



# CCE-R Newsletter

## (No.07 / July - August 2005)

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### Editorial of the month

#### on the occasion of Switzerland's National Day

Dear members of the Chamber of Commerce,  
Dear fellow citizens,

The first nine months of my posting in Romania have been filled with enriching experiences and made me discover a country undergoing tremendous change.

Ambitious and impatient, torn between its recent history and the promises of the future, Romania has quickly convinced me of its great potential. I am very impressed with the dynamism of its companies and of its people.

In a spirit of solidarity, Switzerland contributed to the transition process in Romania through private as well as government-driven initiatives. These actions established sustainable bounds of friendship and cooperation between our two countries.

I was particularly pleased with the quality and level of involvement of the Swiss business community in Romania since the opening of the country's economy. Swiss business people have indeed been very prompt in seizing commercial and financial opportunities here. In a business-driven environment such as ours, it is certainly the most effective way to strengthen our bilateral relations.

A lot has been achieved, but a lot remains to be done.

Therefore, I sincerely wish that, in the years to come, we should all strive to maintain a successful cooperation with our Romanian partners.

With my best wishes for the 1<sup>st</sup> of August

and my warmest regards,

*Jean-Claude Richard*

*Ambassador of Switzerland to Romania*

## The CCE-R Board informs

### CCE-R Board Meeting – July 20, 2005

The Board meeting in July 2005 took place on the 20, at *Ringier Romania*'s head-office in 6, Dimitrie Pompei Bd. - Novo Parc Pipera, Bucharest. The meeting was chaired by Paul Nuber, CCE-R President.

The Board discussed details on the Chamber's stand at TIB 2005, the website and the brochure.

Designed by Dani Iancu, Art Director, *Unica - Ringier Romania*, the CCE-R brochure will be printed at the beginning of September.

The CCE-R website will be launched at the beginning of August.

✚ The next CCE-R Board Meeting will take place on August 30, 2005, 17:00, at the Chamber's office.

### CCE-R Business Club – July 20, 2005



The CCE-R Business Club in July was kindly organized by *Ringier Romania* in its new premises in 6, Dimitrie Pompei Bd. - Novo Parc Pipera, Bucharest, on July 20, 2005, at 18:30.

Thomas Landolt, General Manager of the company, made a presentation of its history in Romania. *Ringier Romania* is the leading foreign publisher and market leader in Romania's business publications segment. Today, *Ringier Romania* publishes around ten print products: *Capital*, *Evenimentul Zilei*, *Libertatea*, *TVMania*, *Pro Sport*, *Unica*, *Bolero*, *TVSatelit*, *Bravo*, *Bravo Girl!*, *Lumea Femeilor*.

The presentation was followed by a tour of the building where all *Ringier Romania*'s publications are now located. Our members had the interesting experience to see journalists working and preparing dailies for the very next day.

During the cocktail kindly offered by the host afterwards, the members exchanged views and opinions.

✚ The next CCE-R Business Club will take place on August 30, 2005, 19:00, at *Heidi Chocolats Suisse*, in co-operation with the *Swiss Association*.

## News

Starting with August 1<sup>st</sup>, 2005, the counselor of the Romanian embassy in Bern is Mr. Rodrig Dinulescu. He is a counselor of the Romanian Ministry of Economy and Commerce. For details, please visit the official site of Romania's Embassy in Switzerland: <http://roembassy-bern.ew.ro>.

**New Swiss investor in Romania: SIAROM SRL** is the branch of **sia Abrasives Industries AG**, the third biggest manufacturer of abrasive materials in the world. On July 14, 2005, they opened the only converting factory for *sia* products in Romania, located in Brasov. For details, please contact [siarom@sia.ro](mailto:siarom@sia.ro).



### **SIPPO consultant visited textile companies in Romania.**

During July 10-13, Urs Wehrle, a SIPPO consultant for home textiles, visited four Romanian companies in the field. His visit was organized by the Chamber of Commerce Switzerland – Romania, SIPPO's representative in Romania.



**SwissMEM representative visited Bucharest.** Mr. Hans-Peter Finger, SwissMEM General Secretary, attended a seminar in Bucharest between July 26-28, 2005. On this occasion, he had a meeting with Gentiana Bulau, CCE-R Executive Director and with Peter Simon, General Manager of *ABB Romania*.



Chambre de Commerce Suisse – Europe Centrale  
Chamber of Commerce Switzerland – Central Europe  
Handelskammer Schweiz – Mitteleuropa

Albanien • Bosnien-Herzegowina • Bulgarien • Estland • Kroatien • Lettland • Litauen • Mazedonien • Polen • Rumänien  
Serbien & Montenegro • Slowakei • Slowenien • Tschechien • Ungarn

**The Chamber of Commerce Switzerland – Central Europe (SEC) will organize the Annual Meeting with the Ambassadors of the Central and Eastern European countries** at Schloss Schadau, Thun, Switzerland, on August 26, 2005.

## Switzerland's National Day – August 1<sup>st</sup>

**The Embassy of Switzerland in Romania will organize a reception on the occasion of Switzerland's National Day**, in 21, Plantelor Str., Bucharest - *La Maison Suisse*, on August 1<sup>st</sup>, 2005. All CCE-R members are invited to this event.

Switzerland's National Day will be highlighted in a Swiss supplement of *Evenimentul Zilei*, on August 1st. The Swiss Embassy, the Chamber of Commerce Switzerland – Romania and its members will be present in the pages of the newspaper.

“Swiss flavor for the Romanian economy” is the title of a special article on Swiss investors in Romania published by *Bucharest Business Week* in its issue of July 18-24, 2005. It highlighted the Swiss Power Breakfast that took place at Crowne Plaza, on July 10, 2005. The Swiss Ambassador in Romania, H.E. Jean-Claude Richard, members of the Chamber of Commerce Switzerland – Romania and other Swiss investors in Romania took part in this event.

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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](mailto:ccer@ccer.ro).**

### FRANKE ROMANIA



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**FRANKE**

## 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 Radnocy - NÖRR STIEFENHOFER LUTZ“

#### Amendments to the Labour Code

*The Law no. 53/2003 – Labor Code – has been amended through the Emergency Ordinance of the Romanian Government no. 65 of 29.06.2005, published in the Official Journal no. 576 of 05.07.2005. In the following we would like to briefly present you the most important amendments:*

**1. Non competition clause**

The interdiction of non competition can be now agreed during the duration of the employment agreement without granting any compensation. Contrary to the previous regulations, for the observance after the termination of the employment agreement of the non competition clause, which can be agreed for a maximal period of 2 years, the employee must be granted a monthly compensation, which can not be less than 50% of the average of the gross salary rights of the employee in the last 6 months from the duration of the employment agreement. The validity of the non competition clause is related to the observance of the legal provisions regarding the phrasing of the aforementioned clause.

**2. Termination of the employment agreement during probation period**

The conditions for the termination of an employment agreement during the probation period have been significant simplified. The termination of the employment agreement can take place – independent if it is initiated by the employer or by the employee – on the basis of a notice addressed to the other party.

**3. Unfounded absence form the working place**

In case that the employee is absent without reason from the working place, the employment relationship can be suspended upon initiative of the employer.

**4. Employment agreements with limited duration**

The maximal period for which the duration of an employment agreement can be limited has been increased from 18 months to 24 months.

**5. Collective dismissal**

With respect to the collective dismissals, the previous legal provisions have been clarified. In this respect, the terms regarding the obligation of consultancy, respective notifying, which have to be observed by the employer and the trade-unions / representatives of the employees have been specified, respectively shortened.

**6. Professional training**

The employer has the obligation to organize programs of professional training for all employees. In case that the company has more than 20 employees the trade-unions / representatives of the employees must be consulted by the drafting of the programs of professional training.

**7. Register of the employees**

The content of the register of the employees is now regulated in the Labour Code. In the register of the employees must be stipulated the personal data of all the employees, the date of the employment, the function of the employee, the type of the employment agreement, as well as the date of the termination of the employment agreement.

## 8. Sanctions

The sanctions to be applied to the employers in case of non – observance of the legal labor provisions have been sharpened and widened. In case of failure to conclude an employment agreement for a person active in the company, the fine to be applied per case amounts between RON 1.500,-- and RON 2.000,-- whereas the total amount of the fines can not exceed RON 100.000,--. Other fines amounting between RON 1.500,-- and RON 5.000,-- have been regulated for the non-observance of the legal provisions regarding weekly pause, night work, over-time, as well as for other violations of the law.

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## Business News

### **Altex and Raiffeisen Bank launch consumer loan Co. Credex**

Appliance retailer Altex and Raiffeisen Bank have announced plans to set up a consumer loan company, Credex by end-September. The company will be controlled by Altex and will operate in all of Altex' Media Galaxy stores.

Altex CEO Dan Ostahie said the Credex offer would combine the advantages of on-site crediting (rapid response, mobility, a minimum amount of paperwork) with the advantages usually offered by banks (low costs, flexibility, larger loans). Thus he introduced the future company's motto: "Your Bank In Your Store."

Credex' turnover in 2006 was projected at 100 million EUR, following an investment of 20 million EUR by the two shareholders. Altex is a leading electronics and appliances retailer with over 120 stores across the country and a H1 turnover of 137 million EUR including VAT.

Raiffeisen Bank concluded last year with over 1,500 retail customers and 3,500 large corporate customers. The bank posted an asset value in excess of 2 billion EUR and a net profit of 28.1 million EUR, up six times year-on-year.

*(Press release, 14.07.2005)*

### **Raiffeisen evolution plans EUR 60m projects**

Real estate developer Raiffeisen Evolution Project Development will engage in residential and office projects worth some EUR 60 million in the short term.

"For our residential project, we foresee a development of some 30,000-50,000 sqm overall. We plan to establish apartment buildings consisting of a ground floor and four to five upper levels at the most," said Catalin Scripcaru, managing director of Raiffeisen Evolution. "Although the condominium concept is in fashion these days, we will not make such a development. The investment, including the value of the land, could rise to some EUR 30 million."

According to the company, the development will target people with minimum overall revenues of some EUR 1,000 per month. "In terms of surfaces, apartments in Romania are lining up with the European trends, which are somewhere between 80-120 sqm. And we will apply this trend," Scripcaru added.

The office project, planned for the short term, will have around 30,000-35,000 sqm and the investment will be around EUR 30 million. The company recently leased some 80 percent of A-class office building Floreasca Tower to IT company Oracle. "The contract with Oracle was signed for the long term and to confirm that, the building will be renamed Oracle Tower."

The remaining 20 percent of the building had been leased to companies in the pharmaceutical field. Oracle Tower represents an investment of around EUR 14 million, which is to be completed by the year's end. The building has an overall capacity of 7,600 sqm, structured on two underground floors, a ground floor and 13 upper levels.

"Bucharest will change its appearance over the next 10-15 years with the delivery of several major real estate projects. Mentalities will change, as will living and working habits. As far as we are concerned, we want to have at least two major real estate projects within the next 10 years," Scripcaru said.

Raiffeisen Evolution has developed several projects in Romania so far, the largest being the hotel and office complex Grand, home to the JW Marriott Bucharest Grand Hotel. Other projects include the A-class office buildings Casa Mosilor Office Center, Smart Office Center, Baneasa Center and the Ploiesti-based Hippodrome Office Center. To date, the company has completed investments of EUR 200 million. Bucharest will remain the main target for the company's future developments.

Raiffeisen Evolution Project Development is headquartered in Vienna and has subsidiaries in Hungary, Poland, Croatia, Romania and the Czech Republic. Its activities include projects in the residential, office and commercial segments. It is owned by Raiffeisen Property Invest and Concorde Projekt – both members of the Austrian-based group Raiffeisen – and Strabag.

*(by Business Review, 15.07.2005)*

#### **Nestlé heading for 90 Million-euro turnover**

Nestlé Romania, the local branch of Swiss foods company Nestlé, saw its turnover increase by over 40% in the first six months of the year, compared with the corresponding period last year.

Although initial forecasts for the second half of the year pointed to a slower growth pace, the company's turnover may eventually reach 86-90 million euros this year. "We expect slightly slower growth in the second half of the year, given the boom we saw in the first half of 2004," said Paul Nuber, general manager of Nestlé Romania.

This year's growth was spurred on by an increased range of products and investment in promotion, following the 9 million-euro capital increase operated at the beginning of the year. The company's turnover increased to 250 million RON last year, 68% up on 2003. Calculated in euros, last year's turnover was 62 million euros, 59% higher than for the previous year. "Annual growth will range between 25% and 30% in ROL this year," Nuber said. This means annual turnover of 86-91 million euros.

With sales having grown 30% each year for the past three years, Nestlé looks set to become one of the top players on the local sweets market and one of Romania's largest multinationals. Worldwide, Nestlé is the world's biggest foods group, with annual turnover of more than 60 billion euros. Nestlé entered Romania by buying the Joe wafers plant from the brothers Florentin and Daniel Banu. The company has invested more than 10 million euros in this plant, whose output is exported to most neighbouring countries.

The company has some 500 employees in Romania, 300 of which work at the Joe factory in Timisoara, with the remaining 200 at the company's headquarters in Bucharest. Quoting a survey by market research company AC Nielsen for the period April-May 2005, the company said the Joe brand was a market leader, while the Maggi condiments brand ranked second after Knorr, a brand owned by Anglo-Dutch company Unilever.

Nestlé also sells other brands in Romania, such as Nестea ice-tea, which is distributed by Coca-Cola HBC Romania based on a global partnership; NESCAFÉ instant coffee; the breakfast cereals Chocapic, Fitness and Nesquick; Lapte Junior food for 1-3 year-olds; and the dog and cat food Darling, Friskies and Purina. Nestlé's main competitors are Kraft Foods, Excelent, European Drinks, Alka and Unilever.

*(by Ziarul Financiar, 29.07.2005)*

## The CCE-R Events Calendar

### Events to be organized by the Chamber of Commerce Switzerland – Romania in Summer 2005

| Month | Day | Action | Place |
|-------|-----|--------|-------|
|-------|-----|--------|-------|

|             |                    |                                                                                                                       |                                                               |
|-------------|--------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| August 2005 | August 30<br>17:00 | Board Meeting                                                                                                         | CCE-R office                                                  |
|             | August 30<br>19:00 | Business Club:<br>Joint meeting with the<br><b>Swiss Association</b> at<br><b>HEIDI CHOCOLATS<br/>SUISSE</b> - picnic | <b>HEIDI CHOCOLATS<br/>SUISSE</b> 's head-office<br>Bucharest |



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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