



Road Infrastructure Development in Emerging Europe

A FRD Center multi-country analysis





Introduction



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This presentation is produced by **FRD Center** – www.frdcenter.ro - one of the pioneer privately owned independent market entry consulting and M&A advisory firms in Romania.

Since 2000, FRD Center offers tailor-made market research and intelligence, B2B matchmaking and M&A consulting services to foreign organisations interested to enter Romania and the emerging markets in Europe as exporters, consultants, investors or joint-ventures, to acquire a local company, to relocate their operations, to find new suppliers or to source in CE, SE and Eastern Europe.

Our services include:

-market research, investment opportunities assessment, sector studies, market briefs

<http://www.frdcenter.ro/services/market-entry-and-b2b-matchmaking-in-eastern-europe>

-B2B matchmaking: <http://www.frdcenter.ro/b2b-business-matchmaking>

- product presentation and assessment of interest from clients / partners

-M&A assistance: <http://www.frdcenter.ro/services/ma-advisory>

- identification of market opportunities: exports, sourcing, B2B sales etc.

-trade missions: <http://www.frdcenter.ro/services/trade-missions-trade-delegations-b2b-meetings>

This is a DEMO market analysis. For B2B matchmaking according to your specific needs, contact the FRD Center team at europa@frdcenter.ro



Disclaimer



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As part of the CSR activity, FRD Center endorses the
Sibiu International Theatre Festival FITS - www.sibfest.ro

The Sibiu International Theatre Festival is the most complex festival in Romania. Internationally, it has become one of the most important performing arts festival in Europe, judging by its amplexness, dimension, and quality of events, similar to Edinburgh International Festival (Great Britain) and Avignon Festival (France)



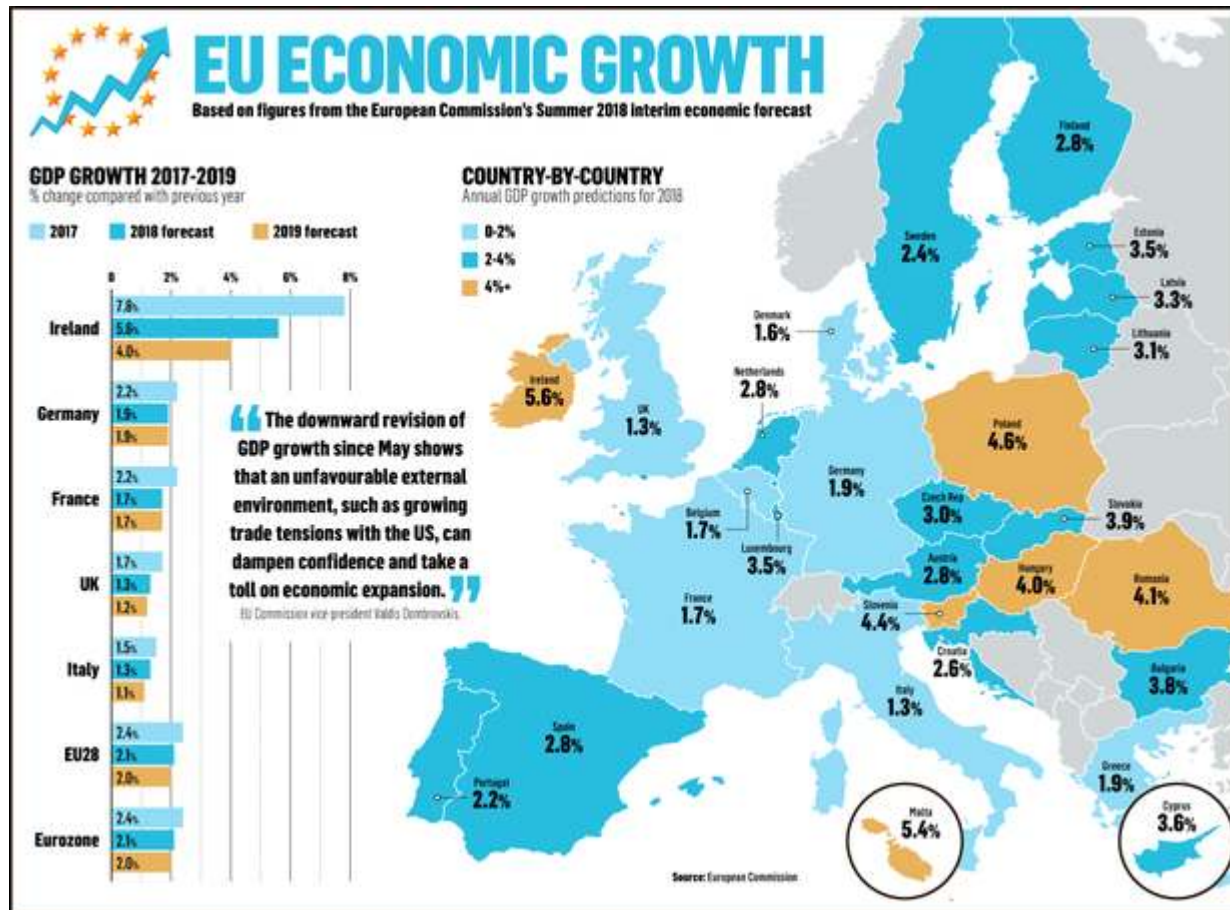
Why Emerging Europe?



The countries in Emerging Europe present numerous opportunities for foreign manufacturers, construction companies, engineering firms, investors looking to establish and expand to Europe.

These countries are: Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Poland, Hungary, Slovenia, Romania, Bulgaria, Croatia, Serbia and the Balkan states, Albania, Ukraine, Belarus and Turkey.

Why Emerging Europe?



Emerging economies in Europe such as Romania, Poland, Hungary and Slovenia register some of the strongest GDP growths in the EU.

Source: Irish Independent



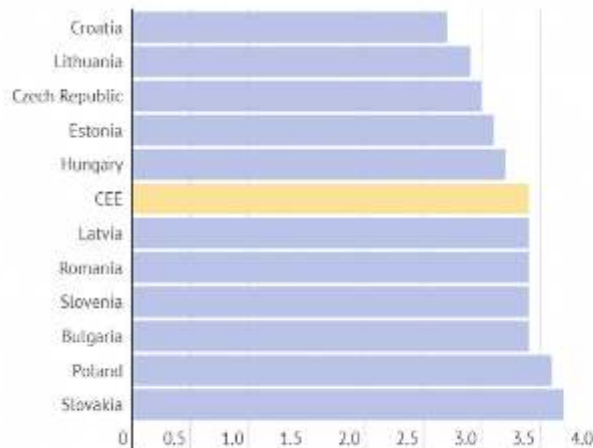
Why Emerging Europe?



Economic Outlook 2019-2020

Central and Eastern Europe

2019 GDP Growth, Annual Variation in %



Highlights

- The regional economy is seen expanding 3.4% next year, before easing to 2.9% in 2020.
- Low unemployment, rising wages and still-cheap borrowing costs will cushion internal dynamics while external-sector uncertainty continues to cloud the outlook.
- Slovakia and Poland are expected to be the region's top-performers next year, each expanding at over 3.5%. On the flipside, Croatia and Lithuania are expected to grow at below 3.0%.

FOCUSECONOMICS

FocusEconomics Consensus Forecast for CEE, December 2018

According to FocusEconomics, the CE Europe regional growth is seen moderating this year, due to intensifying capacity constraints and a weak EU economy. However, activity will still remain solid, with domestic demand firmly in the driver's seat, bolstered by sustained inflows of EU funds and strong wage growth. 2019's growth forecast was increased again in July 2019, due to robust performances in H1.

Market entry to Emerging Europe

FRD Center is constantly monitoring the developments and opportunities in Emerging European markets such as Romania, facilitating access of potential foreign exporters and strategic investors to the local companies' decision makers.

FRD Center assists international companies with overseas expansion and market entry to the Emerging Markets in Eastern Europe, CE and SE Europe.

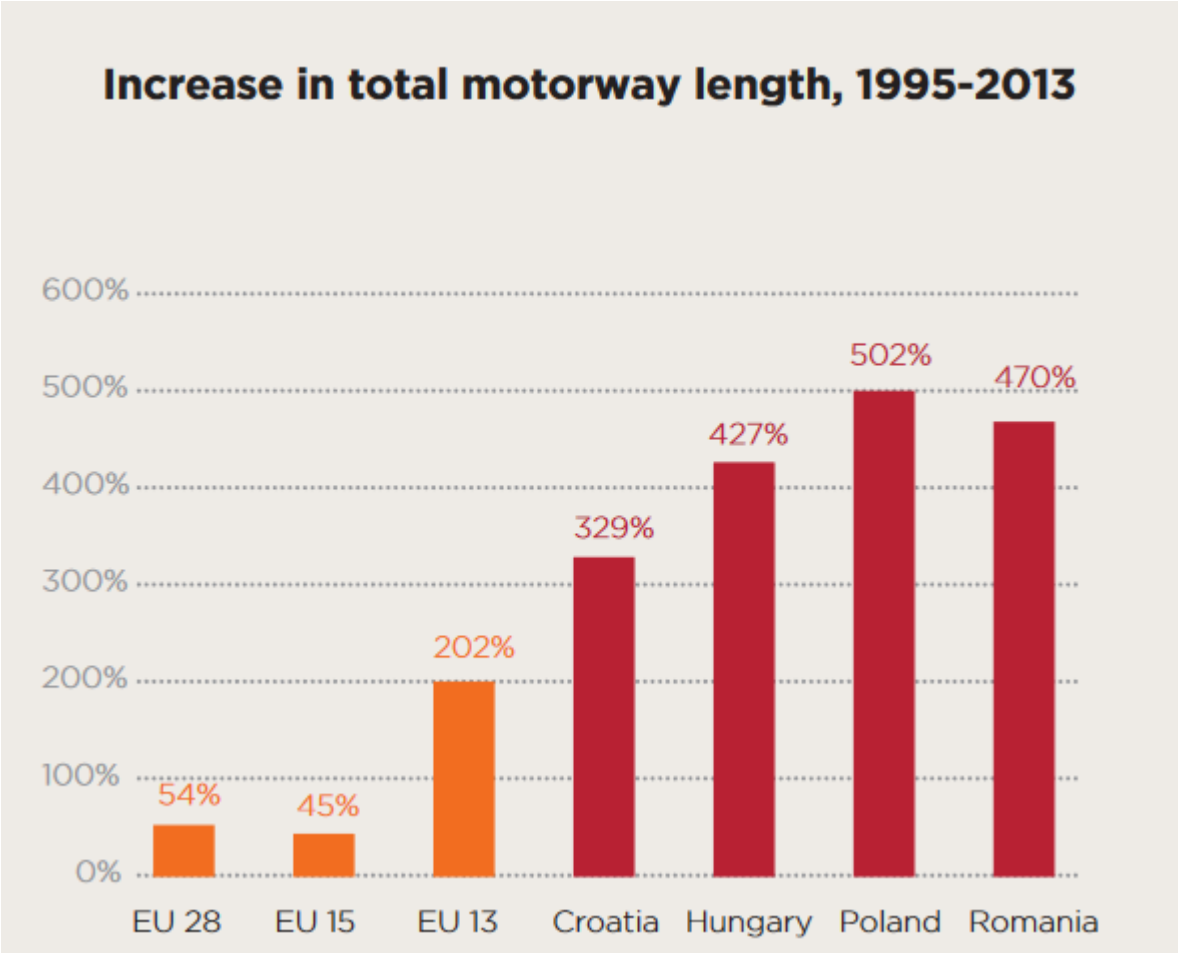
Are you a foreign organisation looking to expand, source or to export to the Emerging Markets in Europe?

Perhaps we can collaborate. ***We can facilitate your direct access to Decision Makers in relevant local companies, organisations, authorities etc..*** More details at <http://www.frdcenter.ro/services/market-entry-and-b2b-matchmaking-in-eastern-europe/>

As one of the pioneer privately owned market entry advisory firms in Romania, operating for 20 years, FRD Center has high competencies in market entry advisory and is quite well placed to assist foreign exporters with B2B matchmaking and product introduction to buyers in Romania and the region.



Road Infrastructure in Emerging Europe



Source: <https://evonews.com>

Priority Axes and Projects

In 2013 several road infrastructure projects that included Emerging European countries were announced:

- The Baltic-Adriatic Corridor (Poland–Slovakia–Austria–Italy)
- The North Sea-Baltic Corridor (Finland–Estonia–Latvia–Lithuania–Poland–Germany–Netherlands/Belgium)
- The Mediterranean Corridor (Spain–France–Northern Italy–Slovenia–Croatia–Hungary)
- The Orient/East-Med Corridor (Germany–Czech Republic–Hungary–Romania–Bulgaria–Greece–Cyprus)
- The Rhine-Danube Corridor [14] (Germany–Austria–Slovakia–Hungary–Romania, waterway focus)

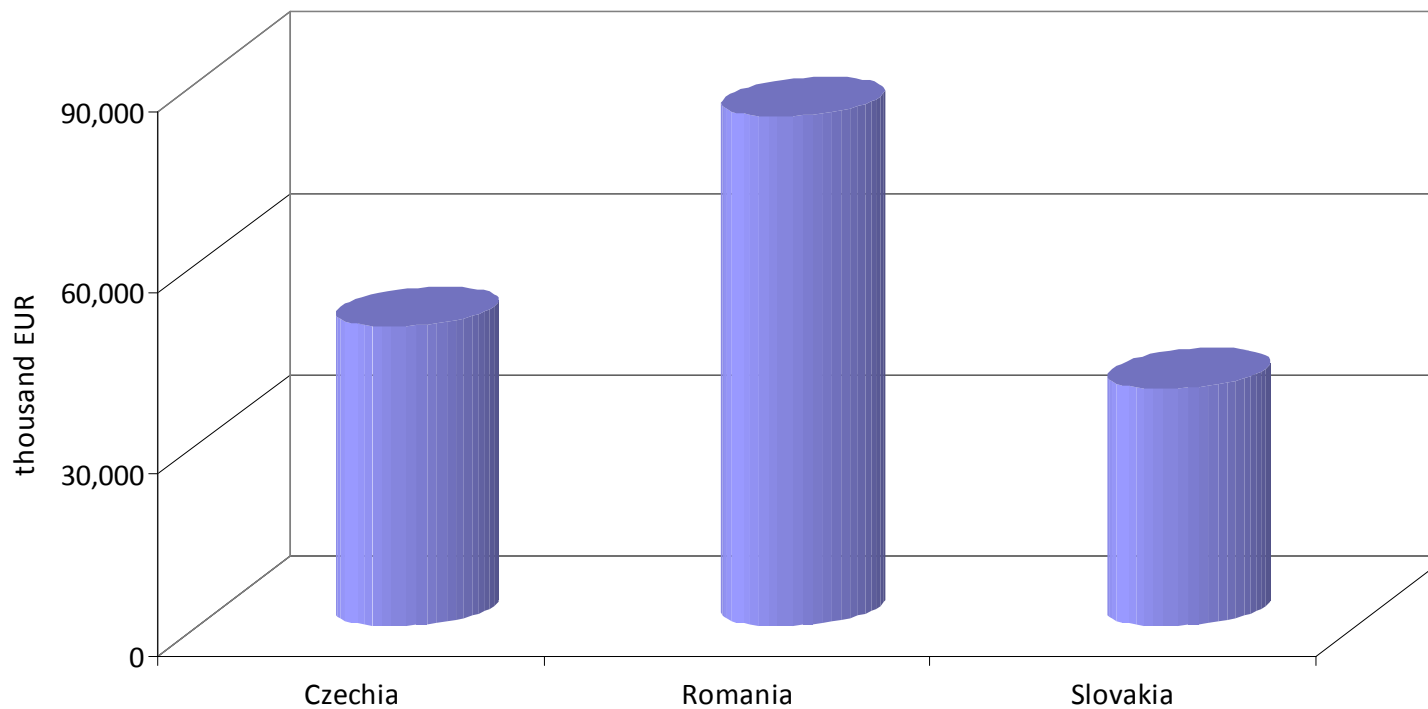




Production of Materials for Road Construction



Production of gravel and pebbles in 2018



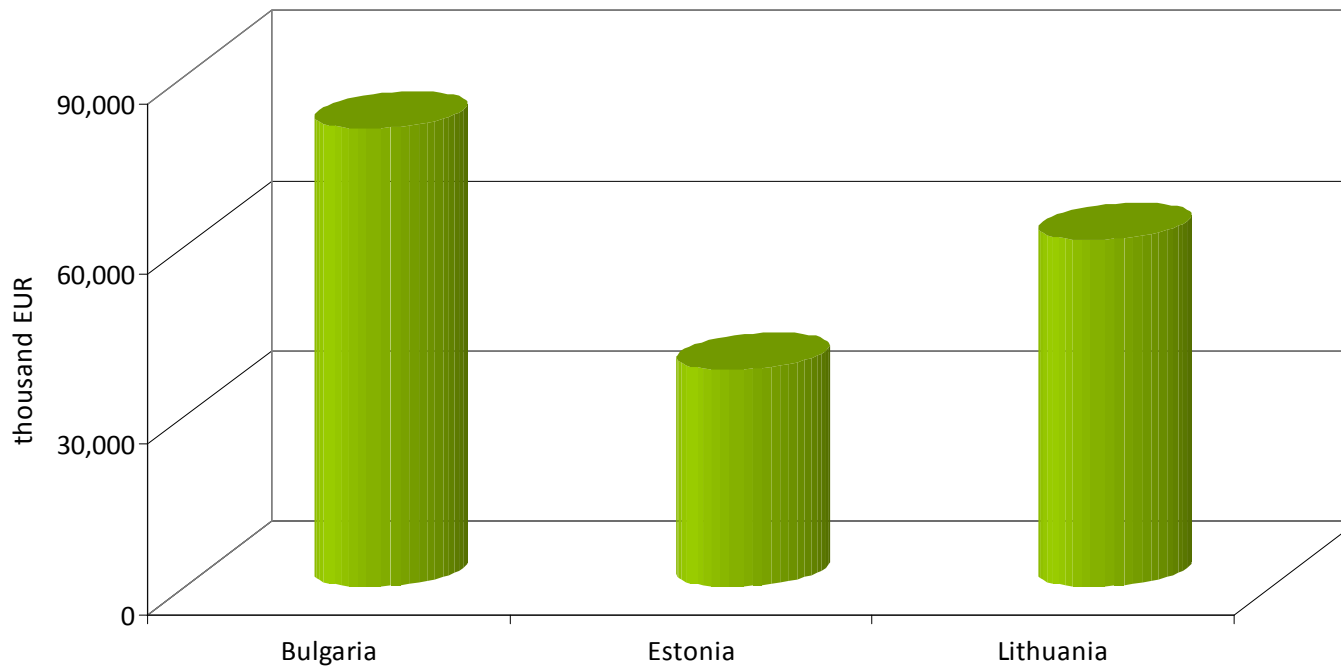
Source: Eurostat, FRD Center



Production of Materials for Road Construction



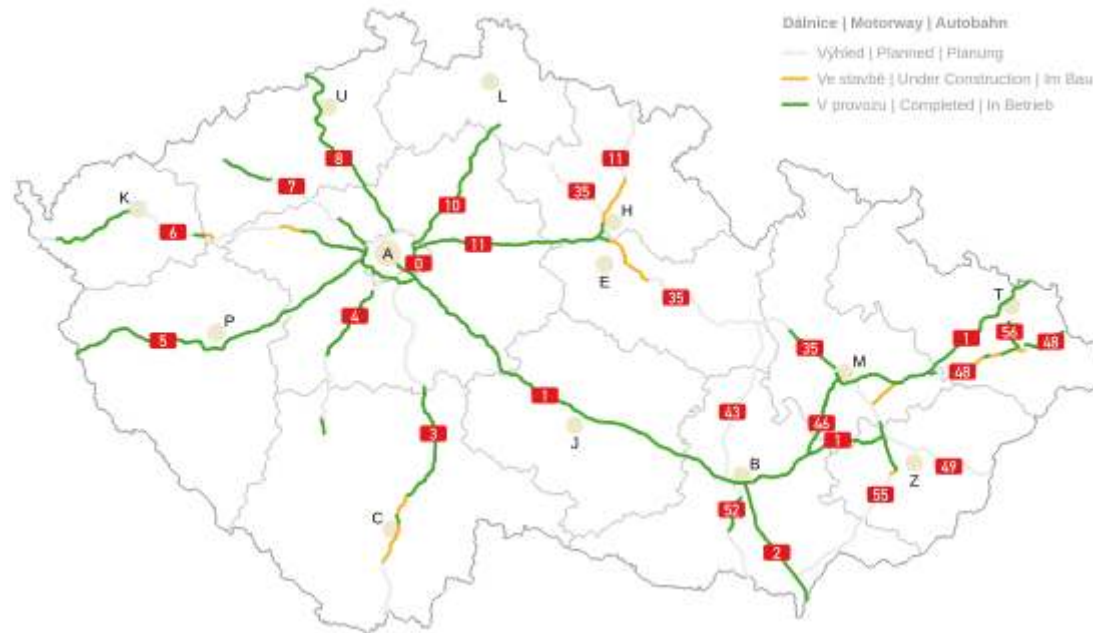
Production of crushed stone in 2018



Source: Eurostat, FRD Center

Road Infrastructure in the Czech Republic

The Czech motorway network, as presented by <http://www.motorway.cz>:



Road Infrastructure in the Czech Republic

The public authority managing the road infrastructure development and maintenance in the Czech Republic is the Road Motorway Directorate of the Czech Republic
<https://www.rsd.cz>

The Czech Infrastructure Association (ARI) - <https://www.czechinfra.com> - is a private sector think-tank for the Czech public infrastructure, uniting views held by major infrastructure players including engineers, contractors, banks and consultants.



Road Infrastructure in the Czech Republic

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According to the FRD Center analysis, some of the most important road and infrastructure companies operating in the Czech Republic include:

PORR a.s. - <https://porr-group.com/en/group/locations/czech-republic/>

Chládek & Tintěra, Pardubice - <https://www.cht-pce.cz/en/>

Saferoad - <https://www.saferoad.cz/>

HABAU CZ s.r.o - <https://www.habau.com/en/group/companies/habau-cz-sro-0>

Metrostav a.s. - <https://www.metrostav.cz/en/>



Road Infrastructure in the Czech Republic - example

In September 2018, the Czech Ministry of Transport, together with the SFDI and consultancy consortium formed by the companies White & Case, Česká Spořitelna, Obermeyer Helium, assessed the content of requests to participate in the tender for the concessionaire for a Public Private Partnership (PPP) Project The D4 motorway.

Participants in the award procedure are

1. HOCHTIEF PPP Solutions GmbH (Germany) + STRABAG AG (Austria)
2. PAN-MEDITERRANEAN ENGINEERING COMPANY LTD. (Israel)
3. DIF Infra 5 Cibo 1 B. V (Netherlands) + Acciona Concesiones S.L. (Spain) + John Laing Investments Ltd. (United Kingdom)
4. IC İçtaş İnşaat sanayi ve in Ticaret A.Ş. (Turkey) + ASTALDI S.p.A. (Italy) + Intertoll Infrastructure development B. V (Netherlands) + BBGI PPP Investments S.À.R.L. (Luxembourg) + TIIC 2, S.C.A., SICAR (Luxembourg)
5. Vinci Highways SAS (France) + Vinci Concesiones SAS (France) + Meridiam Investments SAS (France)
6. PORR Beteiligungen und Management GmbH (Austria) + Macquarie Corporate Holdings Pty Limited (Australia) + Obrascon Huarte Lain, S.A. (Spain) + Egis projects S.A. (France)
7. FCC Concesiones, S.L. (Spain)

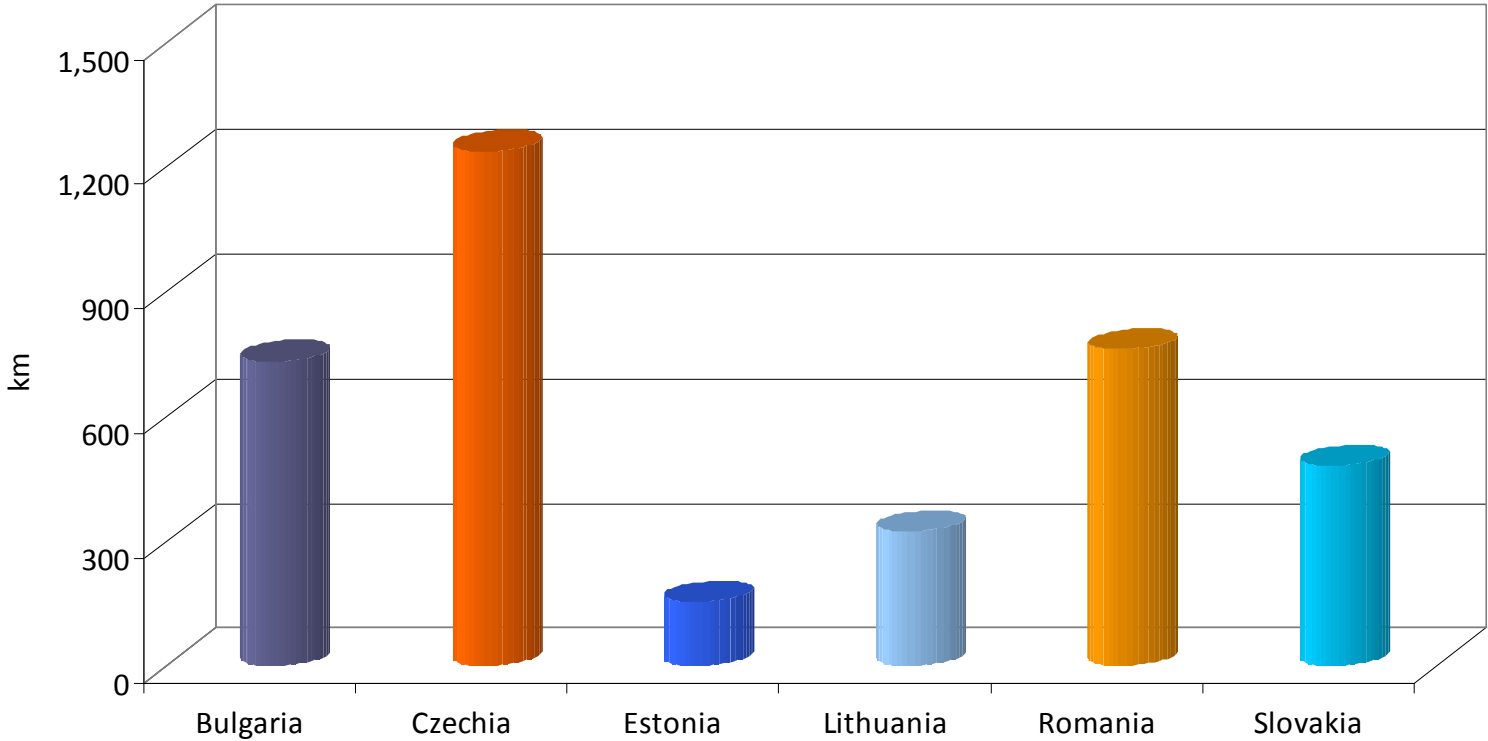
Source: <http://i-fii.eu/en/2018/09/24/ministerstvo-dopravy-vybira-firmu-pro-dostavbu-d4-k-pisku/>



Length of Motorway Network in Emerging Europe



Length of motorways in 2017



Source: Eurostat, FRD Center

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Market entry services to Romania, the CEE and SEE.
Market research, B2B matchmaking, sector studies,
trade missions, investment opportunity research, M&A support.

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FRD Center assists international companies with overseas expansion and market entry to the Emerging Markets in Eastern Europe, CE and SE Europe.

Are you a foreign company looking to source, expand, build strategic partnerships or find new Clients in Eastern Europe?

As one of the pioneer privately owned market entry advisory firms in Romania, operating for 20 years, FRD Center has high competencies in market entry advisory and is quite well placed to assist foreign companies with a multitude of aspects related to market opportunity assessment, B2B matchmaking with local Decision Makers and M&A in Romania and the region.

This is a DEMO market analysis. For B2B matchmaking according to your specific needs, contact the FRD Center team at europa@frdcenter.ro

Road Infrastructure in Romania

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The Romanian motorway network, as presented by
https://www.economica.net/inaugurari-autostrazi-romania-2018-2022_162642.html:



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Road Infrastructure in Romania

The logo for FRD center, featuring the text "FRD" in a large, bold, black font above the word "center" in a smaller, black font. The text is positioned to the left of a stylized yellow graphic consisting of several curved, overlapping lines that form a shape resembling a road or a swoosh.

The National Company of Highways and National Roads of Romania SA - <http://www.cnadnr.ro> - is a company of national strategic interest that operates under the authority of the Ministry of Transport. This company is in charge with:

- The management and maintenance of the national network of roads and highways;
- The construction of new roads and highways;
- The elaboration of draft normative acts regarding the field of administration and use of road infrastructure;
- The organizing the fundamental and applied research of the road sector and promoting the increase of the technical and technological level of the works of roads and bridges;
- The elaboration of studies, forecasts and programs for the development, systematization and modernization of the public road network;
- The execution of the periodic review of the roads and bridges, the permanent updating of the data bank regarding their technical status and the realization of the rehabilitation programs, taking into account the increase of the traffic flow and of the road comfort.

Road Infrastructure in Romania

A total of 115 km of motorway were built in Romania in the period 2017-2019, and another 180 km would be built in 2019, according to Romanian Transport Minister, Razvan Cuc quoted by <https://www.romania-insider.com/romania-motorways-built-2019>

The minister also said that the total value of the projects launched by CNAIR in 2017-2019 amounts to EUR 7 billion, without VAT. As for the absorption of European funds, this amounted to EUR 593.05 million in the same period.

Some of the most important projects launched by CNAIR in 2017-2019 include the Sibiu – Pitesti motorway (123 km, EUR 3.4 billion), the Bucharest South ring road (52 km, EUR 580 million), and the Bacau ring road (31 km, EUR 142 million).



Road Infrastructure in Romania - materials

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According to the FRD Center analysis, some of the companies involved in the extraction, production and usage of aggregates in Romania are:

Heidelbergcement
Mineral Rom
CRH
Grandemar
Sorocam
Geiger Transilvania
Trust Raedlinger
Bimet
Sitrom
Bega Minerale
Elis Agregate
Luscan Com



HEIDELBERGCEMENT

minerale industriale
beGa



Road Infrastructure in Romania

For a comprehensive tailor-made generated upon request catalogue of the most important road and infrastructure companies operating in Romania, as well as for direct liaison with decision makers in the respective companies, contact the FRD Center at email: europa@frdcenter.ro



Some of the companies active in the Romanian road infrastructure building are:

Astaldi: <https://www.astaldi.com>

Max Boegl: <https://www.max-boegl.de>

PORR: <http://www.porr.ro>

Strabag: <https://www.strabag.ro>

Straco: <https://www.straco.ro>

Astalrom: <http://astalrom.eu>

FCC Construction: <https://www.fccco.com>

Alsim Alarko: <http://www.alsimalarko.com.tr>



Conclusion

What are the opportunities presented by the markets in Emerging Europe? How to generate a multi-country in-depth market analysis?

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Are you a foreign investor / group looking to analyse and enter the Eastern European markets through an acquisition of a Romanian player? Are you looking to generate strategic partnerships with local players in countries such as Poland, Hungary, Lithuania, Bulgaria etc.?

Perhaps we can collaborate.

As one of the pioneer privately owned market entry advisory firms in Romania, operating for almost 20 years in this market, FRD Center has high competencies in multi-country market analysis and is quite well placed to assist foreign buyers with their Deal Origination and Acquisition Target Search in Romania and the region.

FRD Center has been assisting foreign investors with their market researches and competitive analyses in Romania and other markets in Emerging Europe.





Market Entry with FRD Center





For an offer of tailor-made market research and intelligence, deal origination, B2B matchmaking, background checks on players, competitive analysis, M&A consulting services in Romania and the region, contact:



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