



A Tale of Two Cities

NOTES FROM THE ROAD



The View from Buda...

Budapest is simply stunning. Straddling the Danube River, it is actually two cities which were merged into one in 1873 - Buda lies to the west on the high ground and Pest lies below to the east. The history is just as stunning: originally established by the Celts, it was variously occupied by Romans, Tatars, and Turks and when merged it became the dual capital of the Austro-Hungarian empire. Buda has the castle and has long been a center of high culture; Pest was the engine of politics and trade which drove its growth. Both are spectacular with amazing architecture which largely survived the bombing of World War II. It is ranked highly on lists of the most idyllic places to live, one of the most livable cities in Eastern Europe and an emerging financial hub in various comparisons. Even the Russians favored it, calling Hungary the 'happiest barrack' during their occupation.

The economic situation is not so strong at the moment and it can feel like a step back in time when comparing villages and towns to their counterparts in Western Europe only a matter of a few hours' drive away. There are also significant



...and the View from Pest

retrograde steps being taken politically which may affect Hungary's relationship with Europe. However, there are many modern factories within a few kilometers of the city and quite a few Western European plastic manufacturers have satellite operations in the area. Labor and operational costs are low but regulations and questions about the currency abound. Geographically, it represents an interesting location from

which to potentially serve Eastern European markets.

Rotomolding has prospered in some of the seventeen Eastern European countries but not all of them. The most notable growth has been in the more northern states, particularly Poland with the highest concentration of operations; there are somewhere between 35 and 60 molders (depending upon who you ask) and the larger molders are satellite operations of large international companies. Some of their business is supplying established markets in Western Europe, but much of their production has supported rapid growth in local infrastructure. The Czech Republic, Estonia, and Ukraine have also seen growth in rotomolding in market areas such as marine and automotive. The number of molders in more southern states is surprisingly low. There are a few molding operations scattered throughout Slovakia, Serbia, Croatia, Macedonia, Romania, and Bulgaria (although five of them belong to the same group). However, the levels don't reflect the potential that rotomolding normally has in new markets for basic products such as tanks, building products, and infrastructure support. The economies are slow and their financial situations may not be strong but rotomolding thrives in other parts of the world with similar circumstances: perhaps the process has not yet been presented in the right entrepreneurial forum? It may also have to do with the ability of people to emerge from the habits of Soviet-era enterprise with inefficient systems and corruption at multiple

levels. Whatever the reason, there will hopefully be more opportunities in this area when world economies recover and their alignment with the rest of Europe continues.

Un Cuento de Dos Ciudades

Across the Atlantic, two more cities are being connected, this time thanks to the growth of rotomolding in Mexico and Central America; in fact across much of South America as well. Polimeros Mexicanos will be hosting their fourth IberoAmericano conference in both Mexico City and Cancun from 22-27 May and look forward to hosting molders from all across the region and other parts of the world too. I'm happy to say that they have asked me to participate once again and I'll be giving four presentations over the course of the event on various topics. The first part of the event will include a tour of their operation near Mexico City and a day of presentations targeted at both existing molders and entrepreneurs interested in opportunities in rotomolding. Registrations have been strong and they are anticipating significant turnouts in both locations (you can see details at www.polimers.com.mx). As you might have guessed, the second part of the event in Cancun will be where the really hard work starts with workshops, beach, presentations, beach, networking, beach... they really know how to do this right, rotomolding always tastes better with sunshine and Corona!

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www.nilandco.com tom@nilandco.com