based on expansion and turnover growth, 88 retail companies represent 40% of the total turnover estimated at EUR 15.37 billion in 2018. The evolution shows that large retailers with tens or hundreds of stores continue to gain market share both organically and by expansion. The largest turnover increased are expected for retailers selling children’s articles (39%), clothing (17%) and Home & Deco products (16%). *Source: Romania Insider*

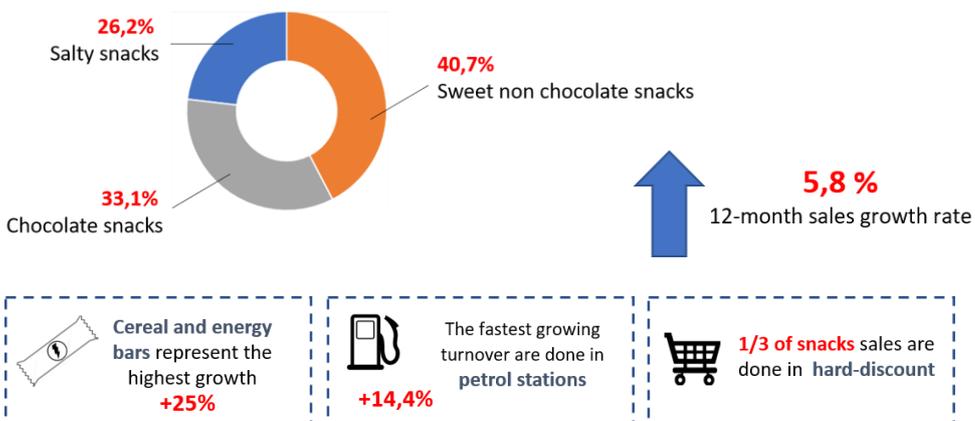
Poland: Medical imaging market will grow in the coming years

According to the latest PMR report, in 2018-2023, medical imaging market will represent an average annual growth of 5.7% in Poland. The two technologies that will represent the greatest increase in value will be radiography and medical ultrasound. The growth of this market, especially for the most expensive technologies (MRI, CT scan, nuclear medicine) is directly related to the recent change in state policy and funding for medical imaging examinations by the NFZ (National Health Fund). This market is expected to reach 7.4 billion PLN (€ 1.7 billion) by 2023. *Source: PMR*



Infographic : The market of snacks in Poland

16,4 billion PLN (3.8 billion €) – Turnover of annual sales of snacks in retail



Source: Nielsen

On the field Czech Republic

Top toy exporters in Europe

The Czech Republic is Europe’s top toy distributor, exporting more than 50 billion crowns (€ 2 billion) annually, according to a new study by UniCredit bank. LEGO, Playmobil and similar plastic toy sets account for two-thirds of that, though the country is also churning out various miniature sets and dolls. Along with neighbouring Slovakia, the Czech Republic has been the fastest-growing toy exporter in the EU since 2004. The Czech Republic took over this lead position in the European market in terms of exports of toys from Germany in 2012.

Source: Czech Radio



CONTACT

Do not hesitate to contact us:
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More news about trends and opportunities in Central and Eastern Europe :

