



CCE-R Newsletter

(No. 6 / June 2004)

In this issue:

Editorial

The CCE-R Board informs

>> [more](#)

This Month's Member NESTLÉ

>> [more](#)

Legal&Financial issues

>> [more](#)

Business News

>> [more](#)

CCE-R Events Calendar

>> [more](#)

Become a CCE-R member

>> [Join now](#)

Editorial of the month

New chances; new challenges

In the midst of this agitated political climate: general election year, local election campaign, hope for the opposition has blossomed. We can also say that hope for many people, liberal and democratic type, has got a clearer shape. Both voters and non-voters expressed their "sour taste" for past and present politics, showing their wish to change things radically.

People living through transition times are aware of sacrifices they have to make, but they want to see "the light at the end of the tunnel", and they want to come closer to the way of life democratic countries pursue.

Foreign investors striving through thick bureaucracy and good-old-fashion Romanian corruption are models of determination for Romanians, who very often give-in to the sick system. But more and more people have understood the direction we must follow, the way to a strong and healthy economy and the path for individual financial fulfilment and security.

I remember a movie where a father advised his only son, among other things "And if you can, get rich!" Escaping the conceptual chains of communism, Romanians have started to feel and enjoy the competitive spirit of developing a free - market economy.

And this is where we, foreign investors, come in: we, *Swisspor Holding*, a Swiss company having entered the insulation materials for constructions market, - almost seven years ago - have succeeded to blend-in the local business atmosphere by exchanging ideas, resources and energy with the Romanian free-market economy.

Even if we encountered obstacles, we realized the huge potential of the construction business branch opening widely in a full developing economy.

We became the main shareholders of a 21 ha industrial platform near Ploiesti, on which we built from scratch a brand new polystyrene factory.

We needed and got the support of Romanian specialists, we managed to reach a top position in our field of activity, combining the Swiss accuracy with the Romanian energy.

Trying to be and stay on top, *Swisspor* has a new series of challenges ahead:

- we launched a common programmed together with the "sister" company *Matizol* (the second market company, member of *Swisspor Holding*, present in Romania), which targets to create a common interface with the market; these two brands combined result in number one thermo and hydro insulation producer in Romania;

- we are also planning to extend the production plant in Ploiesti as well as to build a second polystyrene factory in Transilvania, in order to strengthen our business net and presence in the northern area of Romania.

Romania is growing more and more in this European climate opening its infinite opportunities to serious business and hard-working companies. Its people are willing to try the "western European way" and are capable of changing the balance of history in its favour by integrating in the European economic system.

Our basic idea has always been that only together, Swiss and Romanians can start and develop a strong, healthy business, a company that wants and deserves a long-lasting successful future for our mutual benefit.

Contact us:

CCE-R
4-10, Drobeta Str., Apt. 1
Sector 2, 020521 Bucharest
Tel./ Fax: +40 21 212 27 07
GSM: +40 745 63 53 83
E-mail: cceer@pcnet.ro




Jürg Hasler, General Manager
Swisspor Romania

The CCE-R Board informs

CCE-R Board Meeting – June 02, 2004

The CCE-R monthly Board Meeting took place on June 02, at CCE-R's head office. The meeting was chaired by Jörg Menzer, *Nörr Stiefenhofer Lutz*, a member of the CCE-R Board.


The following Board members attended the meeting:

-  Jürg Hasler, *Swisspor*;
-  Ovidiu Mantho, *SGS*;
-  Jörg Menzer, *Nörr Stiefenhofer Lutz*.

The Board approved the candidateship of *GEBERIT AG* that became the 52nd member of our Chamber.

The involvement of our Chamber in the organization of the *seco* mission in Romania during June 23-25, 2004 was one of the main topics discussed. The Chamber will co-operate in this action with the Swiss embassy.

The CCE-R Code of Ethics was drawn up and presented by Ovidiu Mantho. It will be discussed and adopted in the next Board meeting.

 **The next CCE-R Board Meeting will take place on July 07, 2004, 17:30, at TUBORG headquarters.**

Seco mission in Romania (June 23-25, 2004)

From 22 to 25 June an Economic Mission from Switzerland visited Romania. It was organised by the Chamber of Commerce Switzerland - Central Europe *SEC*, the Swiss State Secretariat for Economy *SECO*, the Swiss Organisation for Facilitating Investments *SOFI*, the Chamber of Commerce Switzerland – Romania, *CCE-R*, and the Swiss Embassy in Bucharest.

The Mission was headed by Ambassador Joerg Al. Reding from *SECO*. It consisted of some 20 persons representing mainly small and medium size companies. The mission members came from very diverse fields such as printing, real estate, energy, consulting, entertainment industry, engineering, machinery, communications, textiles, wood industry. The Association of Swiss Mechanical and Electrical Engineering Industries *SWISSMEM*, the Swiss Association of Environmental Technology *SVUT* and the Swiss Import Promotion Programme *SIPPO* were also part of the mission. Ambassador François Chappuis and I accompanied the Mission here in Romania.

We visited Timisoara, Brasov and Bucharest. In each location there was a presentation by the local Chamber of Industry and Commerce followed by bilateral meetings between Swiss and Romanian companies. The visitors from Switzerland were impressed by the diversity of these three cities. Each of the three has its own history and culture and its specific characteristics - which incidentally were also reflected in the style and the atmosphere of the presentations and meetings at the three local chambers. Especially useful were the presentations of the Swiss companies already active in Romania.

Most of them were one of the CCE-R members:

- **Peter Bayard**, General Manager of **HELVETICA PROFARM**, in Timisoara, presented to the Swiss guests not only his success story in Romania but also the economic and legal environment. He offered them a real picture on the business opportunities and threats in Banat area. His help was of a great value for the Swiss investors.

- The visit to **INTER-SPITZEN** was a very interesting one because it gave an insight on the working conditions in Romania. **Waldemar Megerle**, the General Manager of the company, guided the guests in the factory.

- **SIKA ROMANIA** is the CCE-R member in Brasov area. **Cristian Zgunea**, Distribution Manager of the company, presented to the guests the economic and legal status of the area and Sika's reasons to be there.

- In Bucharest, Mr. **Markus Rellstab**, General Manager of **RED POINT SOFTWARE**, had a very good presentation of the IT field in Romania together with his company's performances here,

- ... and **HEIDI CHOCOLATS SUISSE**, represented by its General Manager, **Konrad Hafner**, convinced the Swiss investors that Romania has a great potential. The vivid and relaxed words of Mr. Hafner were very much appreciated by the participants.

I want to take this opportunity to officially thank all the speakers who talked about their (good and bad) experiences in Romania and have provided the visitors with valuable insights.

We would also like to thank **HEIDI CHOCOLATS SUISSE** and **NESTLÉ ROMANIA** for sponsoring with coffee and chocolate the whole programme.

Dominique Petter
Counsellor
Embassy of Switzerland

Starting July 01, 2004,

Andreea Brezean is the new Country Sales Manager of Swiss International Air Lines Ltd.

She is the new representative of the company in Romania. You may contact her at:

Swiss International Air Lines Ltd.
18, Bd. Magheru, RO-010333 Bucharest
Tel.: +40 21 312 02 38
Fax: +40 21 212 57 74
E-mail: abrezean@mail.swiss.com

Hans Juerg Bangerter, the former General Manager of the Romanian branch of the company, will remain the Honorary Member of our Chamber.

You may contact him at:
Tel.: +40 722 366 522
E-mail: hjbangerter@hotmail.com

CCE-R Business Club

Each month, the CCE-R organizes a monthly meeting of its members, giving them the opportunity to receive more information on each other. These monthly meetings have been traditionally known as the "CCE-R Business Clubs".


CCE-R Business Club, June 02, 2004

Mr. Jakob Hausmann, the owner of the Swiss Restaurant "*Mica Elvetie*", was the host of the CCE-R Business Club on June 02, 2004, at 19:00.

Mr. Joerg Menzer, the Head of the *Noerr Stiefenhofer Lutz* Bucharest Office, chaired the meeting and presented the **Romanian Labour Code** to the guests.

The dinner that followed was a Swiss traditional one which our members appreciated very much. The restaurant is a Swiss island in the centre of the Romanian capital city. Its coordinates are:

Mica Elvetie
36, I.L. Caragiale Str., Bucharest
Tel.: +40 21 210 41 77
Fax: +40 21 211 37 81
E-mail: micaelvetie@voxline.ro
Web: www.micaelvetie.ro

 **The next Business Club will be hosted by Tuborg Brewery, on July 07, 2004, in 89, Biruintei Blvd., Comuna Pantelimon, Ilfov, at 19:00.**

[^ Back to Top ^](#)

This month's member / 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@pcnet.ro.**



Good Food, Good Life

Nestlé worldwide - quick facts

In the mid-1860s, Henri Nestlé, a trained pharmacist, began experimenting with various combinations of cow's milk, wheat flour and sugar in an attempt to develop an alternative source of infant nutrition for mothers who were unable to breast feed. His ultimate goal was to help combat the problem of infant mortality due to malnutrition. He called the new product *Farine Lactée Henri Nestlé*.

Over the next 40 years, the company developed very fast. Thus, by the beginning of the 20th century Nestlé had merged with two valuable Swiss companies, Anglo-Swiss Condensed Milk Society and Peter Cailler Kohler, the creator of milk chocolate.

The 1930s are marked by another important step in Nestlé's history. The Brazilian Coffee Institute was seeking new products to reduce Brazil's large coffee surplus. Eight years of research produced a soluble powder that revolutionized coffee-drinking habits worldwide. This is how the first instant coffee was born:

NESCAFÉ = Nestlé+ café

NESCAFÉ continues its unbelievable increase. From 1950 to 1959, coffee sales tripled between 1960 and 1974 sales grew 4 times. 15 years after the WWII, Nestlé doubled its sales.

In 1947, Nestlé merged with Alimentana S.A., the manufacturer of Maggi seasonings and soups, becoming Nestlé Alimentana Company. The acquisition of Crosse & Blackwell, the British manufacturer of preserves and canned foods, followed in 1950, as did the purchase of Findus frozen foods (1963), Libby's fruit juices (1971) and Stouffer's frozen foods (1973).

Nestlé management

In 1974, the company reached the decision to diversify for the first time outside the food industry and became a major shareholder in L'Oréal, one of the world's leading makers of cosmetics.

The acquisition of American food giant, Carnation, in 1985 was equal to a record in the field. It was followed by Vittel-Perrier in 1992 and Spillers Pet Food in 1998 which brought Nestlé on a solid position in the pet food sector.

Nestlé – local presence

Since its foundation in 1866, Nestlé has built consumers' trust through the quality of its products, has respected the social, political and cultural traditions of all countries in which it operates and has taken the long-term approach to strategic decision-making, which recognizes the interests of its shareholders, consumers, employees, business partners and industrial suppliers as well as those of all the national economies in which it operates.

Out of the 511 Nestlé factories today, more than 200 are located in emerging markets, an indication of our commitment to local or regional production. This enables developing countries to move from being producers of raw materials to being producers of finished products. Worldwide, Nestlé has over 250.000 employees from nearly every country collaborating within a unifying corporate culture.

Nestlé has been present in Romania since 1995 when it launched on the market NESCAFÉ, Maggi and Nesquik brands. Certain Nestlé brands were available even before then.

In 2000, Nestlé acquired Joe IBC, a very popular wafers factory located in Timisoara, thus making the first important step both as an investor and as manufacturer in Romania.

In only 3 years since the acquisition, Nestlé Romania tripled its turnover and expects a 50% growth in 2004, due to changes in its distribution system and a new approach of the market.

The Nestlé Romania portfolio in 2004 includes Coffee (NESCAFÉ BRASERO, NESCAFÉ CLASSIC, NESCAFÉ GOLD), Instant Cocoa (NESQUIK), Wafers (JOE), Chocolate Bars (LION), Culinary (MAGGI seasonings, soups and bouillons), Infant Nutrition (NAN, BEBA, NESTLÉ), Infant Cereals and jars, Breakfast Cereals (NESQUIK, CHOCAPIC, CINI MINIS, FITNESS, KANGUS, CHEERIOS, CORN FLAKES, GOLD FLAKES) Cereal Bars (NESQUIK, CHOCAPIC, FITNESS, CINI-MINIS), and Pet Food (PURINA, FRISKIES, DARLING, GOURMET). It has both retail and Out Of Home (HORECA and Vending) operations.

Our key to success?

Quality is the cornerstone of our success. Every day, millions of people all over the world show their confidence in us by choosing Nestlé products. This confidence is based on our quality image and a reputation for high standards that has been built up over many years.

A Nestlé brand name on a product is a promise to the customer that it is safe to consume, that it complies with all regulations and that it meets high standards of quality. Customers expect us to keep this promise every time.

Under no circumstances will we compromise on the safety of a product and every effort must be made to avoid hazards to health. Likewise, compliance with all relevant laws and regulations is a must and is not negotiable. People, equipment and instruments are made available to ensure safety and conformity of Nestlé products at all times.

Nestlé Romania SRL

Phone: +40 21 204 40 00

Fax: +40 21 204 40 30

E-mail: office@ro.nestle.com

Address: 9 – 9A, Dimitrie Pompei Blv. Bucharest – 2

General Manager: Paul NUBER

[^ Back to Top ^](#)

Legal&Financial issues

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

Modifications of Law No. 7/1996 concerning Land Register and Real Estate Publicity

On June 7, 2004 was adopted the Government Ordinance No. 41/2004, which has changed essential aspects of Law No. 7/1996.

Law No. 7/1996 regulated a system, by which the land register and the real estate publicity are administrated by two administrative units: the land registries and the National Land Register, Geodesy and Cartography Office. The land registries have been organized at each local court within the framework of the Ministry of Justice, and the National Land Register, Geodesy and Cartography Office has been organized within the framework of the Ministry of Administration and of the Interior.

The Emergency Ordinance No. 41/2004 replaces the above-mentioned administrative units with a sole National Agency of Land Register and Real Estate Publicity (hereinafter referred to as "**National Agency**"). The National Agency operates within the framework of the Ministry of Administration and of the Interior, with the aim of continuing the harmonization of the national legal provisions with the European legal provisions and preparing the accession of Romania to the EU.

The competence of the National Agency incorporates the entire territory of Romania. As such the land registries of each competent local court will be replaced by land registries organized within the local offices of the National Agency. Nevertheless, the present land registries will continue their usual activity until the effective take-over of these activities by the local offices of the National Agency.

The activity regarding real estate publicity shall no longer be conducted by judges of land registries, but by "Recorders", within the scope of the local offices of the National Agency. The recorders are employed on the basis of a contest organized by the National Agency. As an exception, the employees of the present land registries which can prove a 5 year experience in these positions can be employed without any contest.

The National Agency is managed by a board of directors which will consist of nine board members. All board members, including the director of the National Agency, will be appointed and revoked by the Administration and Internal Affairs Minister.

This new organization of the land register and of the real estate publicity will represent a simplification of the above-mentioned system. It is worth noting that, pursuant to the provisions of the old Law No. 7/2004, the unification of the land registry system and of the real estate publicity has not been completed within the entire territory of Romania. Hence, this law modification will lead, according to the previous experience, at least in the initial stages, to further difficulties regarding the implementation of an unified land register and real estate publicity system in entire Romania. In this regard there should be noted that the Emergency Ordinance No. 41/2004 foresees no definite deadline for the complete take-over of activities of present land registries by the local offices of the National Agency.

NÖRR STIEFENHOFER LUTZ
Rechtsanwälte Steuerberater Wirtschaftsprüfer
28C, G-ral C-tin Budişteanu Str.
Sector 1, Bucharest
Tel.: +40 21 312 58 88
Fax: +40 21 312 58 88
E-mail: nslbuc@noerr.ro

The 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.

As expressed before, the Romanian Ministry of Public Finance had the initiative to take advice from the business community, and especially the foreign business community. This call for consultation has a double advantage to feel the pulse of the Community and to benefit from foreign expertise on taxation matters.

Several organizations, such as FIC and some Chambers of Commerce have set-up tax committees which keep on studying proposed changes, making comments and suggestions.

Our Chamber has been closely associated to this process through the undersigned and through the active AmCham tax committee.

Keeping its promises of predictability, the Romanian Ministry of Public Finance organized a press conference on Tuesday June 15 to present its intentions as to the proposed changes of the fiscal code for next year.

Main issues are as follows:

- Decrease of company profit tax to 19% (from 25%);
- Increase in dividend tax by 5% (at 10% for physical persons, from 5%, and at 15% for companies, from 10%);
- Simplification of income tax brackets for individuals to 3 (instead of 5) and decrease of rates (minimum to 14%, from 18%, and maximum to 38%, from 40%);
- Social charges paid by employers on salaries shall be reduced to 47.5% (from 49.5%);
- Excise taxes shall increase, in line with EU regulations, for alcohol, tobacco and mineral oil, while a major decrease is announced for coffee;
- Some other issues related to deductibility of expenses were mentioned, but without much details and/or clarifications.

All these proposed changes are to be drafted, submitted and approved by the government first, then by the parliament in the autumn only, for an official validity as from January 1st, 2005.

For the time being, no text has yet either been issued or received.

If this first information given by the Ministry of Finance appears quite positive and favourable for business, many changes to this first announcement may occur following future discussions in the government and in the parliament. As well, some more detail work will be required at the level of the application norms following the changes in the fiscal code itself.

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

Audiconsult Srl

Public accountants&consultants

Bd. Dimitrie Cantemir 2A, Bl. P3, sc. 2 ap. 39, 040241 Bucharest 4

Tel.: 0040 21 336 90 88, 336 90 89 / Fax: 0040 21 336 90 98

www.audiconsult.ro

[^ Back to Top ^](#)

Business News

New Dacia unveiled

Renault officially launched the latest Dacia model – Dacia Logan - in Paris, on June 02, 2004. Renault president Louis Schweitzer originally said the company would produce a 5,000 EUR car for developing markets across the world. For the time being, we know that the newest Dacia model will be sold for some 5,700 EUR (medium options) and that this year's production will amount to some 11,000 units.

Nonetheless, Renault hopes to manufacture 700,000 units by 2010 in several locations including Romania, Russia, Iran and probably Argentina. (by Jurnalul National, June 01, 2004)

Raiffeisen Bank increases social capital

Raiffeisen Bank will increase share capital by 1.811 billion ROL (44.4 million USD), from 8,717 billion ROL to 10,529 billion ROL, in keeping with a recent decision by the bank's Board. Communication director Corina Vasile said the share capital increase was intended to sustain the bank's rapid growth in Romania. (by Romania Libera, June 28, 2004)

Raiffeisen Bank doubles bond market

Raiffeisen Bank's bond issue concluded at the end of May was oversubscribed, even though the bank had upped its issue by 15%. Raiffeisen's bond issue is worth almost the same as all the other post WW2 municipal and corporate bond issues put together. The local authorities have released 750bn ROL in bonds thus far, while corporate bond issues amounted to just over 600bn ROL.

Raiffeisen received requests from buyers for over 1,400bn ROL but will not be issuing more than 1,380bn ROL (34 million euros) in bonds. The offering had initially amounted to 1,200bn ROL (29.7 million euros) but the prospectus allowed increasing it by 180bn ROL.

"We got subscription requests for about 1,400bn ROL and the offering was upped by 15%, as provided for in the issue prospectus," Dragos Neacsu, Raiffeisen Capital & Investment's chairman told Ziarul Financiar. He added the above-mentioned figures were just preliminary, as not every investor payment had yet been confirmed.

Raiffeisen Capital & Investment, the bank's brokerage firm teamed up with Alpha Finance to form a syndicate to handle the offering. (by Ziarul Financiar, June 01, 2004)

Raiffeisen trailblazes new housing loans

Raiffeisen Banca pentru Locuinte, the first financial institution established in line with Law 541/2002 regulating collective saving and crediting for housing, is ready to sell its product.

The proposed system is based on the sealing of a "saving-crediting" contract on the basis of which the customer saves a "minimal sum" and gets, within at least 18 months, the right to receive a loan at a fixed rate of interest.

The product is offered in ROL. Owners of such contracts must save at least half of the contracted sum. For the saved sum, customers enjoy a fixed interest rate of 3% per year.

Additionally, the state pays a 30% premium on the annual deposited sums, which should not however exceed the average monthly gross salary communicated by the National Statistics Institute at the end of the year (180 euros is the estimation for 2004).

At the end of the saving period, customers benefit from a loan whose value will equal the total sum of savings. The interest the bank will charge for the contracted loan stands at 6% per year.

Interest rates are fixed for the entire period of the contract, irrespective of interest fluctuations on the monetary market. Customers authorise the bank to solicit the payment of premiums at the end of the

year through the Transportation and Housing Ministry, with the bank also assuming responsibility for ascertaining that the money is used for the stated objective.

"This is a new product for which we had to offer a thorough explanation to the National Bank in order to obtain the licence. We hope rival products will appear soon, but banks that follow our lead will have a much easier task from this point of view," Ionut Costea, chairman of Raiffeisen Banca pentru Locuinte, stated on Tuesday on the occasion of the official inauguration of the bank's activity.

He says the product is mainly targeting natural persons with low and middle incomes. The new bank has three shareholders: Raiffeisen Bank-Romania, Bausparkasse Schwaebisch Hall-Germany and Raiffeisen Bausparkasse-Austria. (by Ziarul Financiar, June 10, 2004)


[^ Back to Top ^](#)

The CCE-R Events Calendar

This calendar informs you on the next CCE-R events and is constantly up-dated.

Events to be organized by the Chamber of Commerce Switzerland – Romania

Month	Day	Action	Place
July 2004	July 7	Board Meeting	<i>TUBORG BREWERY</i>
	July 7	Business Club: Visit to <i>TUBORG BREWERY</i>	<i>TUBORG BREWERY</i>
September 2004	September 14	Board Meeting	<i>RINGIER ROMANIA</i>
	September 14	Business Club: Visit to <i>RINGIER ROMANIA</i>	<i>RINGIER ROMANIA</i>

 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:

CCE-R; Contact person: Gentiana Bulau
4-10, Drobeta Str., Apt. 1; RO-020521 Bucharest
Tel. / Fax: +40 21 212 27 07; GSM: +40 745 63 53 83
E-mail: ccer@pcnet.ro

[^ Back to Top^](#)

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

CCE-R 4-10, Drobeta Str., Apt. 1, 020521 Bucharest Tel. /Fax: +40 21 212 27 07 GSM: +40 745 63 53 83 E-mail: cceer@pcnet.ro

[^ Back to Top ^](#)