



CCE-R Newsletter

(No. 03 / March 2005)

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Editorial of the month

Markus Wirth, CEO of Holcim (Romania)

The high professional level and the passion for outstanding performance of many of my colleagues at Holcim (Romania) have impressed me since I took over the management of the company six months ago.



The growing of the construction market as well as our commitment to customer service enabled us to achieve the best business result since *Holcim* started its activity in Romania eight years ago. I trust that *Holcim* is among the most important

investors in Romania and has considerably contributed to the development of the Romanian industry.

In the market and in the communities where we live, work and commit to our corporate social responsibility we are recognized as a well respected and attractive partner. This perception does not yet prevail sufficiently with public institutions. There is still a good potential to improve the business climate by eliminating administrative barriers and it is important to keep a high pace of reform and restructuring of the public services. Fighting against inefficient public institutions and non-transparent application of procedures absorb a lot of resources which would be available to further strengthen the private sector.

Overall I am very delighted to perform this challenging task in Romania. At my personal level, I feel very well in Romania. I like to live here, particularly in Bucharest.

Sincerely yours,
Markus Wirth

The CCE-R Board informs

CCE-R Board Meeting – March 17, 2005

The Board meeting in March 2005 took place on the 17th, at the CCE-R head-office. The meeting was chaired by Paul Nuber, CCE-R President.

The Board analyzed the stage of the preparations for the CCE-R General Assembly to take place on March 31st and discussed the CCE-R budget for 2005.

At the invitation of the CCE-R Board, Mr. François Catto, President of the *Swiss Association*, participated in the meeting in order to discuss with the CCE-R Board possible joint events to be organized by the two associations. The trip at *Dacia Pitesti*, on June 14, will be one of them, as well as the visit at *Heidi Chocolats Suisse*, on August 30.

Also, the CCE-R Task Force for Visibility presented its report to the Board. The Board will analyze it and make a decision concerning the CCE-R visibility strategy in the next Board Meeting.

CCE-R General Assembly – March 31st, 2005

On March 31st, 2005, the General Assembly of the Chamber of Commerce Switzerland - Romania took place at *Nestlé Romania*'s head-office, in 9-9A, Bd. Dimitrie Pompei, Bucharest, at 18:00. The event was organized by the Chamber with the kind help of *Nestlé Romania*, its member.

The Agenda of the Assembly included the following topics:

1. Welcome
2. Annual Report
3. Financial Report
4. Auditor's Report
5. Discharge of the Board
6. Activities 2005
7. Budget 2005
8. Election of the Board
9. Election of the President
10. Accountant and Auditor
11. *Nestlé Romania*'s presentation

20 members out of 50 were present. The Swiss Ambassador, H.E. Mr. Jean-Claude Richard and the Counsellor of the Swiss Embassy, Ms. Dominique Petter attended the meeting. President Paul Nuber and Gentiana Bulau, Executive Director, made the presentations during the meeting. The minutes of the Assembly were drawn-up by Gabriel Popa, Attorney-at-Law, *Nörr Stiefenhofer Lutz*.

The members approved in unanimity the use of the budget for 2004 and the discharge of the Board. The net result was of EUR 5'787.-- and the closing balance of EUR 13'731.--.The auditor's report was made by *Avo Consulting-MP SRL*, represented by Maria Popovici, Manager. *Fine-Consulting SRL* will be the Chamber's accountant in 2005 and *Audiconsult SRL* will do the audit. The budget for 2005 is balanced and foresees a surplus of EUR 3'035.--.

In 2005, the Chamber will continue to issue the Newsletter, will launch its website and will organize monthly meetings with special guests as well as business trips.

The General Assembly approved the new **Board for 2005** as follows:

Peter Bayard, Helvetica Profarm S.A.
Juerg Hasler, Swisspor S.A.
Thomas Landolt, Ringier Romania S.A.
Dan Luca, BIOS International S.A.; BIOS Diagnsotic S.R.L.
Ovidiu Mantho, SGS Romania S.A.
Jörg K. Menzer, Nörr Stiefenhofer Lutz
Paul Nuber, Nestlé Romania S.R.L.

Paul Nuber was elected as the **President** of the Chamber in 2005.

At the end of the Assembly, Paul Nuber made an interesting presentation of *Nestlé Romania* pointing out the achievements of the company in Romania and its main objectives to be reached in the future.

After the Assembly, an exquisite cocktail was offered to the members by *Nestlé Romania*. We thank *Nestlé* for the whole evening.

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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@pcnet.ro.**



eNsight Consulting was set up in 2000, having a previous solid experience in management consulting and software development. Our multi-disciplinary team is made up of 20 specialists, with complementary competencies focused on the IT field: IT strategy, hardware, software, security, networking, IS audit. The main objective of **eNsight Consulting** is to assist clients at improving their business through the implementation of IT solutions.

Our company is a member of AMCOR (Romanian Management Consultants Association), MaCoNet (Management Consulting Network), ISACA (Information Systems Audit and Control Association).

The services offered by **eNsight Consulting** are:

1. Consulting Unit:

- Feasibility studies
- IT analysis and design
- Management planning and organization of the IT Unit
- Management of the Business Processes supported by IT systems
- Software selection and implementation
- Project management
- Project assessment
- IT security systems implementation and monitoring
- System analysis and design
- Training

2. Information Risk Management Unit

- IS Audit (we have 3 certified information systems auditors)
- Risk assessment (identify risks and vulnerabilities for determining the controls needed to mitigate those risks)
- Internal Controls assessment
- Business Process Evaluation
- Risk and Change Management
- Operational Practices evaluation for ensuring that support the organization's business objective (IS strategy, procedures, management practices, IS structure, third-party services)
- Protection of information assets for ensuring integrity, confidentiality, availability and use of IS (logical & physical access controls, environmental controls, network infrastructure)
- Business Continuity Plan and Disaster Recovery Procedures (Business impact analysis, develop business recovery strategies, detailed plan, testing and maintenance, adequacy of back-up)
- "Friendly" Testing
- Training

3. IT Outsourcing

- Diagnostic of present IT function
- Systems Integration & Assistance for Systems Selection and Implementation
- Network Design, Control and Traffic Monitoring
- Systems Design, Administration and Maintenance
- Protection against viruses
- Help Desk Support
- Licensing Support
- Security of Information (Real-Time Security Administration)
- Router & Firewall Configuration and Management
- Data and Telephone Wiring - Combined Voice/Data Service
- Intrusion Detection and Intrusion Prevention
- Data Backup Services
- Server Room Design
- Remote Monitoring

Our competencies are:

- Business process redesign
- Packaged software selection & implementation
- Project Management
- Quality control (hardware and software)
- Change and Transition Management
- Performance Management
- IS Audit
- Business transformation through IT

eNsight Consulting is a reliable partner in the decision process of its clients which benefit from the professional approach, dynamism, confidentiality and objectivity, transfer of competencies and complementary experience of our team.

Among **our clients** we mention:

AVIVA Life Insurance, Citibank, BRD – GSK, BCR, Michelin Romania, UCM Resita, Continental AP, Veolia/ Apa Nova Bucuresti, Energy Holding, ConGaz, Daedalus, Accor Services, Audiconsult, Business Media Group, Headvertising, TNT Romania.

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Summer Timetable 2005; 27 March 2005 - 31 October 2005

Daily		Daily
LX 1885 A-319		LX 1884 A-319
14:40	↓	13:05
16:00	Bucharest Zürich	09:50
	↑	

Local times

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We are looking forward to welcoming you very soon!

Your SWISS-team Romania

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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 Radnocy - NÖRR STIEFENHOFER LUTZ“

The Romanian Government adopted the strategy for the acceleration of the privatisation process and for the stimulation of investments in the field of the companies affiliated to the Ministry of Economics and Commerce (Government Ordinance published in the Official Gazette no. 255 from March 28th, 2005).

Basic privatisation principles set forth by the strategy:

- The provisions of the governmental programme for 2004-2008, defining the basis of the privatisation process, namely:
 - the establishment of the strategy for the privatisation of the energy field,
 - the encouragement of the privatisation of the large- and middle-sized enterprises,
 - the privatisation of the companies in the defence industry field,
 - the monitoring of privatisation contracts in the post-privatisation period,
 - the reorganisation of state-owned companies by closing the non-productive companies or by modernisation and introduction of recent technology in the field of the competitive companies;
- Establishing the characteristics for each economic sector;
- Adjusting the privatisation programmes to the characteristics of each economic sector and company.

Basically, the companies affiliated to the Ministry of Economics are active in the energy field, mining industry and defence industry.

Furthermore, the new regulation provides that the measures stipulated by the Government Urgency Ordinance no. 88/1997 regarding the privatisation of the trading companies, by the Law no. 137/2002 regarding measures for the acceleration of the privatisation process and by the Governmental Decision no. 577/2002 regarding specific application norms of the Government Urgency Ordinance no. 88/1997 and of the Law no. 137/2002 will continue to apply.

Additionally, the law provides for the privatisation policies to be applied in each field in order to accelerate the privatisation process and to stimulate investments.

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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.

As a consequence of its "fiscal gift" (the 16% "flat" tax) and to compensate for the ROL appreciation, especially versus EUR (Budget 2005 was calculated at 42,550 ROL for 1 EUR), the Government had to take measures to increase its revenues, under pressure from international financial institutions among others.

After long discussions, the Urgent Ordinance for the modification of the law 571 / 2003 regarding the fiscal code has been published on March 30, 2005.

We were provided with the first draft on March 18, had about one day to make comments, and just a few hours to try to convince of the justifications of some proposed modifications... all that for changes to be introduced less than two weeks after.

The main complaint of the business community, relayed to the Government by organizations like FIC, Amcham or AOAR, beside the too short delays for consultation, has been the lack of predictability in introducing these tax changes.

We were so happy at the introduction of the fiscal code to have this six-month advance notice for any change, which has been ignored since the end of last year.

The new changes are as follows:

- Valid as of April 1st, 2005

Increase of excise tax on fur clothes, crystal objects, perfumes, video, stereo and other electronic equipment, air conditioning equipment, microwaves ovens, photographic and video recording cameras, hunting weapons, yachts and motorboats for entertainment.

As well on all alcohol, including beer and sparkling wine (but not wine), cigarettes, leaded and unleaded petrol as well as diesel.

And last but not least on electricity and cars (new and second hand).

- Valid as of May 1st, 2005

New tax on real estate and capital market transactions as well as bank interests, for physical persons at the rate of 10%, withheld at source. Buildings owned for more than three years will be exempted. This rate shall go up to 16% as of January 1st, 2006.

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

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Business News

✚ Trade deficit exceeds half a billion Euros in February

Romania saw its trade deficit exceed 500 million euros in the second month of this year, after the volume of imports grew at a faster pace than exports. According to the *National Statistics Institute (INS)*, the free on board exports totaled 1.6 billion euros this February, which represents a 10.2 percent jump compared to the same period from last year. The cost, insurance and freight imports also boomed by 18.6 percent and exceeded 2 billion euros.

At the end of the first two months of 2005, the trade balance deficit amounted to 885 million euros, from exports worth more than 3.1 billion euros and imports of 4 billion euros.

As far as merchandise is concerned, statistics showed a more alert trade pace with oil and mineral products, such as crude oil and other oil products, coal, cement, iron and steel products and transportation. All these categories accounted for a third of Romania's total trades in the first two months of 2005.

The *European Union* remains the economic region having the largest influence over Romania's exports. Romania exported about 73 percent of its products to the EU and in return over 63 percent of its total imports came from the *Union*.

The free on board (FOB) prices represent the price paid at the border of the exporting countries. It includes the value of the product and transportation expenses. The cost, insurance and freight price is the cost paid at the border of the importing country, which includes both FOB features and the insurance and international transportation costs. *(by Bucharest Daily News, 31.03.2005)*

✚ Raiffeisen raises capital by 40m Euros

Austria's *Raiffeisen Group* has added 40 million euros to the share capital of its *Raiffeisen Romania* branch, following a decision to raise capital adopted by the board in early February. According to released data, the company now has a share capital of 11,962.59 billion ROL (the equivalent of almost 328 million euros).

Following the subscription of new stock, the parent company, *Raiffeisen International*, now owns 99.49% of the capital. Before the move, the majority stakeholder controlled 99.44%, with the remaining shares belonging to a mixture of legal persons (0.41%) and natural persons (0.15%).

The operation to raise share capital was performed with contributions in cash by existing shareholders. The last operation of this kind was last summer, when *Raiffeisen* raised its capital by almost 45 million euros. In doing this the majority stakeholder is supporting the rapid expansion of the bank's loans portfolio and overall operations.

"We have raised the bank's share capital in order to support its development policy. We want to grow significantly, both on the retail segment and the corporate segment, and to strengthen our market share. This new capital raise again strengthens the importance and confidence the group associates with its Romanian branch," said Stephen van Groningen, *Raiffeisen Bank* chairman.

At the end of this month, *Raiffeisen* will transfer its central headquarters to the new building dominating Bucharest's Piata Charles de Gaulle, where it will occupy five floors. "The building is accessible, visible, close enough to our operational centre, and corresponds to the vision of *Raiffeisen Bank* being a banking market leader through innovation and dynamism," said Van Groningen.

The ground floor will host a branch that will give a new image to the services *Raiffeisen* provides to its private customers. It will be equipped with machines that customers can operate without the help of a bank employee. The new "self service" terminals are currently being tested. Last summer, the Romanian bank market started to become acquainted with this new banking services model through the ING Bank project.

Early next month will see a new deputy chairman appointed, who will be responsible for the retail services of the bank. The position is expected to be filled by Razvan Munteanu, 39, who currently works for *Citibank* Hungary. *(by Ziarul Financiar, 31.03.2005)*

Renault has its largest export centre in Pitesti

Dacia owns the largest CKD (completely knocked down) collection centre of the entire *Renault* group, said Louis Schweitzer, chairman of the French group. CKDs are complete sets of parts from which cars can be assembled. *Dacia* has invested over 18 million euros in a CKD export centre of 35,000 square metres, which can subsequently be expanded to 60,000 square metres.

"In the end this centre will have a three times larger capacity than our main centre in France," Schweitzer added. So while in terms of production and sales *Dacia* is still far from its majority shareholder, the Romanian brand has nonetheless succeeded in outrunning that of its French counterpart, at least in terms of the size of the export centre for sets of car parts.

As a comparison, in its more than 35 years of existence, *Dacia* has produced some 2.5 million cars, something the *Renault* group manages in a single year. Things are set to change in the near future, however, with sales of *Logan* cars set to reach about one million units by 2010, says Schweitzer.

"The new export centre will be the place for bringing together all the car parts manufactured in Pitesti or delivered by other Romanian suppliers or suppliers from other countries, and it will source the factories in Moscow, Russia, Morocco, India, Iran and Brazil, where the *Logan* model will be produced," explained Schweitzer.

The export centre represents a good deal for the domestic producer, *Dacia* representatives say, given that prices on the ring road around Bucharest can reach 40 euros per square metre, while acquisition of the 22 hectares close to the factory in Pitesti was made at 4 euros per square metre. Acquisition of the land alone cost 880,000 euros.

Higher export-based production and rising sales on the Romanian market will allow *Dacia* to go beyond the 1 billion euro threshold this year in terms of turnover, officials explained. This means the company will turn a profit for the first time since Renault became a shareholder in September 1999.


The better than expected results for the Logan model will take *Renault's* investments in *Dacia* beyond the one billion euro mark. Investment so far by the French group has reached almost 850 million dollars (more than 700 million euros), with investment plans for the next two years expected to be in region of 300 million euros. Schweitzer believes the *Dacia* project still has some extra potential remaining. *(by Ziarul Financiar, 31.03.2005)*

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The CCE-R Events Calendar

Events to be organized by the Chamber of Commerce Switzerland – Romania in April - June 2005

Month	Day	Action	Place
April 2005	April 26 17:00	Board Meeting	CCE-R's office Bucharest
	April 26 19:00	Business Club: SAUTER BUILDING CONTROL ROMANIA	Hilton Athénée Palace Bucharest
May 2005	May 11 19:00	Business Club: GEBERIT	GEBERIT's head-office Bucharest
	May 25 17:30	Board Meeting	CCE-R's office Bucharest
June 2005	June 14 13:00 – 20:00	Business Trip: Visit at DACIA PITESTI	DACIA plant Pitesti
	June 22 18:00	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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