



CCE-R Newsletter

(No.02 / February 2006)

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Editorial of the month

Venice – no longer in deep water?

The Italian city of Venice is situated on islands in a vast and shallow lagoon between the mouths of the Brenta and Piava River.

A series of sandbars almost cuts off the Venice Lagoon from the Adriatic Sea but it remains tidal. The lagoon has struggled with erosion, pollution and increasing sea levels for many years. To attempt to solve these problems, the public authorities planned for the environmental rehabilitation of the lagoon.

Plants to treat wastewater from the city of Venice and its surrounds were built to reduce pollution. An experiment was also conducted to solve the problem of high tides that were increasingly flooding the city of Venice. It included building a series of locks in the lagoon's waterways that lead out to the open sea.

All these activities needed continuous studies and monitoring so the ambitious rehabilitation plans could be successful. Monitoring also helped maintain the improved environmental conditions. It is in the experimentation, study and design of the rehabilitation activity that SGS, with theoretical and applied research and monitoring activities, has made a major contribution towards resolving the environmental problems of the Venice Lagoon. For example, SGS has become the main consultant for the recovery activity on islands and tidal marshes inside the lagoon. Evaluation of the pollutants introduced into the lagoon through surface and groundwater was achieved via geographical modelling and calculation of levels of nitrogen and phosphorus discharged into the lagoon.

The quality and quantity of tidal waters flowing inside and outside the lagoon every day was also studied and tested as a pilot project, to verify the techniques of stopping and turning around the hundreds of years of decay of Venice Lagoon. That's good news for both Venetians and Venice lovers throughout the world.

Ovidiu MANTHO

General Manager, SGS Romania SA

The CCE-R Board informs

CCE-R Board Meeting – January 24, 2006

The CCE-R Board meeting in February took place on February 16, 18:00, at the CCE-R office in Bucharest. The meeting was chaired by Paul Nuber, CCE-R President.

The Board discussed various applications of new members, approved a new design of the CCE-R website and some changes in the text of the CCE-R statutes.

✚ **The next CCE-R Board Meeting will take place at the Chamber's head-office on March 14, 2006, 17:30.**

CCE-R Business Club – February 16, 2006

LIECHTENSTEINISCHE LANDESBANK AG and THE CHAMBER OF COMMERCE SWITZERLAND – ROMANIA organized the Business Club "**Private banking in the heart of Europe**". The event took place at the Hilton Athénée Palace, "Le Diplomate" Ball Room, on Thursday, February 16, 2006, 19:30.

The participants were the CCE-R members and representatives of the Swiss Embassy, the Trade Office of the Austrian Embassy, the Swiss Association, and the Chamber of Commerce and Industry of Romania.

On this occasion, Mr. Rolf P. FREHNER, Dipl. Math. ETH, Head of Private Banking CEE, at LLB, presented the history of Principality of Liechtenstein, the history of LLB, its achievements and working instruments as well as its future plans for the Central and Eastern Europe. LLB is now interested in conquering the Romanian private banking market and will be the first bank to offer such services in Romania.

✚ **The CCE-R General Assembly will be organized at the Swiss House, Bucharest, on March 27, 2006, 18:00.**

New Members

The Chamber of Commerce Switzerland – Romania has four new members that entered the Association during January – February 2006:

INTERCONTINENTAL BUCHAREST HOTEL

Address: 4, Nicolae Balcescu Bd., RO-010051 Bucharest

Tel.: 0040 21 312 51 72

Fax: 0040 21 312 55 47

www.intercontinental.com

Hans Rudolf RUTTI, General Manager

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Address: 23, Calea Chisinaului, RO-700265 Iasi, Romania

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Sorin APOSTOL, Chairman

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This month's member / News and Company Profile

This column gives our members the possibility to present themselves to the other companies and to highlight important aspects of their activity. Our initiative goes together with the invitation for subscribing to this facility: **if you want to present your company to the other members in one of the next issues of the Newsletter, please contact us at ccer@ccer.ro.**



MSM Fininco AG, Winterthur, has recently joined the Chamber of Commerce Switzerland – Romania.

MSM group experts' alliance for business:

MSM Fininco AG is part of the MSM Group®, a multi-disciplinary alliance of firms and experts serving the needs of its clients with management consulting, legal advice and infrastructure/administrative services. Target clients are privately owned companies and enterprises entering Switzerland from abroad or Swiss SMEs willing to extend into the new markets covered by our services.

Dedicated and professional consulting for small and medium enterprises is our principle applied to all our services.

Our main location is in Winterthur and we are operating in at the moment in Switzerland, Romania, Ukraine and Russia. We are politically and technically neutral and deliver reliable

work at competitive rates. We focus fully on our clients' needs and requests. The results of our work are not heavy concepts, but practical – though theoretically sound – services, which are operationally implementable in close co-operation and to the full advantage of our customers.

Established, interdisciplinary teams offer a high level of professionalism, a quick and focused working style, and an attractive price-performance ratio.

We offer:

- ✂ Analyses, development of visions, market research, liaising
- ✂ Individually tailored support in financial and HR matters
- ✂ Communication: correspondence, translations, interpreters
- ✂ International business law, contracts
- ✂ Change Management and multi-disciplinary coaching

We support:

- ✂ Trade relations, export/import
- ✂ Representative offices, branch offices, subsidiaries, joint ventures, and distribution systems
- ✂ Mergers & acquisitions, divestitures
- ✂ Tailor made education, training, and seminars

We emphasize:

- ✂ Close, action-driven cooperation
- ✂ Professional project management and coordination
- ✂ Broad services from one source using our wide network
- ✂ Objective viewpoint and orientation towards value driving for your project
- ✂ Bridge building between entrepreneurial and national cultures.

MSM Fininco AG is a member of the *United Nations Global Compact* and supports its principles in respect to human rights, labour rights and the protection of the environment. The law firm is registered member of the Globalaw[®], an international association of lawyers around the world.

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Legal&Financial issues

All CCE-R members acting in the legal and financial fields are invited to contribute to this column.

Legal Focus

by **“Zsolt Karl Radnoczy - NÖRR STIEFENHOFER LUTZ”**

Foreign Nationals in Romania Residence Permits and Work Permits

The legal provisions whose subject-matter is the residence of the foreign nationals in Romania and/or the activities performed by the foreign nationals in Romania have been newly amended by the Governmental Ordinance no. 1873/2005 regarding the authorization of the norms for the implementation of the Law no. 203/1999 regarding the work permits.

A significant amendment is the introduction of a total number of 7 (seven) types of work permits corresponding to the type of the activities performed by foreign nationals in Romania. Therefore a work permit is required for most of the foreign nationals working in Romania. The cases of the foreign nationals who do not need a work permit are regulated by law. It should be taken into account that the Ordinance has added to the already existing categories a new category of foreign nationals who do not need a work permit, namely those foreign nationals who have been appointed as directors of a Romanian subsidiary or of a Romanian representative office of a foreign company.

It should be also taken into consideration that the seconded foreign nationals who want to work in Romania are liable to obtain a work permit. These need a work permit type B which will be issued for a maximum period of 12 (twelve) months on the basis of the secondment decision and under the reserve of presenting the corresponding secondment agreement. Thus the distinction to the former provisions is drawn, which provided (for) the requirement of a work permit only in case the secondment was prolonged.

Henceforward, the seconded foreign nationals can work in Romania during a secondment for maximum one year in a period of 5 years. Upon expiry of the aforementioned secondment period the foreign national can prolong his residence in Romania on the basis of a work permit type A (for permanent employees). In order to obtain such work permit he must be obligatory employed by a Romanian employer.

It should be taken into consideration that the new legal provisions in the field of work and/or residence permits make the appointment and the activity of the foreign nationals in Romania difficult. Especially the high administration effort implied by the obtaining of a work permit and the long period needed for this, cause significant disadvantages in the field of the employment of foreign manpower in Romania.

There is promise for improvements in this respect due to the fact that starting with Romania's accession to the EU the seconded foreign nationals will be able to work in Romania without work permit.

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Tax Column

by Serge R. Gonvers, Senior Partner, "Audiconsult" SRL

The purpose of this "tax column" is not only to highlight major recent changes in the field of taxation but, as well, to give some updated trends and opinions prevailing in the business community.

It has been confirmed that proposed modifications of the fiscal code shall be discussed in the coming weeks in the Government first, then in the Parliament in order to be published before July 1st, 2006 and to be valid as from January 1st, 2007.

Based on the above, it should be no modifications of tax legislation this year and nothing spectacular is expected either for next year.

Among the subjects "in the air" are the deductibility of life insurance premiums (to be dealt with private pension fund subject more generally) and the abrogation of facilities granted for "investment with an economic impact".

The construction industry is lobbying for a VAT reduction in the field in order to boost investments in buildings, especially residential.

On a more general point of view, National Bank has kept inflation target for this year at 5% ... assuming already now that we shall not end up lower than 6.5%!

The same National Bank is suspecting the real estate prices to be overvalued and ordered a survey on the subject.

Last but not least, the Ministry of Justice has issued a draft for modifications of the Commercial Companies law (Law no. 31 / 1990).

Any comments or questions are welcome at serge.gonvers@audiconsult.ro

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Business News

Hoffmann La Roche turnover up 30%

Pharmaceutical company Hoffmann La Roche estimates to have made 30% higher turnover last year, compared with 2004, when, according to Cegedim data, it achieved sales of some 62.9 million euros and a 6.5% market share.

"We concluded 2005 in the second position among pharmaceutical companies in Romania and expect to see a similar market share in 2006 as in 2005. The company's sales in 2006 will be worth at least as much as they were in 2005, with a similar market share," Dan Zamonea, Roche Romania's general manager said.

Nine months into last year, according to the latest Cegedim data, Roche Romania achieved turnover of 53.4 million euros, and a market share of 6.9%. The company is world's leading producer of cancer drugs, with a market share of about 30%.

It has been present on the Romanian market for more than 10 years and operates on the top therapeutic segments - virology (HIV, viral hepatitis, influenza), oncology, obesity treatment and transplants. "The Roche drug for chronic hepatitis C was cleared by the Romanian authorities for two new avenues, hepatitis B and HIV-HCV co-infection," Zamonea went on.

Then there is the newest colorectal cancer treatment, as well as a new drug for the cytomegalovirus infection (CMV). "These are products that rely on complex, high-tech research," Zamonea said. Roche Romania's portfolio will expand this year, but the company official would not provide further details at this moment.

"Hoffmann La Roche is carrying out domestic production projects with companies like Terapia Cluj, but does not rule out cooperation with Romanian partners, as long as our market develops and integrates into the European Union market," Zamonea explained.

The company invests more than 5% of its annual turnover every year in testing and diagnosis equipment, in diagnostic tests, clinical studies and programmes than ensure broad patient access to new therapies. *(by Ziarul Financiar, 01.02.2006)*

Siemens and ABB land over 7 Million-euro contracts

ABB Romania, the domestic branch of the Swiss-Swedish company operating in the sector of power equipment and industrial services, announced on Monday the delivery of two retrooled electrical power stations, on the basis of contracts worth around 6m euros sealed with Electrica Transilvania Nord and Transelectrica Pitesti, respectively.

German company Siemens has recently signed a 1m-euro contract with Electrocentrale Bucharest power producer, to supply a voice and data network. Major international equipment and services suppliers are jostling for better positions on the Romanian energy market, which has been dominated by state-owned companies until last year.

Following the first takeovers of companies in this sector, by large foreign investors such as CEZ (the Czech Republic), E.ON (Germany) and Enel (Italy), all of which have voiced plans to pour massive investment to modernise the infrastructure of the acquired assets, international companies in the power equipment and services market will log rising orders.

ABB and Siemens hold solid positions on the Romanian power market, being among the biggest suppliers in this market. ABB, a Swiss-Swedish company, carried out a contract for the modernisation of Electrica Oradea Centru station worth 3.8 million euros. ABB finished works for the restoration of Transelectrica Pitesti station, on the basis of a contract worth 2.28 million euros. The station secures electrical power for industrial consumers of Pitesti area, such as CET and the Arpechim platform, owned by Petrom.

In both projects, ABB Romania was the general contractor, while the design and construction of stations were exclusively handled by Romanian firms. This once again confirms the policy the group is applying to the Romanian market. Siemens, which has embraced a completely different policy for the Romanian market, opening plants at a fast pace, has signed a 1m-euro contract with Electrocentrale Bucharest for the development of a voice and data network.

The network will connect the central headquarters with CET Grozavesti, CET Sud, CET Progresul, CET Titan and CET Vest thermal power stations. The contract will be carried out in five months after the date the contract was signed. During the fiscal year of 2005, which ended on September 30th, the domestic branch of the German industrial giant created turnover of approximately 350 million euros.

Siemens plans to reach a turnover equal to one billion euros annually by 2014 through various activities, which it operates within the Romanian market. *(by Ziarul Financiar, 22.02.2006)*

The CCE-R Events Calendar

Next events organized by the Chamber of Commerce Switzerland – Romania

Month	Day	Action	Place
March 2006	March 14 17:30	CCE-R Board Meeting	CCE-R office Bucharest
	March 27 18:00	CCE-R General Assembly	Swiss House Bucharest
April 2006	April 4-5	Participation at SEC's General Assembly	Baden, Zürich Switzerland
	April 17 17:30	CCE-R Board Meeting	CCE-R office Bucharest
	April 27	Business Club with OECD : Anthony O'Sullivan, Head of the OECD Investment Compact for South East Europe ; other OECD experts	tbd



Board Meetings are only for the Board Members.

This is a monthly Newsletter, released at the end of each month. Should you have any suggestions concerning it or should you want to contribute to its realization, please send us your proposals at:

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Become a CCE-R Member

If you want to help our Association grow, one of the best ways is to make it known and accessible. Invite interested companies to become members of CCE-R. They may fill in this form and return it to the head-office of the CCE-R.

MEMBERSHIP APPLICATION FORM

You are kindly requested to fill in the application form in block letters

COMPANY DATA		
Full Name		
Scope of Activity		
Registered Address		
Mailing Address (if different from above)		
Phones	#1	#2
Fax	#1	#2
E-mail	Website	
Reg. Com. No.	Fiscal Code	
Bank		
Account No.		
REPRESENTATIVE OF THE COMPANY		
Full Name	<input type="checkbox"/> Mr.	<input type="checkbox"/> Mrs.
Position		
Direct Phone	Direct Fax	
Mobile Phone (optional)	E-mail	
ADDITIONAL INFORMATION (optional)		
Links with Switzerland		
Specific interests within the CCER		
Any other relevant information		

Signature and stamp

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