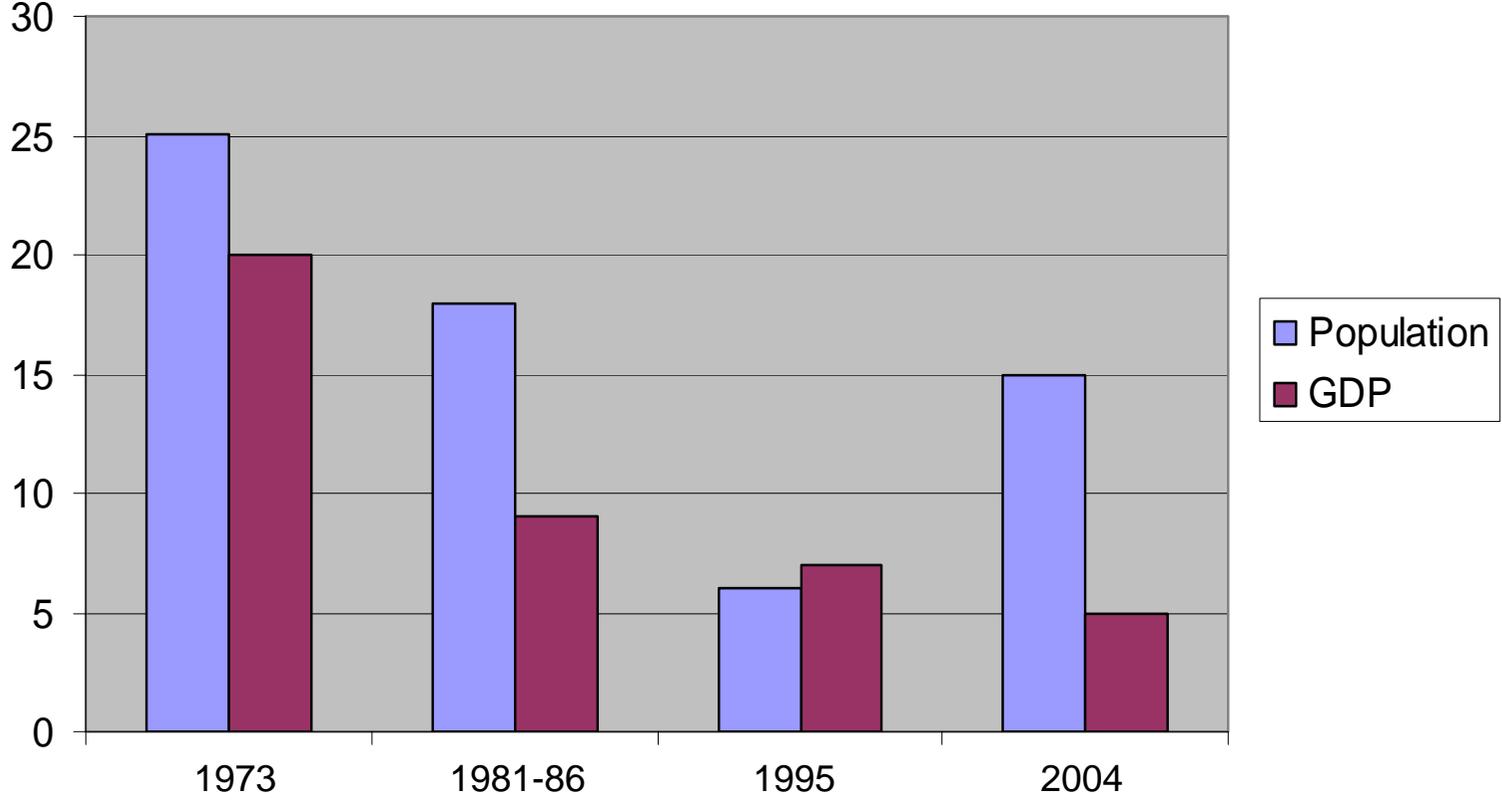


# **Eastern European Markets: Opportunities and Threats**

**Within the context of Globalisation and the expansion of the EU.**

# EU Development

(Percentage)

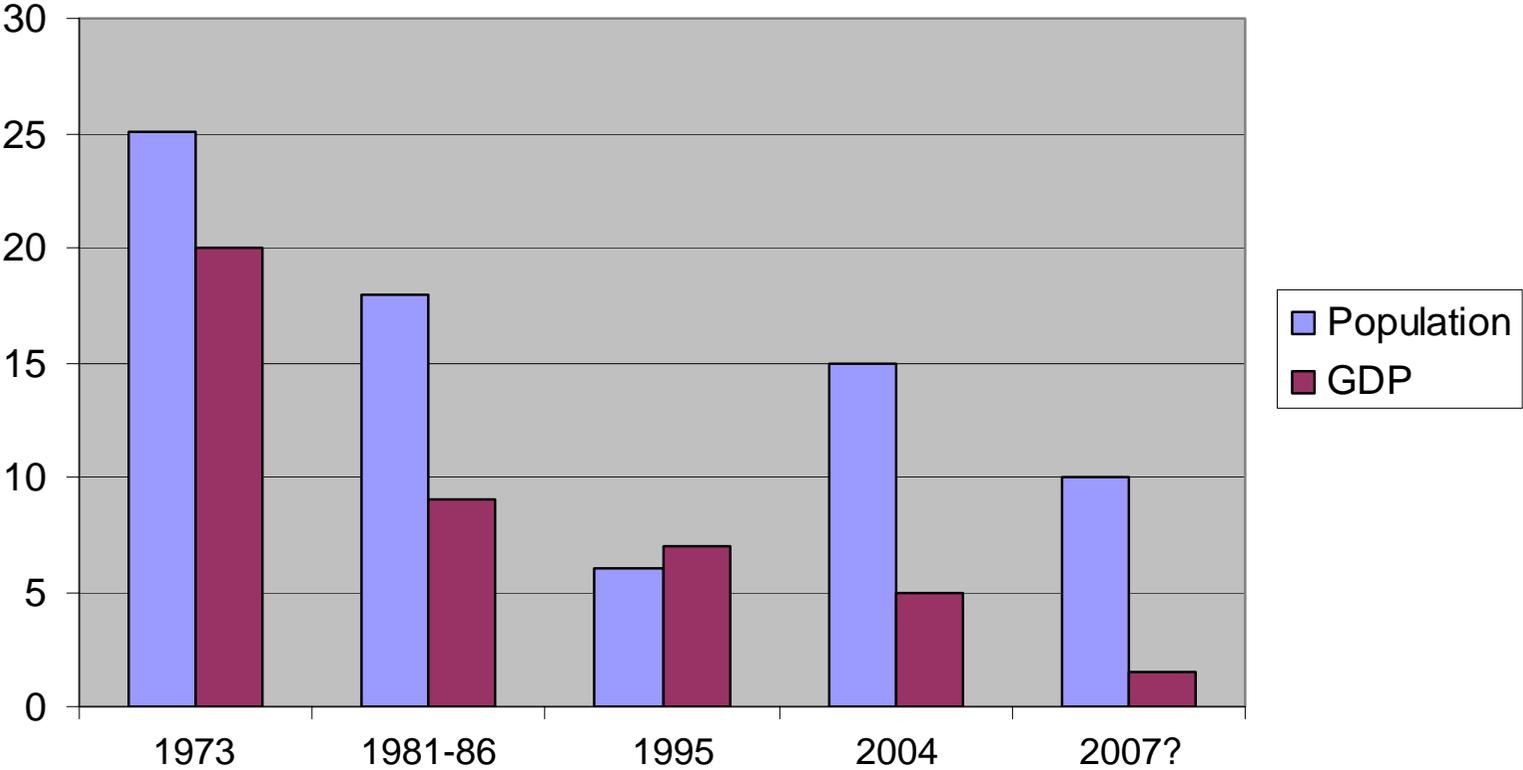


Sources: Revenue Elargissement, Paris, MINEFI - DREE/Tresor, No 37, p.2. And WTO Secretariat



# EU Development

(Percentage)



Sources: Revenue Elargissement, Paris, MINEFI - DREE/Tresor, No 37, p.2. And WTO Secretariat

# Opportunities and Threats

- GDP Growth - greater than 5%
- GDP - USD 2,500 per capita
- Wage Growth - Up to 70%
- Inflation and competitiveness
- New Buyers
- Corruption
- New Products
- Market Availability

# Opportunities and Threats

- Privatisation
- High Exposures
- Reinsurance
- Legislation
- Dynamic Premium Growth
- Rate Pressure

# Globalisation

**Enhanced by improved communications, faster distribution channels,  
finance and insurance.**

**Reinsurance already trades globally.**

**High foreign ownership.**

# Insurance Market Development

COUNTRY	GDP (USD) Per capita	Insurance Spend (USD)			Growth GDP	Penetration per capita (USD) Total
		Life	Non Life	Total		
ALBANIA	4,500	1,219,000	19,450,000	20,669,000	5.00%	6.00
BOSNIA	1,800	7,500,000	105,500,000	113,000,000	6.00%	28.00
BULGARIA	6,600	40,000,000	180,000,000	220,000,000	3.50%	29.00
CROATIA	8,800	111,000,000	500,000,000	611,000,000	3.00%	139.00
CZECH REPUBLIC	15,300	744,000,000	1,379,000,000	2,123,000,000	2.60%	207.00
ESTONIA	10,900	20,800,000	83,200,000	104,000,000	4.40%	74.00
HUNGARY	13,300	603,000,000	847,000,000	1,450,000,000	3.20%	145.00
LATVIA	8,300	4,500,000	147,500,000	152,000,000	4.50%	66.00
MACEDONIA	5,000	1,260,000	82,740,000	84,000,000	3.80%	42.00
POLAND	9,500	1,882,000,000	3,529,000,000	5,411,000,000	1.20%	140.00
ROMANIA	6,800	73,000,000	272,000,000	345,000,000	4.80%	15.00
SERBIA & MONTENEGRO	2,370	2,200,000	272,000,000	274,200,000	3.50%	26.00
SLOVAKIA	12,200	287,000,000	372,000,000	659,000,000	4.00%	122.00
SLOVENIA	18,000	203,000,000	745,000,000	948,000,000	3.00%	498.00
LITHUANIA	8,400	23,000,000	96,000,000	119,000,000	4.50%	34.00
FRANCE	25,700	75,146,000,000	38,449,000,000	113,595,000,000	1.10%	1,893.00
GERMANY	26,600	55,631,000,000	68,051,000,000	123,682,000,000	0.40%	1,486.00
GREECE	19,000	1,156,000,000	1,209,000,000	2,365,000,000	3.50%	222.00
UK	25,300	152,717,000,000	65,664,000,000	218,381,000,000	1.60%	3,701.00

# Slovenia - Romania

## Slovenia

**Population: 2 million**

**Insurance Spend: USD 1 billion**

## Romania

**Population: 23 million**

**Insurance Spend: USD 700 million**

**Insurance spend USD 11.5 billion!!!!!!**

# Copenhagen Criteria

‘A functioning market economy with the capacity to cope with competition, pressures and market forces within the Union’.

# Market Development

- Regulation
- Stability
- Redistribution

# EU Criteria

- Free Market Access
- Cross Border Marketing
- Government Controls

# EU Criteria

**Compulsory entry into EMU.**

# Premium Growth

Motor Premium as a percentage of Non-Life.

Bosnia 68%

Bulgaria 55%

Croatia 53%

Hungary 57%

Poland 67%

Romania 59%

Slovenia 58%

Slovakia 36%

# Premium Growth

## Life Penetration

**Eastern Europe < 1.00%**

**EU 15 > 5.00%**

# Impact on Domestic Markets?

## SIGMA

**‘Markets that have been liberalised for some time show that local companies do have a chance in the globalised environment if they have sufficient capital and a clear strategic focus’.**

Impact on Domestic Markets?

# Reinsurance

# Opportunities and Threats

**We must not ask what the Eastern European markets can do for us, we must ask what we can do for them.**