



# FAST FACTS 2007



## EASTERN EUROPE

### REGIONAL DEFINITION

Albania	Lithuania
Bulgaria	Macedonia
Czech Republic	Poland
Estonia	Romania
Hungary	Serbia
Latvia	Montenegro
Slovenia	Slovakia



(Eastern Europe Map. The Regional Environmental Center for Central and Eastern Europe: Szentendre: Hungary, 2004)

### REGIONAL OVERVIEW

Eastern Europe consists of 14 nations that formed the iron curtain that separated Western Europe from the former Soviet Union. All but 4 of these countries (Albania, Macedonia, Serbia, and Montenegro) are now members of NATO. Montenegro achieved independence from Serbia in a referendum on May 21, 2006, and is Europe's newest independent nation. In January 2007, Romania and Bulgaria joined the European Union (EU), bringing the total number of EU members to 27. The 12 newest EU entrants will retain their national currencies and will phase in the Euro over different timeframes. As Western and Eastern Europe converge, the region is moving towards a single market that is dramatically increasing the size of the economy. Eastern Europe has a population of almost 120 million people and averaged an economic growth rate of 5.8% in 2006. Virginia businesses will find many advantages to doing business with Eastern Europe, and specifically the European Union, as the EU has become the biggest bilateral trading and investment partner of the United States. (World Trade Atlas)

### GENERAL FACTS

#### Major Religions:

Christian (Catholic, Protestant, Lutheran), Orthodox, Muslim

#### Major Languages:

Polish, Romanian, Hungarian, Serbian, Czech, Albanian



# FAST FACTS 2007



## EASTERN EUROPE

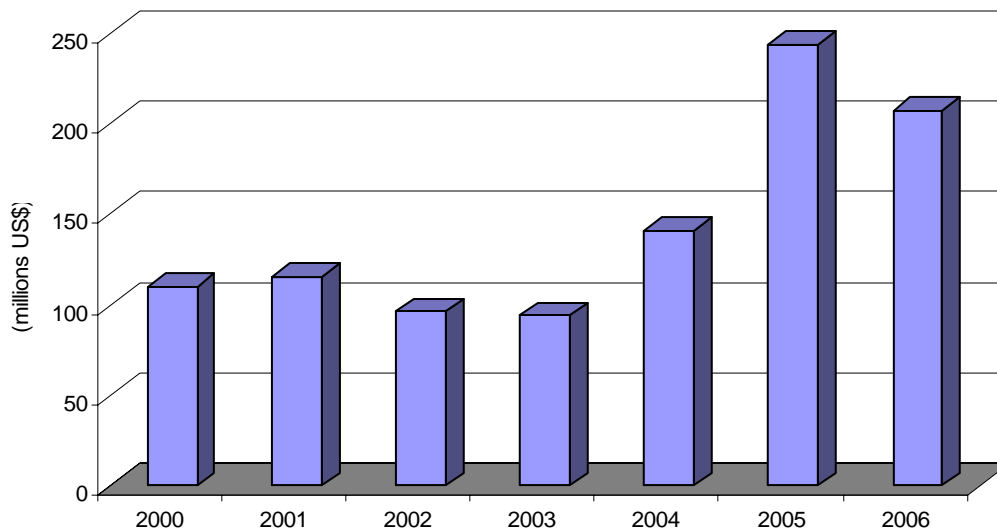
### VIRGINIA'S TOP 5 EXPORT DESTINATIONS IN EASTERN EUROPE

	2005	2006	%Change 2006/2005
Poland	\$24,183,171	\$32,407,239	34.01
Czech Republic	\$30,143,017	\$26,118,630	-13.35
Romania	\$99,979,207	\$23,888,860	-76.11
Hungary	\$11,855,972	\$12,635,031	6.57
Bulgaria	\$3,918,412	\$6,252,241	59.56

### VIRGINIA'S TOP EXPORTS TO EASTERN EUROPE

HTS	Description	U.S. Dollar		% Change 2006/2005
		2005	2006	
0	_Commodities	\$244,016,936	\$207,240,314	-15.07
24	Tobacco	\$66,702,042	\$64,982,053	-2.58
84	Machinery	\$28,809,545	\$30,418,107	5.58
87	Vehicles/ Not Railway	\$13,578,270	\$30,042,741	121.26
27	Mineral Fuel/ Oil Etc	\$54,553,917	\$21,495,886	-60.6
2	Meat	\$37,803,464	\$19,003,985	-49.73
48	Paper/Paperboard	\$10,375,122	\$8,872,605	-14.48
95	Toys And Sports Equipmt	\$4,881,368	\$5,006,862	2.57
85	Electrical Machinery	\$8,015,183	\$4,836,731	-39.66
90	Optic/Nt 8544;Med Instr	\$2,588,753	\$3,547,595	37.04

VA Exports to Eastern Europe



(Source for tables and graph: World Trade Atlas)



# FAST FACTS 2007



## EASTERN EUROPE

### COUNTRY SUMMARIES

---

#### Poland:

- Poland joined NATO in March 1999, and on May 4th, 2004, officially became a member of the European Union. Poland is scheduled to adopt the Euro as its currency by 2009.
  - Since joining the EU in 2004, it is estimated that over 1 million Poles emigrated to the UK in search of employment opportunities. (Argos Translations)
  - Some examples of Poland's industries include machine building, iron and steel, coal mining, chemicals, shipbuilding, food processing, glass, beverages, and textiles. Most (98%) of the country's electricity generation comes from fossil fuels. Other important industries are grains, sugar beets, oilseed, potatoes, pork, and dairy products. Poland's natural resources include coal, sulfur, copper, natural gas, silver, lead, salt, amber, and arable land.
  - The bulk of Poland's exports (33%) go to Germany. (CIA World Factbook)
  - U.S. exports to Poland in 2006 were valued at US\$ 1.96 billion. (World Trade Atlas)
- [See VEDP Country FastFact- Poland](#)

#### Czech Republic:

- In 2006, the Czech Republic was the United States' second largest export destination in Eastern Europe. (World Trade Atlas)
  - During the late 1990s, the Czech Republic's central location in Europe, its comparatively low-cost skilled labor, and investment incentives induced many U.S., Japanese, and European firms to buy or build factories there.
  - The Czech Republic is the largest auto producer in Eastern Europe. More than half of the world's 50 leading auto parts suppliers already have facilities in the Czech Republic.
  - Some of the Czech Republic's biggest industries include metallurgy, machinery and equipment, motor vehicles, glass, and armaments. (CIA World Factbook)
  - American technology companies like Sun Microsystems, Microsoft, and Computer Sciences Corporation have invested heavily in their Czech operations.
- [See VEDP Country FastFact- Czech Republic](#)

#### Romania:

- Romania joined NATO in March 2004, and the European Union in January 2007. Romania's entry in to the EU was contingent on the country making progress in the areas of organized crime, political corruption, ensuring food safety, and the proper use of EU funds.
  - Romanian is one of the five Romance languages and shares many similarities with Italian, Spanish, Portuguese, and French.
  - More than 20% of Romania's import and export trade is with Italy. (CIA World Factbook)
  - U.S. exports to Romania in 2006 were valued at US\$ 550.12 million. (World Trade Atlas)
  - Virginia ranked number six in terms of top exporting states to Romania in 2006.
- [See VEDP Country FastFact- Romania](#)



# FAST FACTS 2007



## EASTERN EUROPE

### COUNTRY SUMMARIES

---

#### Hungary:

- Hungary joined the European Union in 2004, and has been a part of NATO since 1999.
- Hungary is a member of the European Bank for Reconstruction and Development (EBRD), International Labor Organization (ILO), International Monetary Fund (IMF), World Bank, World Intellectual Property Organization (WIPO), and the World Trade Organization (WTO). Foreign ownership of and investment in Hungarian firms are widespread, with cumulative foreign direct investment totaling more than US\$25 billion since 1989.
- Hungary's largest export destination is Germany, which consumes over 30% of Hungary's exports. Germany is also Hungary's largest source for imports, accounting for just under 30% of Hungary's imports. (CIA World Factbook)
- U.S. exports to Hungary in 2006 were valued at US\$ 1.19 billion, an increase of 16.32% compared to 2005. (World Trade Atlas)  
[See VEDP Country FastFact- Hungary](#)

#### Bulgaria:

- Bulgaria has enjoyed strong economic growth since 1998, with GDP estimates for 2007 and 2008 of 6%. (International Monetary Fund)
- Since the year 2000, US exports to Bulgaria have grown almost 50%, while Virginia's exports to Bulgaria over the same time period have increased just over 40%. (World Trade Atlas)
- Bulgaria is a member of NATO and joined the EU in 2007. Like Romania, Bulgaria's entry in to the EU was contingent on the country making progress in the areas of organized crime, political corruption, ensuring food safety, and the proper use of EU funds.
- The government's conservative fiscal policy has resulted in low inflation, declining external debt and a stable foreign exchange.
- Market access for U.S. companies has improved significantly through reforms that have made the tender process much more transparent, through investment incentive programs that include tax breaks in the newly created industrial zones, and through a public/private venture capital fund.
- Under the Southeast Europe Initiative, the U.S. Government is encouraging greater U.S. trade and investment in Bulgaria through the Overseas Private Investment Corporation (OPIC), which provides financing and political risk insurance for projects, and through the establishment of a regional investment fund. The U.S. Government has also proposed legislation that would grant unilateral trade preferences to Bulgaria and other Southeast European countries. (Country Commercial Guide)



# FAST FACTS 2007



## VEDP TRADE EVENTS

---

**Trade Mission to Poland and Germany: October 8-12, 2007.**

For more information contact Jenee Andreev, International Trade Manager, (703) 506-1031 or email at: [JAndreev@yesvirginia.org](mailto:JAndreev@yesvirginia.org)

For a complete listing of VEDP's international trade events, please visit the "Events" tab on our website: [www.ExportVirginia.org](http://www.ExportVirginia.org)

## VEDP CONTACT INFORMATION

---

**Virginia Economic Development Partnership  
Division of International Trade**

P.O. Box 798

901 East Byrd Street

Richmond, Virginia 23218-0798

Tel: (804) 545-5765 Fax: (804) 545-5751

E-mail: [ITR@yesvirginia.org](mailto:ITR@yesvirginia.org)

Website: [www.exportvirginia.org](http://www.exportvirginia.org)

## ADDITIONAL RESOURCES

---

- The Regional Environmental Center for Central and Eastern Europe: <http://www.rec.org/>
- Trade Information Center: <http://www.export.gov/exportbasics/ticredirect.asp>
- European-American Business Council: <http://www.eabc.org/>
- European and EU Business News: <http://www.eubusiness.com/>
- European Business Directory: <http://www.europages.com/>
- The European Commission: [http://europa.eu.int/comm/index\\_en.htm](http://europa.eu.int/comm/index_en.htm)

## WORKS CITED

---

"Bulgaria and the IMF". International Monetary Fund. 2007.

<<http://www.imf.org/external/country/BGR/index.htm>>

Eastern Europe. Map. The Regional Environmental Center for Central and Eastern Europe: Szentendre: Hungary, 2004.

Grzegorzczuk, Kris. "Polish Immigrants' Growing Role in British Consumer Spending". Argos Translations.com. 2006. [http://www.argostranslations.com/articles/poles\\_in\\_the\\_uk/](http://www.argostranslations.com/articles/poles_in_the_uk/)

United States. Dept. of Commerce. Country Commercial Guides 2006.

<<http://www.stat-usa.gov/tradtest.nsf>>

United States. Central Intelligence Agency (CIA). World FactBook. 2006.

<<http://www.cia.gov/cia/publications/factbook/>>

World Trade Atlas, Virginia Exports to the World Annual 2006. Available by subscription at

<[www.gtis.com](http://www.gtis.com)>

Publication Date: May 2007

*\*Information provided by VEDP Fast Facts is intended as advice and guidance only. The information is in no way exhaustive and the VEDP is not a licensed broker, banker, shipper or customs agency. VEDP shall not be liable for any damages or costs of any type arising out of, or in any way connected with the use of, these Fast Facts.*