



CCE-R Newsletter

(No. 11 / December 2004)

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Editorial of the month

Dear friends,

Firstly, I need to thank all members of the CCE-R for the trust they have placed in me by electing me in the position of President of our Chamber of Commerce.

It is an honour and all efforts will be made to ensure the continuation of the efforts of the past years to fulfil the role of this "institution" to the best of my possibilities. No doubt that the continued competent management of the Chamber of Commerce by our Executive Director, Gentiana Bulau, will be a key element to help me be "à la hauteur".

I would like to warmly thank in the name of all members my predecessor, Mr. Kurt Habersatter, for his dedication and achievements over the past years. Also, my colleagues Board Members on which I shall count to help us move forward and guide the Swiss-Romanian business relationships in the important years ahead of us.

As 2004 nears to its end, one can say that Romania is starting to show satisfactory trends in the economic environment. This will need to continue with an improved rhythm to drive down the road to EU membership, an undoubtedly difficult task, however of utmost importance for the future of all Romanians. We shall all play our role, at whatever level and at our modest scale and I am sure that the "Swiss" approach can serve as an example of a fair and decent way of doing business for the overall benefit of the community we are part of, i.e. Romania.

Finally, I would like to wish all of you and your loved ones a Merry Christmas and a very Happy New Year.

Yours sincerely,

Paul Nuber



The CCE-R Board informs

CCE-R General Assembly – December 07, 2004

The **General Assembly of the Chamber of Commerce Switzerland – Romania** took place on **Tuesday, December 07, 2004**, at **18:00**, at the **Swiss Embassy**, in **16-20, Grigore Alexandrescu Str., Bucharest**. All members were invited to elect the new President of the CCE-R according to the CCE-R Statutes and the Romanian law for associations. 27 members, out of the total 51, participated in the meeting.

The Board of Directors nominated **Paul Nuber, General Manager of Nestlé**, for the election as President of the CCE-R. The Board Members had previously elected Paul Nuber as the President of the CCE-R Board of Directors during the Board Meeting which took place before. The members present in the Assembly voted Paul Nuber in unanimity to become the President of the Chamber. Short speeches of Kurt Habersatter, the former President of the Chamber and Paul Nuber followed.

Kurt Habersatter has left Romania for having been appointed the **Regional General Manager for the Eastern Europe of Holcim**.

We thank the Swiss Embassy in Romania for the hosting of the CCE-R General Assembly in its new premises.

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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, December 07, 2004

After the CCE-R General Assembly, on December 07, 2004, the CCE-R Business Club in December took place partly at the Swiss Embassy, partly at the Swiss Ambassador's residence.

At the Embassy, a presentation on "**Practical experiences with State aid control in the EU and Romania**" was made by EU experts in the field. The speakers were **Prof. Reimer von Borries**, Pre-Accession Advisor of the EC Twinning Project in Romania "*Further development of competition authorities' capacity to implement the Competition and State aid acquis communautaire to EU standards of application*" and by **Mr. Axel Bree**, German Ministry for Economy and Labour, Division for the Internal Market.

Discussions and questions asked by the CCE-R members followed. Those interested in further contacting the EU experts may find their contacts below:

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After this presentation, everybody was invited to an exquisite cocktail at the residence of the Swiss Ambassador in Romania, **H.E. Mr. Jean-Claude RICHARD**. The new Swiss Ambassador in Romania opened the evening with a short welcome speech. On this occasion, he pointed out that he would be pleased to co-operate with the Chamber of Commerce Switzerland – Romania.

The Christmas surprise that followed was offered by the Chamber to its members – a short carols concert by the ROGVAIV vocal group.

You may read below the presentation of this group:

ROGVAIV vocal group

The **ROGVAIV** vocal group has been founded out of a real passion for music. The group performed live in concerts and recorded classical, Byzantine, folk, spiritual negro and pop music.

The core of the group is composed of five persons: Izabela Potorac, Adina Ivan, Irina Sfarlea, Dan Popescu and Cristian Sfarlea, the leader of the group.

ROGVAIV is very well known due to the exceptional vocal qualities of its singers and their scene experience.

Some of the group members have an extraordinary record, gained during their performances on the “*Opereta*” and “*Rapsodia Romana*” scenes, as well as in the public Radio’s choir. The live concerts of **ROGVAIV** in Italy, Germany, Austria, and Hungary successfully completed the musical activity of its singers since 1990 to present.

ROGVAIV performed on theatres scenes, in cathedrals, in pubs, at private or public parties, accompanied by instruments or *a cappella*, which clearly shows their ability to improvise and adapt themselves to almost any kind of requests.

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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.**

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You may find the presentation of our newest member, **U.C.M. Resita**, attached to this Newsletter.

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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.

Addendum to the Government Ordinance no. 51/97 concerning Leasing Operations and Leasing Companies

According to art. 1 paragraph 2 of the Government Ordinance no. 51/97 concerning leasing businesses and companies (hereinafter called "Ordinance") the buildings and the movable durable assets can be subject to leasing operations, except of the audio and radio registrations, the theatre plays, the manuscripts, the licenses and the copyrights. As a result of this legal listing a long-term dispute broke out in the legal literature and the jurisdiction whether software programs could be subject to leasing operations or not. The official interpretation of this text of this law provision was that the software programs cannot be subject to leasing operations.

The above mentioned Ordinance was completed by the Law no. 533/25.11.2004, so that at the present moment the rights of use over software programs can be subject to leasing operations under certain circumstances as an exception from art. 1 par. 2 of the Ordinance. As a result of this amendment of the Ordinance only material copyrights (i.e. the rights of use) and not the immaterial copyrights over software programs - which are not transferable – can be subject to leasing operations. Moreover, the explicit approval of the owner of the copyrights is required for the conclusion of a leasing agreement over software programs. By way of such a leasing agreement the lessor will grant the lessee a temporary right of use over the software programs (during the validity period of the leasing agreement), while the lessor remains further owner of the definitive right of use over the computer programs. At the expiration of the agreement's duration the lessee is entitled either to acquire the definitive right of use over the respective computer programs, or to renew/terminate the leasing agreement. The contractual parties can also arrange for the transfer of the definitive right of use over the software programs to the lessee before the end of the leasing agreement's duration.

The afore mentioned amendment of the law is especially welcomed due to the fact that such agreement structures (i.e. leasing agreements over software) have been known and correspondingly used abroad for a long time.

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The Tax Column

by S.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.

Among the latest developments, two controversial decisions from the financial authorities were cancelled, respectively postponed:

- The 60 days advance notice to tax authorities in case of transfer of ownership of fixed assets and non-listed shares has been cancelled (It was not practically enforceable);
- The payment of excise duties on the full sales price of imported cars under leasing regime, from January 1st 2005, and retroactively, has been postponed.

Norms for the organization and the performance of inventories of assets and liabilities have been published by order 1.753 from November 22, 2004, giving specific actions and formats.

As you may guess, professionals are now expecting the appointment of a new government, like most of you, to see who shall be the interlocutor, namely the Minister of Finance, and which of the electoral tax promises shall be implemented and when.

The D.A. Alliance has been promoting a unique tax rate of 16 %, as profit tax for companies (currently fixed at 19 % for 2005), as well as "flat tax" rate for income tax of physical persons.

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

We take this opportunity to wish all readers and Chamber fellow members a Merry Christmas and a Happy New "fiscal" year!

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Business News

✚ **Holcim investments reach 3m Euros**

Holcim Romania, the local branch of the Swiss construction supplies group, has so far invested 3 million euros in modernising the cement producing lines at its facilities in Campulung (Arges) and Alesd (Bihor). The modifications will make it possible to use more than 100 types of refuse in the cement production process, company officials announced.

"The waste that can be co-incinerated in the furnaces at *Holcim Romania's* cement factories include petroleum waste (from used oils to tars and contaminated soil), plastic waste, paper, cardboard, textile, leather, packaging (either industrial or household waste), rubber (including used tyres), wood, organic compounds produced by the chemical industry or muds resulted from the water purifying process," says Markus Wirth, *Holcim Romania* country manager.

The Swiss group entered the cement market in Romania in 1997. *Holcim* now has three facilities (Campulung, Alesd and Turda), which account for about one third of the cement market, and is facing strong competition from *Lafarge Romcim* and *CarpatCement Holding Romania*. The three cement producers have in recent years made extensive investments in environmental protection and emission reduction measures.

(by **Ziarul Financiar**, 16.12.2004)

✚ **Nestlé sees 59% growth to 62m Euros**

Nestlé Romania, a branch of the Swiss foods group, attained 59% growth in turnover to 62 million euros this year, thus bettering the goal set at the beginning of 2004. The company will therefore log 2,500bn ROL (62 million euro) turnover, up 68% from 2003 when it stood at 1,491bn ROL (39 million euros).

"Early in 2004 we announced a 50% growth target for our sales, after sales had increased 30% in the previous year. The company's activity and actions generated 68% growth in ROL compared with 2003," stated Paul Nuber, *Nestlé Romania's* general manager. The number of employees increased by 100 people this year.

The turnover development was due to both the change in the distribution strategy and to the expansion of the product portfolio. It expanded its sweets portfolio this year by launching three new **Joe**-branded wafers and the **Kit Kat** chocolate bars. *Nestlé's* marketing focused on more precise market segments - women (**Fitness**) or children (**Joe Milky**). Expansion also reached the **Maggi** culinary products and the products for children sold in drugstores.

One of the most dynamic market categories was that of culinary products (spices, seasonings, instant soups etc.), where *Nestlé* competes through the **Maggi** brand. Company estimates show **Maggi** has doubled its market share on the seasonings segment.

Estimated to some 20 million euros a year, the Romanian spices and seasonings market is dominated by **Knorr**, a brand held by *Unilever South Central Europe* (USCE), whose market share is thought to be of more than 60%. Unilever makes **Knorr Delikat** in Romania at its facility in Otopeni.

As for the wafer market, **Joe** accounts for approximately 33% of it, according to ACNielsen data quoted by the company. The wafer market in Romania amounts to 40 million euros a year and is divided among *Nestlé* (**Joe**), *European Drinks* (**Natty**), *Alka* (**Alka** wafers) and other important brands.

The **Joe** wafers are made at the company's facility in Timisoara, which *Nestlé* bought from the Banu brothers, Florentin and Daniel, in 2000. *Nestlé* has invested 10 million euros in the **Joe** factory until now, and plans to invest 3.5 million euros more in the next few years.

(by **Ziarul Financiar**, 20.12.2004)

✚ **Angst to expand store network**The cold meats producer *Angst Ro Bucharest* is planning to add a further five stores to its food store network next year, bringing the number of stores in the network to 26. "We opened six stores this year and expansion in this direction is part of our development strategy," says Sorin Minea, general manager of *Angst Ro*. The amount of investment required per store ranges between 150,000 and 300,000 euros.

The company turnover last year was 21 million euros. Minea expects this year's sales to increase 20% in terms of quantity, but was unable to specify the precise value of the increase.

"Our growth has been much better than that of the overall cold meats market, which has had an atypical year in terms of raw material prices, customs duties for imports of raw materials, and the confusing political climate of the second half of the year," explained Minea.

Earlier this year, the company chose to give up on a project involving the construction of a supermarket in the Baneasa area together with a foreign partner. Minea, who is also chairman of *Romalimenta*, an organisation of the main food industry players, said he was unwilling to make any forecasts for the cold meats market for next year before this Sunday's elections.

Industry players are awaiting the new government's policy on customs duties for raw materials, since the maintenance of low levels due to the domestic pork production crisis is due to for review at the beginning of next year.

(by **Ziarul Financiar**, 10.12.2004)

✚ **Siemens takes over Electroputere**

The State Assets Resolution Authority (AVAS) will privatize Craiova-based rail engine maker *Electroputere* to *Siemens* without a tender.

In keeping with the pattern established by similar, no-tender, contracts signed with *Bechtel* and EADS, The State will take responsibility for this decision.

AVAS president, Mircea Ursache, said *Electroputere's* business profile was "suitable" for a no-tender privatization.

AVAS recently selected the consortium formed by *Siemens Aktiengesellschaft Transportation System*, *Electroputere Employees Association* and *DAB Greece* as the winner of the privatization process, to the loss of *General Electric* and *Bombardier*

(by **Realitatea Romaneasca**, 09.12.2004)

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The CCE-R Events Calendar

**The events to be organized by the Chamber of Commerce
Switzerland – Romania in 2005 will be announced to you in the next Newsletter.**

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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