



DEGREE OF CORRUPTION

Country Rank	Country Territory	CPI Score 2007	Confidence Intervals	Surveys Used
1	New Zealand	9.4	9.2-9.6	6
1	Denmark	9.4	9.2-9.6	6
1	Finland	9.4	9.2-9.6	6
16	Germany	7.8	7.3-8.4	6
27	Slovenia	6.6	6.1-6.9	8
28	Estonia	6.5	6.0-7.0	8
39	Hungary	5.3	4.9-5.5	8
179	Somalia	1.4	1.1-1.7	4
179	Myanmar	1.4	1.1-1.7	4

All together 180 countries

Source: Trasparency International

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INFORMATION – THEN MARKET ENTRY

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Without question, Eastern Europe is an important site when planning foreign expansion. Both surveys and facts attest to this. As a result, the question is which country in particular is suited for the market entry. For this, one needs support. Information provides the basis for a decision, consulting aids in on-site implementation.

The latest survey of The German Chambers of Industry and Commerce (Deutscher Industrie- und Handelskammertag – DIHK) has shown that the establishment of foreign production sites and customer services and marketing structures has reached record values. The primary reason for the foreign commitment is the strong expansion of global trade and domestic cost pressure. But foreign production and the setup of marketing and customer service for market development are also at the forefront of foreign activities. Without a doubt, the region of Central and Eastern Europe is an important area. The member countries of

the European Union (EU) that joined in the year 2004 are target region number one. 40 percent of the industrial companies that are active abroad list the new EU countries as attractive, cost-effective sites. China continues to be very popular, but the greatest increases in investment projects have been in the country groups “Asia without China” and Russia, Ukraine and EU entry candidates.

INTERNET SEARCHES AS A DECISION-MAKING AID

Once the decision has been made for a commitment abroad, the question is which country to pick. There are two

possibilities here: either one seeks expert advice or one researches the countries in question in the internet – which most companies do. But how and where does one obtain this information? We recommend that you first search in qualified and well-known web pages, such as in the internet pages of chambers of commerce, associations, or government offices. This is followed by a search in search engines. Here, the same inquiry in various search engines leads to different results and is therefore recommended. An overview of international search engines can be found at www.search-enginewatch.com.

Without knowledge of search techniques, quality information is often an accident and the search requires a great deal of time, because:

- › it is necessary to enter various search terms in several search engines
- › long lists of hits appear, which have also been manipulated by search engine optimization, which means that the best hits do not appear first
- › it is not certain that the sources have been checked to ensure that they are relevant, up to date, and serious. Truly relevant hits are often so far in the back that they are no longer found.

INDEX OF BUSINESS CONDITIONS

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Licenses	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Singapore	1	9	5	1	13	7	2	2	1	4	2
New Zealand	2	3	2	13	1	3	1	9	16	13	16
United States	3	4	24	1	10	7	5	76	15	8	18
Estonia	17	20	14	156	21	48	33	31	7	29	50
Georgia	18	10	11	4	11	48	33	102	64	42	105
Germany	20	71	16	137	47	3	83	67	10	15	29
Latvia	22	30	82	96	85	13	51	20	19	3	64
Congo, Dem. Rep.	178	146	138	171	141	158	147	149	154	173	150
All together 178 countries											

Source: The World Bank Group

In spite of this, quality information does exist in the internet. And it provides comprehensive information about countries and markets. Web catalogs or information databanks offer access to this market information. These make it possible to easily navigate through fields that have been clearly sorted by subject.

In contrast to search engines, the internet sites or documents are edited in web catalogs and databanks and provided to the users in a structured form for searches. The more high-quality services usually are require payment, but they save you so much searching time that they quickly pay for themselves.

Examples of international professional knowledge databanks, which not only offer internet sources but also other sources of information, are www.dialog.com or www.lexis-nexis.com. German providers are www.genios.de or the information databank Orange Pages from the Informationsagentur Mittel- und Osteuropa GmbH (imoe) www.imoe.com/orangepages which uniquely specialized in Eastern Europe and the Commonwealth of Independent States (CIS). Both databanks are only available with German menus so far, but the sources are usually in English and solely business oriented.

Country ratings provide comparisons for making a decision for a foreign commitment. These also show how well the countries of Eastern Europe compare to other markets (see rating tables), and prove the hypothesis of DIHK. A commitment will pay off. These ratings can easily be found in the Orange Pages by means of the keyword search "country rating" or by means of a category search (usually country information – economic data) such as the degree of development toward democracy and a market economy – general information and table of the status of political development of individual countries on the way toward democracy figured by the Bertelsmann Stiftung. The table of the corruption estimated by Transparency International compares the countries. Rank one has the lowest level of corruption. The World Bank table shows country rankings regarding conditions

for doing business in Eastern Europe and Central Asia.

The website www.trading-safely.com updated regularly by Coface gives a brief overview of the economic data, strengths and weaknesses, market size of a country, and an estimation of the payment risk for companies in this country, as well as diagrams and brief information regarding global development and risk assessment of the branch based on the credit standing of companies and the payment risk. www.global-production.com/scoreboard/countries/russia.htm is a factsheet with country ranking in regard to selected indicators.

INTERNET SEARCHES DO NOT REPLACE LOCAL ADVISING

The imoe Orange Pages can be searched for internet resources, including in the categories of investment conditions,

branch information, economic information, business partners, doing business, or know-how. Thus, one can collect extensive, relevant information regarding the market entry for a foreign commitment in Eastern Europe.

Naturally, internet information is always only initial information – If you want individual, concrete information and consulting services, we recommend consulting companies, which are trained in intercultural matters and are located on-site like imoe. These assist in entering into the market – whether by finding business partners or on-site detailed searches for information that cannot be found in the internet regarding company and market data, suitable sites, existing products, image and media portrayals, and the creditworthiness of potential partners – as well as about subsidies. <

www.imoe.com

DEGREE OF DEVELOPMENT TOWARD DEMOCRACY AND A MARKET ECONOMY

Result of political transformation	Trend (2005-2007)	Result of economic transformation	Status index regarding the status of the transformation to a market economy democracy	Countries	Ranking 2008	Ranking 2006
9.55	○	9.57	△	Czech Republic	1	3
9.7	○	9.29	△	Slovenia	2	1
9.55	○	9.29	△	Estonia	3	2
1.43	○	1.29	△	Somalia	125	119
All together 125 countries		○ No change	△ Improvement			

Source: Bertelsmann Transformation Index (BTI)