



**Koninkrijk
der Nederlanden**

Romania – Economic Newsletter

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The Embassy of the Kingdom of the Netherlands in Bucharest publishes a monthly economic newsletter, distributed by e-mail. The material published in this newsletter is compiled by the staff in the Economic and Agriculture sections on the basis of publicly available information, from various sources (Agerpres news bulletins, National Institute for Statistics, Nine O'Clock, Capital, Ziarul Financiar, Business Review) and reflects the developments of the month. It does not represent the opinion of the Embassy of the Kingdom of the Netherlands or any other official body. No responsibility for factual accuracy can be taken. Those interested in receiving the newsletter are requested to contact the above listed telephone and/or fax numbers or the e-mail address. Comments and suggestions are appreciated.

EUR / USD exchange rates against RON

Average July 2008 exchange rates were:

1 EUR = 3.5792 RON

1 USD = 2.2687 RON

Source: National Bank of Romania (www.bnr.ro)

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Macroeconomics

Average net wage in June 2008

Data published by the National Statistics Institute shows that the average net salary in June 2008 was in value of RON 1,273, with RON 25 higher as compared to the previous month.

Inflation in July 2008

According to the data published by the National Statistics Institute, in July 2008, the inflation stood at 0.69%.

BNR increases the monetary policy rate to 10.25%

On July 31, Romania's National Bank increased the monetary policy rate from 10% to 10.25%, in the attempt to keep the inflationary process under control. BNR also decided to continue to firmly manage the liquidity on the monetary market through the market operations and the keeping on the current rates level of the mandatory minimum reserves applicable to the due debts in lei and in foreign currency of the credit institutions. Romania's National Bank (BNR) model for lowering inflation supposes a double-digit interest rate, announced the central bank governor, Mugur Isarescu. "Our model designed to lower inflation supposes a double-digit interest rate, which will lead to a rate of 2 - 2.5% in real terms. The reasons for boosting the rate are multiple, among which the most important remaining demand in excess", explained Mugur Isarescu.

International Trade

Almost EUR 2 billion trade deficit in June 2008

Data published by the National Statistics Institute shows that FOB exports in June 2008 were in value of EUR 3.04 billion, up 21.2% as against June 2007, while the CIF imports were of EUR 5.03 billion, up 17.1% as compared to the same period of last year. As a result, trade deficit for June 2008 was in value of EUR 1.997 billion.

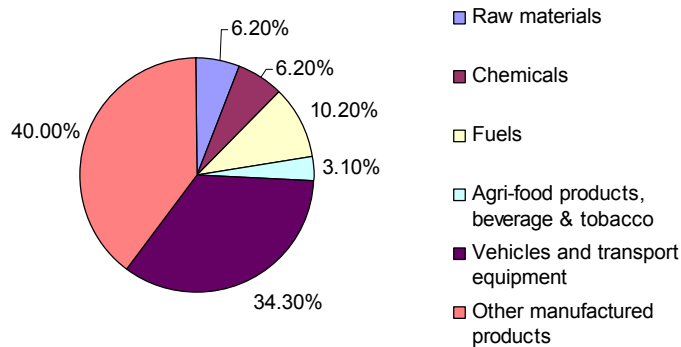
	FOB exports		CIF imports		FOB/CIF balance (billion EUR)	
	Value (bill. EUR)	% as against June '07	Value (bill. EUR)	% as against June '07	June 2008	June 2007
Intracommunitarian trade (EU 27)	2.08	112.7	3.45	110.9	-1.37	-1.27
Extra- communitarian trade (extra EU 27)	0.95	145.1	1.58	133.4	-0.63	-0.53
TOTAL	3.04	121.2	5.03	117.1	-1.997	-1.79

International trade in the 1st Semester of 2008

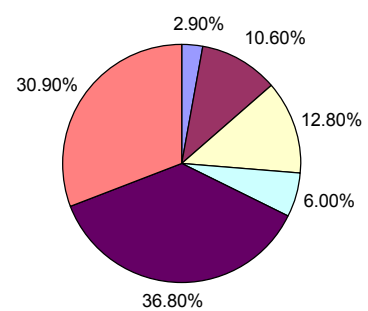
The 1st semester of 2008 brought a trade deficit of EUR 10.8 billion, with EUR 1.1 billion higher as compared with the same period of 2007. The FOB exports were of EUR 16.75 billion during January – June 2008, up 18.1% as against 2007, while the CIF imports reached EUR 27.5 billion, 15.3% higher as compared to 1st semester of 2007.

In the period January – June 2008, the highest percentages in total exports and imports are held by product group "Vehicles and transport equipment", with 34.3% of exports and 36.8% of imports, and by "Other manufactured products", with 40.0% of exports, and 30.9% of the imports. See graphs below.

**1st Semester 2008 FOB Exports
breakdown on main categories of goods**



**1st Semester 2008 CIF Imports
breakdown on main categories of goods**



Legislation / taxation

Methodology instructions for the motor vehicles pollution Tax

Following Tax & Legal Alert no. 26 dated May 19, 2008, the Romanian Government issued Decision no. 686 dated June 24, 2008 approving the Methodology Instruction for implementation of Ordinance no. 50/21 April 2008 establishing the motor vehicles pollution tax. The tax is to be calculated by the competent tax authority subordinated to the National Authority for Fiscal Administration. For tax calculation purposes, taxpayers have to file a copy and the original of the following documents: vehicle identity card, and for pre-owned vehicles acquired from other states:

- a document attesting to the date of first registration;
- the technical appraisal findings;
- a sworn statement.

The tax establishment procedure was approved by Order no. 986/2008 of the chief of the National Authority for Fiscal Administration published in Official Gazette no. 498/02 July 2008. The difference between the amount paid between 1 January and 30 June 2008 towards the special tax for motor cars and motor vehicles and the pollution tax resulting from the new regulations is to be reimbursed at taxpayers' request. For reimbursement purposes, taxpayers have to submit a request to the competent tax authority, enclosing the original and copy of the following documents:

- proof of payment of the special tax (tax receipt/ money order);
- the vehicle identity card of the registration certificate.

For motor vehicles subject to leasing agreements, the documents above are to be enclosed in copy certified as true to the original by sworn statement. Reimbursement requests submitted to the fiscal authorities before the entry into force of Ordinance no. 50/21 April 2008 will be resolved from 1 July 2008. See: *Official Gazette no. 480/30 June 2008*

Legal amendments on employment and secondment of foreign citizens in Romania

The Romanian Parliament has approved Law no. 134 approving Emergency Ordinance no. 56/2007

on employment and secondment of foreign citizens in Romania. The law brings the following changes:

- seconded individuals are redefined, in that they have to make proof of professional qualifications appropriate for the activity to be carried out in Romania;
- Romanian employers have to actually perform the activity for which they seek the work authorization;
- Romanian employers can appoint a legal representative for purpose of applying for work authorizations;
- Romanian employers must produce a fiscal certificate when applying for work authorizations for seconded individuals;
- the exemption from the work authorization requirement for secondments

of up to 60 days has been repealed; - the work authorization fee for foreign nationals holders of Romanian residency permits for study purposes has been amended. These amendments will come into force within three days from their publication in the Official Gazette. *See: Official Gazette no. 522 of 10 July 2008.*

Governmental Decision no. 718/2008 approving the horizontal state aid scheme for regional sustainable development and for the reduction of emissions

Governmental Decision no. 718 dated 2 July 2008 approving the horizontal state aid scheme for regional sustainable development and for the reduction of emissions has been published. The financial support granted based on the Decision is for the establishment of initial investments in all industrial sectors and in the energy sector for consumption activities and the production of electrical and thermal energy. The establishment of investments under this scheme contributes to achieving the objectives under Priority Axis 4 "Growth of energy efficiency and growth of supply security in the context of mitigating climate change", under the Sectorial Operational Programme for the growth of economic competitiveness and under the Romanian Energy Strategy for 2007 - 2020, respectively: reduction of primary energy intensity by 40% by 2015 compared to 2001 and the reduction of air pollution emissions by 30% by 2015. Projects need one of the following objectives: • improving the energy efficiency of industrial operators through investments in installations and equipment that will lead to energy economy based on an energy balance sheet (which affect energy consumption) or by investing in cogeneration, where appropriate; • investments in: - desulphurisation installations, - installations for the reduction of azote oxides resulting from burning gases - filters for large burning installations in a transition period, in accordance with the Romanian Accession Treaty, - retrofitted / modernised groups functional for at least for 15 years or for at least 100,000 hours as of the project's finalisation. The total estimated budget of the scheme is Euro 318,800,000. *See: Official Gazette part I no. 529/14.VII.2008*

Proposal of the European Commission for Directive on European patients' rights in cross-border healthcare

The European Commission has adopted a Proposal for Directive on European patients' rights in cross-border healthcare, in the European Union. Two relevant principles are set out under the provisions of the Proposal: - Member States are responsible for healthcare provided on their territory; - European patients have the right to seek healthcare abroad and be reimbursed up to what they would have received at home. *Source: www.europa.eu.*

Governmental Decision no. 750/2008 approving the state aid scheme for the development of renewable energy resources

Governmental Decision no. 750/2008 approving the state aid scheme for the development of renewable energy resources has been published. The Decision's objective is to support the financing granted to undertakings for the establishment of initial investments with a view to developing renewable energy resources (solar power, wind power, hydro power for systems with <10 MW installed power, biomass power, geothermal power, wave power, biogas, gas resulting from the fermentation of waste-deposit gas (deposit gas), gas resulting from the fermentation of waste water treatment installations mud) in order to produce electrical and thermal energy. The establishment of investments under this scheme contributes to achieving the objectives under the major intervention domain 2 "Tapping of the renewable energy sources for green energy production", Priority Axis 4 "Growth of energy efficiency and growth of supply security in the context of mitigating climate change", under the Sectorial Operational Programme for the growth of economic competitiveness. Investments for the construction and modernisation of electrical and thermal energy production capacities through the development of renewable energy resources will be financed through the scheme. Scheme beneficiaries may be small, medium or large enterprises. An estimated maximum of 300 undertakings may benefit from the scheme. The total estimated budget for the scheme is EUR 200 million for 2008 - 2013. *See: Official Gazette part I no. 543/18.VII.2008*

With thanks to PriceWaterhouseCoopers Romania - Tax Department

EU funds

RON 215 million for investment projects of big companies

Applications for financing under the Sectorial Operational Programme "Increase of Economic Competitiveness", with a total budget of RON 215 million, can be submitted over July 14 - Oct.14, 2008, to the Ministry of Economy and Finance, says a press release from the ministry. Big

companies can submit projects of construction/upgrading of production facilities, of acquisition of equipment, technologies and knowhow, for the improvement of the quality of products and services. A project can be given a maximum of RON 18.5 million. The longest period for the implementation of a project is of three years. Big companies can submit financing requests for the opening of a new production facility, but not for the delocalization of activities or the transfer of a facility from a EU member state, or changes related to existing facilities. For being eligible, the companies have to employ more than 250 people and to post an annual turnover worth over EUR 50 million, or total assets worth over EUR 43 million. The press release is available http://www.mefromania.ro/wps/portal/!ut/p/s.7_0_A/7_0_1JI2/.cmd/ad/.ar/sa.spf>ActionListen er/c/6_0_PS5/.ce/7_0_29AT/.p/5_0_1VID/d/1;jsessionid=000024Wsv9q6E1Hu1DNw-rtl-GU:10h8u03pu?PC_7_0_29AT_spf_strutsAction=%212fsearch.do%213findex%3D499116848#7_0_29AT

Foreign investment

Foreign investment at the end of May 2008

At the end of May 2008, according to the provisory data published by the National Office of the Trade Registry there were 153,263 companies registered in Romania with foreign participation in social capital, total foreign investment amounting to EUR 19.6 billion. The top of the first five foreign investors was led by the Netherlands, with 3,278 companies registered and total invested capital of EUR 3.35 billion, followed by Austria with 5,122 companies and a total investment of EUR 2.38 billion, Germany with 16,036 companies and a total investment of EUR 2 billion, France with 5,628 companies and an investment of EUR 1.64 billion, and Cyprus with 3,929 registered companies and a total investment reaching EUR 0.9 billion.

Romanian state to grant aid to investments higher than EUR 100 million

The investments totalling more than EUR 100 million, that create at least 500 new jobs will benefit from state aid worth 40% of the investment value for the 8th development region Bucharest-Ilfov and worth 50% for the other seven development regions of Romania. The new state aid scheme was approved on June 16 through a governmental resolution on regional development by boosting investments, with the move being aimed to contribute to narrowing the gap between the value of the Romanian GDP per capita and the European Union average. The state aid scheme has 5-year duration, namely over 2008-2012 and it may be extended by 2013. The total maximum budget of the scheme stands at EUR 575 million, while the annual average budget totals EUR 115 million. Such state aid can add to the assistance granted from EU funds. The state aid established by the governmental resolution will only be granted to the enterprises carrying out big investment projects, that can be deemed initial investments in line with the new guidelines set by the European Commission on regional state aid during 2007-2013 that took force on Jan. 1, 2007. The Government press release is available at: <http://www.gov.ro/engleza/presa/afis-doc.php?idpresa=8587&idrubicapresa=1&idrubicaprimm=&idtema=&tip=2&pag=1&dr>

Energy

Romanian Nabucco segment to be extended 25-year exemption from gas transmission pricing requirements

The National Energy Regulatory Authority (ANRE) has approved a request of the Nabucco International Company (NIC) for the Romanian segment of the Nabucco gas pipeline to be exempted from pricing requirements applicable to gas transmission and also from the provisions concerning access of third parties to transmission networks, reads a release issued by ANRE. The exemption should be 25 years counted from the date when the first segment of Nabucco becomes operational. The exemptions will be limited to at most 50% of the total annual capacity technically available. The exemption will be cancelled if the Romanian segment fails to be commissioned within five years after the European Commission approves a decision to grant the exemptions to all the four EU member states that the Nabucco gas pipeline will cross, but no later than December 31, 2014. Transmitted through the Nabucco pipeline will be natural gas from Asia to Austria, via Turkey, Romania and Hungary. In keeping with the provisions of the Romanian legislation and the European directive concerning the common European market in natural gas, the exemption decision will be submitted to the European Commission for consideration. Officials of five companies - OMV of Austria, Botas of Turkey, Mol of Hungary, Transgaz of Romania and Bulgargaz of Bulgaria - making up the NIC and officials of Germany's RWE utility early this

February signed in Vienna an agreement on making RWE the sixth business partner in the project. *Source: Agerpres.*

EU welcomes signing of agreement on Arad-Szeged gas pipe

European Commissioner for Energy Andris Piebalgs on July 8 welcomed the agreement recently signed by the Romanian company Transgaz SA in Medias and the Hungarian company FGSZ on the interconnection of the natural gas carrying system in Romania and Hungary by building the pipe connecting Arad to Szeged, reads a release of the European Commission. According to the community executive, this pipe will strengthen the regional supply security by creating a connection that does not depend on a third country. Moreover, the Arad-Szeged pipe will demonstrate that the EU states can improve their domestic energy security. According to the agreement signed on July 1 by Transgaz SA in Medias and the Hungarian company FGSZ, either signatory will bear the costs and the expenses to go with the design and building, operation and maintenance of the pipe in the territory of their country. In Romania's territory the interconnecting pipe will be about 62 km long, spanning the interconnecting point at Horia (near Arad) and the cross border point at Csanadpalota (Nadlac) on the border between Romania and Hungary. Out of the 62 km of pipe in Romania's territory a stretch of 36.7 km between Horia and Pecica was already built. The maximum carrying capacity of the interconnecting pipe is 4.4 billion cubic metres a year, which corresponds to an average flow of 500,000 cubic metres per hour. The date planned for the finalization of the pipe and the beginning of the commercial operation is 18 months after the date when the document was signed, that is January 1, 2010. *Source: Agerpres.*

Romania attracting energy investment projects worth more than EUR 10 billion

Romania's energy market is attracting increasingly more investors, from developers of wind power systems to giant energy companies that are proposing long-term projects. Investments unveiled over the past year in the Romanian energy sector exceed EUR 10 billion in value and thousands of new megawatts in output. Of the highest interest are the wind, water and biomass power, but also the old heat power. Energy investor officials told daily Business Standard that the reason the investors have come to Romania is their bet on an increase in energy use in Romania that accompanies the country's reindustrialisation and the improvements in the local purchasing power.

Romania signs memorandum for associating to the company that will develop PEOP

Romania, represented by Oil Terminal and Conpet, has signed the memorandum for associating to the company that will develop the PEOP (Pan-European Oil Pipeline) project, informs a release sent on July 17 to the Bucharest Stock Exchange. The other shareholders of the inter-state company are JP Transnafta Pancevo (Serbia) and Jadranski Naftovod (Croatia). The members of the Board of Directors from each company that is shareholder in the PEOP Project Constanta-Trieste were appointed in the first meeting. The general manager of the said company will be chosen in the next meeting, which will be held in August 25 - September 5 period. Oil Terminal and Conpet are the only companies in Romania specializing in storing and transporting crude oil. Their involvement in this project will result in increasing the crude oil storing and pumping capacity, increased revenues, increase in the price of shares, portfolio of client, benefits generated by the transit fees and creation of jobs. Serbia, Croatia and Romania agreed recently to set up the company that will build a pipeline to transport crude oil from the Caspian Sea to European markets. This company will have 2,100 shares, with a nominal value of 100 pounds sterling. Romania will hold one third of the company's share capital, through Conpet and Oil Terminal, which will hold each a stake of 35,000 pounds. The PEOP, estimated to become operational in 2012, will link Romanian port Constanta to Italian port Trieste. With a length of 1,300 km, the pipeline has an estimated value of USD 2 - 3.5 billion and will supply oil for the refineries in northern Italy and Central Europe from the Caspian Sea. The annual capacity will stand at 60-90 million tonnes or 1.2-1.8 million barrels a day. *Source: Agerpres.*

Romgaz discovers new natural gas deposit, close to Roman

Romgaz Co. has discovered a new natural gas deposit, with an estimated potential of 200,000 cubic meters/day, close to Roman municipality (north-east), informs the company. The deposit was discovered as a result of No.515 Roman Batranesti exploration well drilling, undergoing a testing programme, and the data on the potential of this deposit are preliminary. The result is a consequence of the intense exploration programme initiated by Romgaz in 2006, underway on the eight exploration perimeters and which has led in the past year to the discovery of seven natural gas deposits, announced Romgaz director general Francisc Toth. Romgaz is the biggest natural gas producer and supplier in Romania, with a share of 41.2 percent on the domestic gas market. The state, through the Ministry of Economy and Finance, is the major shareholder in this company, which has as main activity object extraction and storage of natural gas. In order to

consolidate its leading position on the natural gas domestic market, Romgaz makes further efforts to offer its clients highest qualitative and quantitative level services. In 2007, Romgaz production stood at more than five billion cubic meter of methane gas, and the investment budget on 2008 is of RON 1 billion. *Source: Agerpres.*

Producers of energy from renewable sources, backed with green certificates

Producers of electricity made from renewable sources and delivered into the power grid will benefit of a sustaining scheme through green certificates, according to a decision adopted by the Executive on July 16. The Sustaining scheme through green certificates is applied to the following renewable energy sources: hydro energy used in electrical groups in power stations with an installed power of 10 MW, at the most, wind turbine energy, solar, geo-thermal, biomass, bio-gas, waste fermenting gas (deposit gas), mud fermenting gas from the waste water cleaning installations. Electricity producers from renewable sources, who benefit of these backing scheme, distinctly participate both in the electricity market, through the sale of produced electricity at the market's price and in the green certificates market, through the sale of the allocated green certificates. For the period 2008 through 2012, green certificates selling price is limited between a minimum of EUR 27/certificate and a maximum of EUR 47/certificate, calculated in RON at the average value of the exchange rate established by Romania's National Bank for October, the previous year. The electricity producing scheme for each individual electrical group is valid on a period of 15 years for the electricity produced by new electrical groups; of 5 years for the electricity produced in electrical groups from import and electrical groups introduced on Romania's territory from the European Union member states, which have been used to produce electricity on the territory of some other states; of 10 years for the electricity produced in hydro-electrical groups, built prior to January 1, 2004 and revamped and of 8 years for the electricity produced in hydro-electrical groups built prior to January 1, 2004 and which were not revamped. For the promotion of electricity produced from renewable sources in Romania a system of mandatory quotas of green certificates is applied combined with the system of green certificates trading. Annual mandatory quotas of green certificates are of 5.26% for 2008, of 6.28% for 2009, of 8.3% for 2010-2012, of 9% for 2013, of 10% for 2014, to rise to 16.8% for 2020. Electricity weight produced from renewable sources must account for 33% of the gross internal consumption of power in 2010, 35% in 2015 and 38% in 2020. To attain these targets, the contribution of electricity produced by hydro power stations with installed power higher than 10 MW is also taken into account. *Source: Agerpres.*

Giurgiu-Ruse gas transport pipeline - 1.5 bln cubic meters/year

Giurgiu-Ruse pipeline for the gas transport systems interconnection between Romania and Bulgaria will cost RON 11.5 million and will have a maximum capacity of 1.5 billion cubic meters per year, according to the Interconnection Strategy of the National System of Natural Gas Transportation with the neighboring countries, worked out by Transgaz, now in ongoing debate. The gas pipeline will be eight kilometers in length and will initially transport 500 million cubic meters per year, and this capacity is expected to triple in the future. The document also stressed that Transgaz and its counterpart, Bulgargaz, are directly interested in this project and the implementation phases should have been discussed within a meeting set to take place in the second quarter of this year, but the strategy does not include this information. *Source: Agerpres.*

Infrastructure & transport

Budapest-Constanta high speed rail to be completed in 2020

The construction of the Budapest - Constanta high speed rail will take about 12 years and according to estimations, the project's execution will be completed in 2020, reads a report remitted to Agerpres by the Romanian Rail Company - CFR SA. The cost of the project stands at approx. EUR 8 billion. According to CFR, if continuous financing is ensured, works will keep to the execution schedule; they are due to kick off in about four years and end in five to eight years. In November 2007, on the occasion of a joint government meeting, Romania and Hungary signed an agreement for the construction of this railway. The two Transportation Ministries chose the Budapest - Bucharest - Constanta route in order to integrate the two states in the international high-speed rail system that links all large European cities. *Source: Agerpres.*

Works at Calafat-Vidin Danube bridge might start this year

Works at the Calafat - Vidin Danube bridge might kick off by the end of this year, the estimated cost of the investment standing at some EUR 200 million, Romanian Minister of Transportation Ludovic Orban stated in Ruse after a meeting with his Bulgarian counterpart Petar Mutafchiev.

"The bridge between Calafat and Vidin bridge has been discussed for several years now and we are very happy that the Bulgarian Transportation Minister succeeded in getting funding for this project, so that implicitly the Romanian side will too access ISPA funds for the adjoining infrastructure required for the completion of the bridge; we will be holding several joint meetings on the subject by the end of September and a joint committee will be established to start the relevant plan of action," said Orban. The two Ministers said they also discussed the rehabilitation of the Giurgiu-Ruse Friendship Bridge that would cost EUR 25 million and that the construction of another two bridges across the Danube at Calarasi-Silistra and Bechet-Orehovo is also in view. Enhanced attention will be paid to the development of transportation infrastructure along the Danube, with bridge tolls between Romania and Bulgaria being possibly lowered, said the Romanian and Bulgarian Transportation Ministers. *Source: Agerpres.*

Second budgetary rectification in 2008 – important supplementary funds for transport infrastructure

On July 16, the Executive has endorsed the second budgetary rectification in this year, increasing the overall expenses to the state budget by RON 4.4 billion and the revenues by RON 3.8 billions. Thus, the greatest share of supplementary funds will be earmarked for investments in transport infrastructure (about RON 1.9 billion – RON 1.4 billion from state budget and about RON 500 million from foreign funds). This money will finance road, railway, airport and maritime infrastructure. Supplementary funds will be earmarked for investments in Constanta harbor and navigable channels, for the subsidy reserved to the River Administration of Lower Danube Galati as well as for the finalization of the repair works to the runaway of the Bucharest –Baneasa International Airport, arrangement of the rolling way, and expansion of the air-station of Timisoara International Airport, assurance of optimum conditions for the functioning of the Constanta International Airport. Supplementary funds amounting to about RON 260 million will be also earmarked to the Development Ministry for the Program aiming at the construction of sports grounds, for paving and consolidating the access roads and the water supply of villages. The press release is available at <http://www.gov.ro/engleza/presa/afis-doc.php?idpresa=8591&idrubicapresa=1&idrubicaprimm=&idtema=&tip=2&pag=1&dr>.

Agriculture & food

European funds for setting up small enterprises in rural areas available soon

More than EUR 383 million of European non-repayable funds will be available until 2013 through measure 312 - Support for the Creation and Development of Micro-Enterprises within the National Programme for Rural Development. The measure is to be launched this September. According to the draft version of the applicant's guide, the total value of available funds (public and private contribution) stands at EUR 589.89 million, out of which 80% represent funds from the European Union and 20% government contribution. Measure 312 is part of Axis 3 – The Improvement of the Quality of Life in Rural Areas and Rural Economy Diversification and aims at the general sustainable development of the rural economy by encouraging non-farming activities, so as to increase the number of jobs in the rural area and provide additional income to people. The measure is directed towards the setting up of small enterprises, the development of those already existing in the non-farming sector in rural areas, the encouragement of business initiatives, especially those of young people and women, as well as the encouragement of handicraft and other traditional activities. The beneficiary of European funds needs to prove the viability of the investment and also that he has the necessary managerial-marketing related skills or such other skills needed in the respective activity or to prove that he/she will acquire such skills before the last payment is made. Moreover, the beneficiary needs to prove his/her ownership of the land where the investment is to be carried out or the leasing agreement for at least 10 years.

Modernisation of farms, the most demanded measure of the Rural Development Programme

In March-May 2008, the Paying Agency for Rural Development and Fisheries (APDRP) received 2,752 investment project proposals worth over EUR 1.7 billion for financing through the National Rural Development Programme. Most projects were submitted for the modernisation of agricultural holdings, namely 2,052 projects, through which non-repayable funds of over EUR 430 million were requested. Some other 700 projects referred to increasing the added value of agricultural products, renovation and development of villages, for which funds of EUR 1.31 billion were requested. In the first session (March 2008), most of the projects received by APDRP were submitted for the modernisation of agricultural holdings, namely 712 projects, out of which 288 were approved.

Funds worth EUR 307 million for the fishing sector

The Romanian fishing sector will benefit of non-repayable funds worth EUR 307 million until 2013, the Ministry of Agriculture and Rural Development (MADR) reports. Out of this amount, available under the Operational Programme for Fisheries 2007-2013, EUR 230 million are EU funds, while the remaining EUR 77 million are the national contribution. According to the National Agency for Fisheries and Aquaculture (ANPA), four measures will be launched, namely the productive investment in aquaculture, the processing and marketing of fishery and aquaculture products, onboard investments and social-economic compensations for fishermen. The opportunities provided by EU funds for the fishery sector have been presented on July 11 in Neptun (Black Sea resort) at the National conference for the launching of the Operational Programme for Fisheries 2007-2013, in the presence of the Minister of Agriculture and Rural Development Dacian Ciolos. The conference in Neptun represents the first stage of an information and advertising campaign to be implemented at national and local level. EUR 6 million are to be spent for the encouragement of fish consumption by the population, announced in Neptun the president of ANPA Gheorghe Stefan. Future publicity and advertising actions will be focused on a change in consumer behaviour, with arguments linked to a healthy consumption, so that the population would steadily buy fish products.

Romanian minister of agriculture proposes equal direct payments for all EU member states

At the July meeting of the Council of the Ministers of Agriculture and Fisheries held in Brussels, Romanian Agriculture and Rural Development Minister Dacian Ciolos insisted that the amount of direct payments made to the new European Union member states should be equalled as fast as possible with those made to the old EU member states. At the moment Romania receives only 25% (around EUR 50 /ha) of the full amount which it will receive in 2016 (EUR 202/ha). While the energy prices are the same across Europe and Romanian farmers are subject to the same competition pressure. Romania proposes that the savings made on Pillar I of the CAP are used to re-balance the differences in direct payments.

SMEs

State aid worth EUR 38 million for implementation of projects in e-economy field

Small and medium-sized enterprises (SMEs) may be granted state aid by 2013 totally worth EUR 38 million through services for the implementation of projects developed in the e-economy sector, according to figures posted on the web site of the Ministry of Communications and Information Technology (MCTI). The estimated maximal number of economic operators that might have access to financial state aid is of 750. Therefore, EUR 7 million will be allotted for 2008, EUR 10 million, the biggest part of the programme, will be allotted for 2009, EUR 6 million in 2010 and 2011 respectively, EUR 5 million in 2012 and EUR 4 million in 2013. The plan will be implemented nationwide in all 8 development regions. The goals of the blueprint are aimed at increasing efficiency of companies through the reorganization of all processes based on an IT system, the introduction of systems of modern informational technology and communications which encourage innovation and extends support for decisions of management, development of electronic trade and encouragement of SMEs to enter the international market, expansion of use of on-line training applications in the business environment. More information is available only in Romanian at http://fonduri.mcti.ro/?q=system/files/Ajutor+de+minimis_Domeniul_3.doc.doc.

Health

Private medical services market: close to EUR 1 billion by 2012

The market of private medical services could reach EUR 890 million by 2011, more than double the EUR 350 million forecast for this year, a period during which cities other than Bucharest will come to generate around 70% of the value, Ziarul Financiar daily reports on July 3. The almost 7 times increase compared with that of GDP is turning the private medical sector into one of the "stars" of the economy. Growth, which is expected to stay around these values, has lured both investment funds and entrepreneurs more or less experienced in this field. At present, demand for such services is heavily concentrated in Bucharest and generates around 158 million of the overall EUR 350 million market. A trend to become increasingly visible will be the growth on the segment of fee for service, namely for services directly paid by patients. Then, the next natural step is private health insurance. The market of private health insurance was put at some EUR 9 million

last year, with players on the market including Interamerican, Aviva, AIG Life or Allianz Tiriac.
Source: Agerpres.

Dutch presence in Romania

Damen Shipyard to reorient production

Damen Shipyard in Galati (eastern Romania) is to reorient production in the years to come so that instead of classical cargo ships and port-containers it will construct specialized and military ones, announced on July 15 sales manager for Europe of Damen Group Roel Van Eijle. Following implementation of new specific technologies, staff reductions are expected, stressed in his turn general manager of Damen Galati Shipyard Gelu Stan. "We will try to change the type of ships built in Galati and we are going to adjust production toward more complex ships, as coast patrol ships and military ones, with a higher value on the market. There is a big military navy shipyard in The Netherlands and we are to build ships in Galati for them", said Roel Van Eijle. Already the shipyard in Romania had launched, in 2007, a special ship for the Swedish coast guard and, on August 14, a second ship of this type is to be delivered. As well, in August construction of a second patrol ship is to be started, destined to the Dutch Royal Navy. *Source: Agerpres.*

Events & Useful web links

Weekly Bulletin regarding water projects in Romania

The Embassy of the Kingdom of the Netherlands in Bucharest started publishing, in partnership with EVD and NWP, a weekly bulletin regarding water projects in Romania, distributed by e-mail. The material published in the bulletin is compiled on the basis of publicly available information, from various sources (the Electronic Systems for Public Acquisitions, the national press, the websites of the relevant Romanian authorities, etc.).

Those interested in receiving the bulletin are requested to contact Violeta Cozianu, at +40-21-208 6039 or bkr-ea@minbuza.nl.

Modern drinkwater system in Saelele, Teleorman

Within a project financed by the Government of the Netherlands via the Partners for Water programme, a modern drinkwater system has been inaugurated in Saelele, Teleorman county. The self-contained, portable water treatment plant, produced by the Dutch company Norit under the trademark Perfector E, will supply drinking water to the public buildings and part of the dwellings of the commune. The inauguration ceremony took place on 30 June, in the presence of Dutch Ambassador Jaap Werner and a large Dutch delegation from the province of Overijssel, twinned with Teleorman county.

- Economic network of the Netherlands in Romania
 - Embassy of the Kingdom of the Netherlands in Bucharest
 - Agency for International Business and Cooperation - EVD
 - The Netherlands – Romanian Chamber of Commerce
 - The Dutch-Romanian Association
 - Romanian Ministry of Agriculture and Rural Development
 - Romanian Ministry of Economy and Finance
 - Romanian Ministry of Environment and Sustainable Development
 - Romanian Ministry of Transport
 - National Institute for Statistics
 - Ministry of SMEs, Trade, Tourism and Liberal Professions
 - Exhibitions in Romania
 - Information on EU funds
- www.hollandtrade.ro
 - www.netherlandsemb.ro
 - www.evd.nl
 - www.netherlands.ro
 - www.nederland.ro
 - www.mapam.ro
 - www.mefromania.ro
 - www.mmediu.ro
 - www.mt.ro
 - www.insse.ro
 - www.mimmc.ro
 - www.romexpo.org
 - www.fonduri-structurale.ro