AGRICULTURE

- The agricultural production in Eastern Europe has recorded an increase in 2011 and it will continue to grow in 2012.
- The agriculture in Eastern Europe has a high potential for foreign investments.
- The available EU funds (including funds through the Instrument for Pre-Accession Assistance for non-EU countries, such as Turkey) are a major opportunity for the modernisation of the agricultural sector.
- The agricultural surface owned by foreigners in Romania has increased by 10% in 2011 compared to 2010, reaching 709,000 hectares, this representing 8.5% of the Romanian arable surface.
- The demand from the foreigners to acquire agricultural lands in Romania is a growing phenomenon at present, the foreigners being attracted by the low price of the agricultural land and the high agricultural productions recorded in the last period.
- The agricultural production in 2011 in Romania was as follows:
  - Wheat: 7.2 million tonnes (up by 24% compared to 2010)
Barley: 1.424 million tonnes (up by 8% compared to 2010)
- Corn: 11.4 million tonnes (up by 26% compared to 2010)
- Sunflower: 1.85 million tonnes (up by 46% compared to 2010)
- Vegetables: 4.1 million tonnes (up by 8% compared to 2010)
- Fruits: 1.7 million tonnes (up by 20% compared to 2010).

- Russia is one of the largest grain producers in the world.
- In the first 11 months of 2011, the indices volume of the agricultural production in Ukraine was of 116.5% compared with the same period of 2010.
- In Turkey, in 2011 compared to 2010, the increase of the cereals production is estimated at 7.6%, the increase of the vegetables production is estimated at 4.6% and the growths are forecasted to continue in 2012.
- The demand of the agricultural machinery and technology in Eastern Europe has increased in the last years and it will continue to grow in 2012.
- During the period 2012 – 2015, new investments will be made in the following areas:
  o Production of cereals and technical plants
  o Production of fruits and vegetables
  o Animal farms
  o Production of animal feeds
  o Acquisition of agricultural machinery and technologies
  o Use of modern technologies.
- The importers and distributors of agricultural equipment and technologies will continue to invest in order to diversity their range of products.

- Opportunities: technology, automation, equipment, seeds, chemicals products, investments in agricultural land, animal feeds, brands, quality control.

MEAT AND MEAT PRODUCTS
- In Romania, the meat consumption has doubled in the last ten years and the consumption of meat and meat products will continue the growing trend in 2012.
- The meat of swine - fresh, chilled or frozen – was among the most imported food products in Romania in 2011. In the first nine months of 2011, the imports have registered 120,509 tonnes and the value of 192.84 million EUR.
- In Eastern Europe, the producers of meat and meat products will continue to invest in order to increase and develop the production and to diversity their offer.
- The producers of meat and meat products that have their own network of stores will continue to develop the retail activity in 2012.
- It is expected that foreign companies will enter the local markets in Eastern Europe in 2012 through Greenfield investments, partnerships or acquisition of local producers.

- **Opportunities:** ingredients, raw materials, brands, equipment, packaging, quality control, mergers and acquisitions.

### FOOD AND BEVERAGES

- The consumption of foods and beverages (wine, beer, water, juices etc) in the CE, SE and Eastern European markets has registered a continuous growing trend in 2011 and consumption will continue to increase in 2012.

- The wine consumption in Bulgaria has increased by 16.3% in 2011 compared to 2010 and the forecasts for 2012 indicate that the growth will continue.

- The purchasing power and the monthly budget of the people in Eastern Europe for acquiring foods and beverages is expected to increase in the next years.

- The imports of foods and beverages in Eastern Europe have increased in 2011 and the demand for imported products will continue to grow in 2012.

- The value of the food imports in Russia from Poland in the first six months of 2011 has increased by some 17% compared to the similar period of 2010.

- In the first ten months of 2011, the imports of foods, beverages and tobacco in Hungary have recorded an increase by 6.9% compared to the same period of 2010.

- Some 25% more foreign-made foodstuffs are purchased on average in Slovakia than in other Central European countries.

- In the first nine months of 2011, the imports of agro-foods in Romania have recorded 3.195 billion EUR, up by 17% compared to the similar period of the previous year.

- In the first five months of 2011, the imports of fruits and vegetables in Romania have increased by some 20% compared to the similar period of 2010.

- Romania imported a quantity of 41,611 tonnes of onion, garlic and leek in the first nine months of 2011, this representing an increase by some 26% compared to the similar period of 2010.

- The producers of food and beverages in Eastern Europe will continue to invest in the production technologies, in the development of the production capacity, in the launching of new products, in mergers and acquisitions or in the increase of the warehouse spaces.

- **Opportunities:** new products, ingredients, raw materials, brands, equipment, packaging, quality control, mergers and acquisitions.
RETAIL
- The retail sales in the emerging markets in Europe have registered an increase in the recent period and the growing trend will continue in 2012.
- It is estimated that the retail market in Russia will record an increase by some 47% in 2013 compared to 2010.
- It is estimated that the total retail sales in Croatia will grow by 13% during the period 2011 - 2015.
- The retail sales in Estonia in stores selling household goods, appliances and building materials have increased by 10% in September 2011 compared to September 2010.
- In November 2011 compared to the same month of the previous year, the retail sales in Romania have increased by 1.9% and the growing trend will continue in 2012.
- The volume of the retail sales in Bulgaria during the Holiday season in 2011 has increased by 10% compared to the same period of the previous year.
- The volume of the retail sales in Hungary in September 2011 has increased by 0.3% compared to September 2010.
- In the first six months of 2011, the online sales in Slovakia have increased by 5.2% compared to the same period of 2010.
- The modern retail format developed during the past years and the forecasts indicate that it will continue to expand in the emerging markets in Europe.
- The retailers of foods, fashion, DIY, electronics and home appliances will continue to develop their collaboration with internal and external suppliers and to expand the range of the offered products.
- Various players in the sector of supermarkets and hypermarkets have announced plans for developing and expanding their networks of units, for mergers and acquisitions, for implementing new concepts of stores, for expanding in other countries or for launching on-line sales.
- Opportunities: new products, brands, franchise, merchandising, refrigeration, quality control, packaging, logistics, distribution, mergers and acquisitions.

INFRASTRUCTURE
- As a result of the available EU, local and State funds, the sector of the infrastructure rehabilitation and construction has registered an increase in the last years and it will continue to grow in 2012 for Eastern Europe to reach the EU level.
- New investments in the infrastructure are forecasted for the next period. The areas that will record growths in 2012 are: infrastructure of roads, railway, ports and airports, engineering works.
- In the preparation of the European Football Championship 2012, big investments in the infrastructure development have been done and are in progress in Ukraine and Poland.
- The Railway Fund in Poland will spend 200.7 millions EUR in 2012 for railway projects.
- The Romanian National Company of Motorways and National Roads plans to organise public tenders worth some 202 million EUR in 2012 for projects of national roads.
- In the preparation of the Winter Olympic Games 2014, big investments in the infrastructure development have been done and are in progress in Russia.
- A budget of 23.5 billion USD has been allocated for the railway development in Turkey by 2023.

- Opportunities: consulting, engineering, know-how, equipment, quality control.

WATER AND WASTE MANAGEMENT
- Based of the financing from the EU, the EBRD, local and State funds, the sectors of the water and waste management have developed in the last years in Eastern Europe and they will continue to grow in 2012, for Eastern European countries to comply with the EU requirements.
- Bulgaria will modernise three water purification plants with 100 million EUR in the next future, using EU funds.
- The waste recycling rate will increase significantly in the next years in Romania and it is forecasted that the country will have an integrated waste management system.
- The areas that will record growths in 2012 are:
  - Waste management, waste collection and recycling (plastics, electrical products, electronics, fluorescent tubes etc).
  - Water services, waste water management.
  - Acquisition of purification equipment and technologies, transport equipment and installations.
  - Engineering works.
- Opportunities: consulting, technology, equipment, quality control, recycling, technology, automation, know-how.
RENEWABLE ENERGIES
- The sector of the renewable energies has developed in the last years in the CE, SE and Eastern Europe countries and it will continue to grow in 2012.
- By 2023, Turkey plans to increase the share of the renewable energies into the energy generation to 30%, the full utilisation of the hydropower energy and the increase of the wind power to 20,000 MW (compared to 1,694 MW in 2010)
- Poland targets to increase the share of the renewable energies in the overall energy consumption to 15.5% in 2020 compared to 9.1% in 2010.
- Romania has the highest wind potential in South Eastern Europe and the country will expand significantly its wind energy capacity in the next years.
- Turkey ranks 1st in the world in terms of the highest growth rate in the wind energy plants and only 15% of its potential has been utilised so far.
- The hydro-electrical potential in Romania represents a durable alternative for the development of the energy sector.
- Eastern Europe has a huge potential for bio-energy, both from forestry and agriculture.
- Local and foreign companies will continue to invest in order to construct wind and photovoltaic parks, to increase the energy capacity and to install cogeneration systems.
- **Opportunities**: consulting, green certificates, technology, equipment, automation, know-how.

MEDICAL AND PHARMA
- The medical and pharma sectors have recorded a significant growth in the last years and they will continue to increase in 2012 in the emerging markets in Europe.
- The general level of the health spending in Eastern Europe has increased in the past years and it is estimated that it will continue to grow in the next period.
- The percentage of the GDP spent on health is expected to increase gradually in the next years in the Czech Republic and the country will allocate a quarter of the total health expenditure to private health by 2016.
- The private medical services in CE, SE and Eastern Europe will continue to develop, through new investments, the expanding of the network of hospitals and clinics and the modernisation of the existing units.
- The private medical services market is one of the fastest developing markets in Romania and the pharma market is one of the most dynamics markets in the region.
- The demand of para-pharmaceutical products, medical devices and dental products will continue to increase in Eastern Europe.
- The drug producers will continue to invest in the production rise with the purpose to increase their turnover and profits.
- The imports represent some 63% of the Polish pharmaceutical market and around 85% of the Estonian pharmaceutical market.
- Various networks of pharmacies have announced for 2012 investments in the increase of the outlets number, through acquisitions or new openings.
- The importers and distributors of pharma products, para-pharmaceuticals, medical and dental devices will continue to diversify their product range.

- **Opportunities:** facilities, laboratory services, equipment, apparatus, packaging, quality control, health insurance, mergers and acquisitions.

**IT&C**

- The IT&C sector in Eastern Europe has increased in the last year and will continue to grow in 2012.
- It is estimated that the IT&C market in Turkey has increased by 5.3% in 2011 compared to 2010.
- The producers of integrated software solutions will continue the investments in their development and services centres, in the recruitment processes of new employees, in the development and expansion of new partnerships.
- The suppliers of tablets and smart phones will expand and diversify their offer, based on the growing demand on the market.
- The market of PCs and servers will continue to record sale increases.
- The importers and distributors of IT&C products will continue to diversify their product range, to establish partnerships with new providers and to attract new clients.

- **Opportunities:** technology, products, equipment, consulting, advisory, mergers and acquisitions.

**AUTOMOTIVE**

- The automotive sector in CE, SE and Eastern Europe has recorded a continuous development in the past years and it will continue to grow in 2012.
- Various producers of auto components have announced investments in the construction of new plants, in the increase of the production capacity, in the diversification and expansion of the range of the auto components, through the use of own or EU funds.
- It is expected that from 2007 to 2015, the share of the Russian automotive industry in the global growth of the car manufacturers will be from 6% to 12%.
- The automotive projects have accumulated over 1.3 billion EUR of foreign investments in Serbia since 2000.
- It is estimated that the demand of vehicles in Serbia will record an average increase by 7.8% until 2016.
- The imports of vehicles and associated transport equipment in Romania have increased by 26.8% at values expressed in EUR in the first eight months of 2011 compared to the same period of the previous year.

Opportunities: equipment, parts, technology, accessories, special materials, logistics, quality control.

FURNITURE AND HOME DECORATIONS
- The production and consumption of furniture and home decorations in the emerging markets in Europe have re-started to grow in the last period and it is estimated that the growing trend will continue in 2012.
- The furniture imports in the first five months of 2011 in Romania registered a growth of 8.2% compared to the same period in 2010, reaching 131.4 million EUR.
- The local furniture producers will continue to invest to diversity their offer, to develop new market niches, to attract new clients, to increase the turnover and profits.
- The furniture retailers in CE, SE and Eastern Europe will continue to record growths of their sales.
- The importers and distributors of furniture and home decorations will continue to diversify their offers.

Opportunities: products, resources, technology, equipment, materials, brands, quality control

LOGISTICS
- The logistics sector has recorded a growth in the last years in the emerging markets in Europe and it will continue to increase in 2012.
- The retail sector has taken up a quarter of all logistics space leased in Slovakia since 2007.
- Turkey plans to have 16 new big logistics centres by 2023.
- The players will continue the investments in order to expand the logistics spaces, to open new modern and effective warehouses, to develop industrial parks, the investments in the fleet etc.

Opportunities: equipment, packaging, security, technology, automation
IMPORTS
Romania:
- In November 2011, the CIF imports in Romania recorded 5,016.4 millions EUR.
- Compared to November 2010, the imports in November 2011 increased by 11.2% at values expressed in RON (9.9% at values expressed in EUR).
- Compared to October 2011, the imports in November 2011 increased by 3.5% at values expressed in RON (2.7% at values expressed in EUR).
- In the first 11 months of 2011, the CIF imports in Romania recorded 50,391 millions EUR.
- Compared to the same period of 2010, the imports in the first 11 months of 2011 recorded an increase by 18.5% at values expressed in RON (17.8% at values expressed in EUR).
- The structure of the imports in the first 11 months of 2011 in Romania was as following:
  o Machinery and transport equipment (34.3%)
  o Other manufactured goods (30.7%)
  o Chemicals and related products (13.3%)
  o Mineral fuels, lubricants etc (11.3%)
  o Agro-food products, beverages and tobacco (6.8%)
  o Raw materials (3.6%)
- The imports of machinery and mechanical appliances, electrical equipment, sound and image recorders and reproducers increased by 13.4% at values expressed in RON (12.8% at values expressed in EUR) in the first eight months of 2011 compared to the same period of 2010.
- In the first eight months of 2011 compared to the same period of the previous year, the imports of mineral products increased by 35.8% at values expressed in RON (35% at values expressed in EUR).
- In the first eight months of 2011 compared to the same period of 2010, the imports of base metals and articles of base metals increased by 28.5% at values expressed in RON (27.9% at values expressed in EUR).
- The imports of chemicals products increased by 16.7% at values expressed in RON (16% at values expressed in EUR) in the first eight months of 2011 compared to the same period of 2010.
- The imports of plastics, rubber and articles thereof increased by 25.3% at values expressed in RON (24.8% at values expressed in EUR) in the first eight months of 2011 compared to the same period of 2010.
Poland:
- The imports in Poland registered 130.9 billion EUR in 2010 and 73.4 billion EUR in the first six months of 2011.

Hungary:
- In the first ten months of 2011, the value of the imports in Hungary amounted to 61 billion EUR, up by 8% compared to the same period of the previous year.
- In the first ten months of 2011 compared to the similar period of 2010, the imports in Hungary recorded growths for the following categories:
  o machinery and transport equipment: 4.9%
  o manufactured goods: 12%
  o fuels and electric energy: 5%
  o food, beverages and tobacco: 6.9%.

The Czech Republic:
- In the first 11 months of 2011, the imports in the Czech Republic recorded a growth by 11.5% compared to the same period of the previous year.
- In November 2011, the imports in the Czech Republic at current prices increased by 6.3% compared to the same month of the previous year and by 2.7% compared to October 2011.

Slovakia:
- During the period January - November 2011, the total imports of goods in Slovakia recorded 49,525.2 millions EUR, this representing an increase by 14.5% compared to the same period of 2010.
- The following categories registered increases of the imports in 2011 in Slovakia:
  o petroleum oils and oils from crude bitumen mineral
  o parts and accessories of motor vehicles
  o petroleum gases and other gaseous hydrocarbons
  o products of liquid crystals
  o telephone sets, including telephones for cellular networks or for other wireless networks.

Turkey:
- In the first 11 months of 2011, the imports in Turkey recorded 220,233 million USD, up by 33.5% compared to the similar period of 2010.
- In November 2011 compared to the corresponding month of 2010, the import unit value indices in Turkey increased by 9.3%.

- In November 2011, the top country for Turkey’s imports was Russia (2,369 million USD).

- In November 2011 compared to November 2010, the import unit value indices in Turkey increased for the following categories:
  - agriculture and forestry: 2.3%
  - mining: 30.8%
  - manufacturing: 4.7%.

**Bulgaria:**

- In the first ten months of 2011, the Bulgarian imports from the EU increased by 21.6% compared to the corresponding period of the previous year and amounted to 21.4 billion lev at CIF prices.

- In the first ten months of 2011, the Bulgarian imports from non-EU countries recorded 17.1 billion lev, this representing an increase by 21.8% compared to the similar period of 2010.

**Ukraine:**

- The imports of goods in Ukraine recorded 67,039.6 millions USD in the first ten months of 2011.

**Estonia:**

- The imports of goods in Estonia amounted to 1.11 billion EUR in November 2011, this representing an increase by 22% at current prices compared to November 2010.

- The structure of the imports in Estonia in November 2011 was as follows:
  - machinery and equipment (25%)
  - mineral products (16%)
  - agricultural products and food preparations (10%)
  - other products (49%).

**Latvia:**

- During the period January - November 2011, the imports in Latvia registered 6,914 million LVL, up by 31.1% compared to the corresponding period in 2010.
Serbia:

- In the first 11 months of 2011, the value of the imports in Serbia amounted to 13,021.8 million EUR, this representing an increase by 14% compared to the same period of the previous year.

- The structure of the imports in Serbia in the first 11 months of 2011 was as follows:
  - reproduction products (55.7%)
  - consumer goods (15.6%)
  - equipment (11.7%)
  - other products (17%).

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