



# CCE-R Newsletter

(No.05 / July - August 2006)

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## Editorial of the month

Dear CCER-Members,

In June I had the opportunity to participate in the two-day "Swiss invest forum" organised by SOFI, the "Swiss Organisation for Facilitating Investment". Romania was one of the recommended "hotspots", as were other Eastern European and Asian destinations. A large audience heard a wide range of presentations and examples based on different experiences in various parts of the world.

But there was also a surprising amount of parallels and similarities, especially concerning the "success factors" for foreign investments. I found myself busy scribbling notes, which I'll summarise below. Nothing in what follows is new, not all of the factors may be essential for every single enterprise, but I still like this list: it has a universal touch.

So this is what a successful foreign investor needs to bring:

**Patience** - there will be delays;

**Humility** - it's always worse than you think;

**Time for planning** – check especially infrastructure (energy, transport, water, waste), work force (wages, productivity, redundancy procedures) and government rules/ rule of law;

**Financial capacity** - it will take longer than you think, and it may also cost more;

**Expat management capacity** – and the expat(s) must like the country where they work;

**Trusted local partners** - for networking and for bridging cultural gaps;

**Transparency** - don't get involved with corruption (small gifts are ok though); be documented, always;

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**Culture** - there are always cultural differences: repeat what has been agreed on, provide training for local staff including language training.

Have a nice summer.

Dominique Petter  
Swiss Embassy

## The CCE-R Board informs

### CCE-R Board Meeting – July 26, 2006

The CCE-R Board meeting in July took place on July 26, 18:30, at *Edipresse AS* head-office in Bucharest. The meeting was chaired by Paul Nuber, CCE-R President. The Board discussed the Business Trip to Timis county that the Chamber prepares for September and the participation at TIB 2006.

- ✚ **The next CCE-R Board Meeting will take place at Timisoara on September 18, 2006, during the business trip organized by the Chamber in Timis county.**

### Business Clubs – July 05, 2006; July 26, 2006

**Business Club - Hotel Tulip Inn Bucharest City (July 05, 2006)** The event, organized together with *Hotel Tulip Inn Bucharest City*, took place in the premises of the hotel on July 05, 2006, 19:30. Mr. Adrian ZAHARIA, General Manager, made a presentation of the hotel and guided the guests to see its facilities. Dinner followed at Restaurant *Avantgarde*, at the top floor of the hotel.

**Business Club - Edipresse AS SRL (July 26, 2006)** Vincent BRIOT, CFO of *Edipresse AS SRL*, was our kind host in the new head-office of the company. Two stories in a modern building – that is Art Business Center, 50-52, Buzesti Str., Bucharest - shelter offices and photo studios that produce well-known magazines as *Avantaje*, *Joy* etc. The presentation our members attended on this occasion was based on the content of the company's website [www.edipresse.ro](http://www.edipresse.ro).

- ✚ **The next CCE-R event will be a Business Trip to Timis county organized in co-operation with *Helvetica Profarm SA* and *Nestlé Romania SRL*, during September 18-19, 2006.**

**Switzerland's National Day – August 1<sup>st</sup>, 2006** was celebrated during a reception hosted by His Excellency, Mr. Jean-Claude RICHARD, the Swiss Ambassador, at the Swiss House, in 21, Plantelor Str., Bucharest.

## **New CCE-R Member: LEADER INVESTMENT & CONSULTING SA**

CEO: Michaela NECSERU  
Address: 13, C-tin Radulescu-Motru Str., Ap. 62  
RO-040361 Bucharest  
Tel. / Fax: 0040 21 330 25 05  
E-mail: [info@leincor.com](mailto:info@leincor.com)  
Website: [www.leincor.com](http://www.leincor.com)

## **New Coordinates of PAL BRAILA SA:**

Administrator: Michel OBERER  
Deputy General Manager: Dumitru ANGHEL  
Address: Soseaua Vizirului km 10, Incinta 6 – C32  
RO 810440 Braila, Romania  
Tel.: +40 239 618 544  
Fax: +40 239 681 243  
E-mail: [mail@palfurniture.com](mailto:mail@palfurniture.com)

## **New Coordinates of EXPUR SA:**

Peter TAGGE, Director General  
Address: Tati Center, Mezzanine, 45, Tudor Vladimirescu Str. (200m from the Marriott Hotel to Trafic Greu)  
RO-050881 Bucharest, Romania  
Tel.: +40 21 411 61 33  
Fax: +40 21 411 61 39  
E-mail: [ptagge@alimenta.ro](mailto:ptagge@alimenta.ro)

## **New Swiss restaurant in town: "MICA ELVETIE ST. MORITZ"**

On August 2<sup>nd</sup>, 2006, Jakob HAUSMANN opened his second Swiss restaurant in Bucharest:  
"Mica Elvetie St. Moritz":

64, Sandu Aldea Str., Bucharest; Tel. / Fax: 0040 21 224 50 17; [info@micaelvetie.ro](mailto:info@micaelvetie.ro);  
[www.micaelvetie.ro](http://www.micaelvetie.ro)

## **"CHURRASCARIA CANRIVORE" is a new restaurant with Brazilian touch:**

Reservation: 0040 21 233 55 55  
Address: 1, Garlei Str. (Pod Baneasa), RO- 013721 Bucharest; [www.carnivore.ro](http://www.carnivore.ro)

## 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”**

#### **Amendment of the Leasing Regulation No. 51/1997 („Leasing Ordinance“)**

Tacking into account, that the rapid increase in the credit activities of the leasing branch might lead to important perturbations in the monetary policy and considering that the Romanian leasing branch is not monitored by any supervisory authority, the Romanian National Bank has taken appropriate measures for the stabilization of this market segment.

The Leasing Ordinance has been considerably amended by Law No. 287/2006 (Official Gazette from 13.07.2006), which shall become effective on 13.08.2006 and provides the supervision of the Romanian National Bank on the leasing market. The following important modifications were undertaken:

- ? The leasing agreements shall explicitly contain information regarding the type of the respective leasing (e.g. operating/financial leasing);
- ? The lessee can purchase the leasing object before the end of the leasing period, but not sooner as 12 months after the conclusion of the leasing agreement;
- ? The provisions of the amended Leasing Ordinance shall apply in case that the lessee subleases the leasing object;
- ? All the leasing companies shall have a minimum capital of 200,000.-- EURO. All the leasing companies, which at present do not fulfill this requirement shall increase their share capital until 31.12.2006;
- ? The financial statements of the leasing companies shall be audited by authorized auditors;
- ? The leasing companies are responsible for reporting to the Romanian National Bank about possible bank risks;

Taking into account the high share of the leasing market in the Romanian GDP (e.g. 15% of the GDP), the supervision of the Romanian National Bank in this field of activity and the higher established capital requirements for the leasing companies shall lead to a stabilization of the domestic leasing market and to a increase in confidence of the market participants.

**Dinu DROG**, Attorney-at-Law

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## Tax Column

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

In September, under this heading, you may read comments on the changes of the Fiscal Code published by the Romanian authorities on August 1<sup>st</sup>.

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## Business News

### **Energy Holding reaches 235m Euros**

Energy Holding, involved in trade and electrical power production, estimates a 36% growth in this year's turnover, against the 235.55 million euros (848 million RON) reported last year.

"We estimate a growth in turnover similar to that seen in the 2004-2005 period," stated sources from the company. This growth is for the most part due to our contract with Petrom," quoted sources added.

Energy Holding won the tender to supply electrical power to 1,000 oil derricks of Petrom, the biggest Romanian company, which is now part of the portfolio of the Austrian petroleum group OMV.

Under the contract, 2 TWh are to be supplied by the spring of 2008, equivalent to some 2% of Romania's annual consumption. The value of the contract is estimated by sources from the market at some 100 - 150 million euros. Last year, the company reported a net profit worth

10.2 million euros (36.8 million RON), over a three-fold increase in euros against 2004. "For this year, we want to maintain the same level of profit witnessed last year," quoted sources also specified. *(by Ziarul Financiar, 06.07.2006)*

### **Raiffeisen may fund EUR 350 M real estate projects in 2006**

Bucharest - Raiffeisen Bank may finance by the end of the year real estate projects amounting to a total EUR 350 M. The banking institution has so far granted real estate credits of EUR 80 M, senior deputy chairman Marinel Burduja announced yesterday.

"This is only a part of the real estate investment volume, which will exceed EUR 1 bln this year and will increase in coming years," Burduja stated upon launching the Corbeanca Forest residential project, developed by Marr Capital.

The bank covers in full the project costs put at EUR 25 M. the project refers to construction of 100 villas. "The partnership with Marr Capital only refers to the funding for the investment, but we would also like to get involved in granting credits for house purchases," Burduja added.

The Raiffeisen Bank official pointed out that the bank was also interested in financing the infrastructure works carried out by the municipalities of Corbeanca and Balotesti.

Corbeanca Forest will include two types of villas, with built areas of 220 sqm and 294 sqm respectively, with parcels of 500 – 700 sqm of land. The price is EUR 850 per sqm, VAT not included. The complex next to Corbeanca Lake will be built in three stages, scheduled for completion in March and September 2007 and March 2008.

Marr Capital plans to launch construction works for a new residential complex in 2007. The complex, also located in Corbeanca, will include 200 villas. The two projects have total costs of EUR 70 M.

Marat Safin, chairman of Marr, the international group which holds the local developer, stated that apart from the two residential projects in Corbeanca the company was also considering investments in the office space segment.

“For the time being, renting office space in central areas is cheap. We are waiting for rent levels to go up and we will get involved in this segment as well,” Safin explained.

He stated that the price of land in Bucharest is very high compared to other capitals in the region.

“In Moscow, monthly rents are USD 120 per sq. m., the returns on investments are higher than in Bucharest, but the land is cheaper,” Safin explained.

Marr group has its registered office in London and operates in the real estate markets of the Baltic States and Russia.

In Latvia, Marr developed a project of EUR 300-400 M, including villas, parks, a hospital, a rehabilitation centre, golf and hockey courses, on a 600-ha tract of land.

Another project, also in Latvia, involved the construction of a Class A office building, while in Moscow Marr built a shopping centre. *(by Nine O'Clock, 13.07.2006)*

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## The CCE-R Events Calendar

### Next events organized by the Chamber of Commerce Switzerland – Romania

Month	Day	Action	Place
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September 2006	September 18	Board Meeting	Timisoara
	September 18 - 19	<b>Business Trip: Timisoara</b> Visit to Nestlé JOE factory; meetings with the municipality's representatives and foreign investors in the county	Timisoara

October 2006	October 3-7	CCE-R participation at <b>TIB 2006</b>	ROMEXPO
	October 4/ 5	<b>Cocktail</b> organized by the <b>Swiss Embassy</b>	Crowne Plaza Bucharest
	October 4/ 5	Board Meeting	CCE-R's office 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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