



# CCE-R Newsletter

## (No. 7 / July – August 2004)

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#### 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: [ccer@pcnet.ro](mailto:ccer@pcnet.ro)

### Editorial of the month

Dear readers,

713 years ago, in early August of the year 1291, the representatives of three cantons met in what was later to become central Switzerland, and signed a contract on mutual assistance. This contract marks the beginning of a process from which emerged the state of Switzerland as we know it today. The first of August thus has been chosen to celebrate the Swiss National Day. Then as now it was essential for states and communities to find reliable partners.

The bilateral relations between Romania and Switzerland have long been excellent. In the economic field we now perceive a clearly upward trend. With the ongoing European integration process and the positive economic developments this year, the economic relations between Switzerland and Romania are steadily getting stronger. Romania with its more than 20 million inhabitants is an interesting market. Exports from Switzerland to Romania have grown by 115% in the first five months of 2004, while exports from Romania to Switzerland increased by 45%.

Romania is also an attractive country for foreign investors, because of its skilled labour force and the comparatively low labour costs. As the reforms of the administration and the judicial system progress further its attractiveness for investors will probably increase as well.

One other important indicator for the positive development of the bilateral relations is the fact that since the beginning of 2003 the Swiss community in Romania has grown by more than 20%. It still is comparatively small, but will certainly grow further in the years to come.

I wish you warm and sunny and happy summer holidays!

Dominique Petter  
Chargé d'affaires a.i. of Switzerland

## The CCE-R Board informs

### CCE-R Board Meeting – July 07, 2004

The CCE-R monthly Board Meeting took place on July 07, at TUBORG's head office. The meeting was chaired by Kurt Habersatter, CCE-R President.

The Board decided that the Chamber will have its own stand at TIB 2004, next to other Swiss companies present in the fair. The stand will be of 18 sqm.

The Board took also into account the idea of changing the fee system of the Chamber and switching to a new one based on two classes of fees depending on the members' turnover and number of employees. This issue will be further discussed in the next meetings.

The CCE-R's Code of Ethics will be adopted after approving the comments made by Noerr Stiefenhofer Lutz.

 **The next CCE-R Board Meeting will take place on September 14, 2004, 17:30, at RINGIER headquarters.**

### SIPPO delegations in Romania

Two delegations from SIPPO (Swiss Import Promotion Programme) came to Romania at the end of June and beginning of July. For being the SIPPO's representative in Romania, our Chamber contributed to the organization of these visits and offered assistance to the experts.

The first delegation visited Bucharest during June 30 – July 03, 2004. It was composed of Ms. Franziska Staubli, SIPPO Project Manager, Mr. Klaus Duerbeck, SIPPO Expert and Mr. Leopold Draxler, SIPPO Expert in the field of organic products. This specific mission was aimed at presenting a new SIPPO project targeting the medicinal and aromatic plants as well as essential oils. Romania has a great potential in this area and, by organizing an introductory seminar on July 1<sup>st</sup>, 2004, the SIPPO experts identified some of the most important producers in this field. Apart from our Chamber, two other partners helped SIPPO in organizing and holding the seminar: *BCS Oeko-Garantie*, a German company and the profile association in Romania, "*Planta Romanica*". After the seminar, the SIPPO experts visited Romanian producers of medicinal plants and essential oils in Bucharest.

The second SIPPO delegation was interested in the home textile field and was present in Romania during July 04 – 07, 2004. It is for the fourth time when Mr. Urs Wehrle, SIPPO Expert in this area, comes to Romania to visit Romanian producers of home textile. Our Chamber assisted him this time too. He went first to Timisoara and then to Bucharest. The visited companies are included in the Home Textiles SIPPO Project and participated in the biggest international fair in the field, "*Heimtextil*", in Frankfurt. Mr. Wehrle came to offer them help and advice in evaluating their former participation and to prepare their next one. He was also interested in identifying, with the help of our Chamber, other possible participants in the fair.

## Swiss Power Breakfast, July 06, 2004

As last year, the business magazine "*Bucharest Business Week*" organized an event dedicated to the Swiss investors in Romania, on the occasion of Switzerland's national day. As the country's anniversary is on the 1<sup>st</sup> of August, the journalists decided to organize the breakfast earlier for holidays' reasons. So it took place at the Crowne Plaza Hotel, on July 06, 2004 and it was organized with *Fidexpert* and *Holcim* as partners.

Present in the meeting as the guest of honour, H. E. François Chappuis, the Swiss Ambassador to Romania, said that the import-export balance between Romania and Switzerland follows an upward trend and that Switzerland is the tenth foreign investor in Romania today.

Kurt Habersatter, CEO of *Holcim* and President of CCE-R, presented in figures the trade relations between the two countries and point out that, from the investment per capita point of view, Switzerland is in top five.

Everybody present in the meeting agreed that the most important Swiss investor in Romania is *Holcim*. The company also recently received a triple certificate for the successful operation of a fully integrated management system for quality, environmental protection and occupational health and safety from TUV Rheinland certification body.

Gilbert Jacquat, founding partner of *Fidexpert*, commented on the importance of the adoption of the international accountancy and auditing standards in Romania.

The IT Swiss companies present at the Power Breakfast pointed all out that the Swiss investments in the field steadily grow. *Romsys*, *Omnis Group* and *Red Point Software* are confident about the future.

*Energy Holding* and *ABB* are expanding in the energy field in Romania and clearly show the interest of the Swiss companies in this area.

*Swisspor* and *Sauter Building Control* try to seize every opportunity the dynamic construction field offers in Romania.

In the food industry, *Nestlé* and *LaDorna* continuously develop in Romania. *Nestlé* expects to invest another 3.5 million EUR in its Timisoara production unit. *LaDorna* recently invested 8.8 million EUR in acquiring 84.5 stake in the Balotesti-based Poultry and Small Animal Production and Research Institute.

A better management in the Romania's health system, made things easier lately for the Swiss investors in this area, like *Hoffmann La Roche* and *Ewopharma*.

*Swiss International Air Lines*, represented in the event by its new Country Sales Manager, Andreea Brezean, will probably introduce a third flight between Romania and Switzerland.

The Power Breakfast made it clear once again that the interest of Swiss investors in Romania is continuously growing leading to a steady improvement of the economic relations between the two countries.

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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, July 07, 2004


More than 20 members of our Chamber showed their interest in visiting the *TUBORG BREWERY*, the host of our Business Club on July 07, 2004.

After a warm welcome in the modern office building of the company, Mr. Shakar Shaine, General Manager of *Tuborg Romania*, presented the company and its products to the guests. He described how they chose the location in Pantelimon, near Bucharest, how they built the factory, who were their main competitors at that time and how they managed to conquer the Romanian market.

The types of beer *Tuborg* produces and sells in Romania are: Tuborg Gold, Tuborg Royal, Carlsberg and Skol, each of them targeting a specific customer type.

Our members asked many questions at the end of the presentation; Mr. Shaine also offered information on the distribution and marketing policies of *Tuborg* as well as on different problems they encountered on the Romanian market.

After the discussions, the guests were offered a guided tour of the factory and a cocktail with a lot of... beer.

 The next Business Club will be hosted by *Ringier Romania*, on September 14, 2004, in 5, Sos. Fabrica de Glucoza, Bucharest, at 19:00.

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

***Geberit AG, Rezentanta Romania*** joined our Chamber on June 02, 2004. The company is one of the most well known Swiss ones acting in the sanitary field. You may find a presentation of the company by accessing the link <http://www.helveticaprofarm.com/geberit>

The company's coordinates are:

**GEBERIT AG, Reprezentanta Romania**  
**Christian EMDEN, Head of the Representative Office Romania**  
**Address: 86, Splaiul Unirii, 3rd Floor, RO-030128 Bucharest Romania**  
**Tel.: +40 21 330 30 80**  
**Fax: +40 21 330 31 61**  
**Web: [www.geberit.com](http://www.geberit.com)**

## **Edipresse takes control of its Romanian joint venture operations**

(Press release, June 17, 2004)



Since 1998, the Edipresse Group (SWX: EDI) and its Greek partner Mr. Antonios Liberis have jointly owned and managed publishing and printing concerns in Romania. Effective today, Edipresse has acquired in full Mr. Liberis' stake in these operations. Terms of the transaction have not been disclosed.

Consequently, Edipresse now owns a controlling 60% stake in Romanian Publishing Group SRL (Bucharest) and 100% of the share capital of Libedi Printing SRL (Bucharest).

Romanian Publishing Group (RPG) is Romania's leading publisher of consumer magazines. RPG publishes a total of eleven magazines including *Elle* Romania, *Avantaje* and *Viva!*. Further new launches are planned in 2004. The Axel Springer Group will continue to be Edipresse's partner in RPG, retaining its 40% stake.

Libedi Printing is a modern print facility which is located on the outskirts of Bucharest. In addition to printing RPG's magazine titles, it subcontract prints other magazines and publication material.

Following this acquisition, Edipresse will fully consolidate both the RPG and Libedi Printing operations in its financial statements. Annual turnover from the Romanian business will initially be in the region of CHF 13 million.

Further information about Edipresse's Romanian operations can be found on the web site <http://www.edipresse.com/Jahia/pid/73>.

### ***For additional information:***

Christopher Bolton, Chief Financial Officer

Tel.: +41 21 349 45 26, [christopher.bolton@edipresse.com](mailto:christopher.bolton@edipresse.com)

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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 July 2004

In the context of inflation decrease and the prospects of a single-figure inflation rate for the year 2005 the Romanian government already announced at the beginning of this year the revaluation of the Romanian Leu. The law on the revaluation of the Romanian currency ("**revaluation law**") was published in the Official Gazette of Romania, Part 1, of July 23, 2004. By publishing the revaluation law the coordinates of the currency reform were set forth.

Conversion rate. According to the revaluation law the Romanian currency, Leu, will be appreciated by using a conversion rate of 1 new ROL = 10,000 old ROL. This concerns the reduction of the face value of the Romanian Leu. Although the law does not expressly specify, a corresponding appreciation of the official exchange rate of the Romanian Leu to all other currencies will occur.

Stages. According to the revaluation law the currency reform will follow in principle four stages:

- a) double display of prices/fees in new and old ROL;
- b) introduction of the new ROL as legal currency;
- c) end of the double display obligation, respectively price display exclusively in new ROL;
- d) withdrawal of the old ROL from circulation.

Between March 1, 2005 and June 30, 2006 all prices and fees will be displayed, respectively expressed, both in the old and in the new currency. The conversion of the old currency into the new currency will occur according to the status as of June 30, 2005. The new currency will not be introduced into circulation before July 1, 2005. Between July 1, 2005 and December 31, 2006 the old currency will circulate in parallel with the new currency.

Effects. All rights and obligations that have originated before July 1, 2005 and are object of an evaluation, payment or another legal relationship are subject to conversion by using the rate 10,000 to 1.

Starting with July 1, 2005, the National Trade Register will convert the value of the share capital and the nominal value of shares according to the above mentioned rate and publish the modifications in the share capital on its web page. In this specific case publication of the modified share capital in the Official Gazette is not required.

Between July 1, 2005 and December 31, 2005, the annual financial statements have to be drafted and expressed both in the old and in the new currency.

The implementation of the revaluation law represents an important effort to prepare the Romanian economy for the EU accession as well as for the introduction of the Euro at a later moment. A pre-requisite for such a development is certainly an efficient and continuous reduction and stabilization of inflation during the years to come.

**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](mailto:nslbuc@noerr.ro)

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## Business News

### **Holcim invests in environmental protection**

Holcim Romania, a branch of the Swiss Holcim group, one of the world's top producers of construction materials, is speeding up investments in environmental protection. This is considered to be a delicate issue within the integration negotiations between Romania and the European Union.

The Swiss, who are developing cement, concrete and aggregates production operations, had invested more than 15 million euros in environmental protection projects by the end of last year. They have furthermore earmarked another 40 million euros for projects in this area to be carried out by 2006, according to the company's representatives.

Such projects will concern the use of alternative fuels and raw materials, the modernisation of cement production lines and stations, labour protection and health, social and human resources plans.

"Holcim's environmental targets deal with gas emissions reduction, with waste processing, and therefore involve the protection of natural resources. In 2004, we have in view investments worth 20 million euros, especially aimed at taking the modernisation of cement plants further, inaugurating new ecological concrete stations, as well modernising traditional ones," states Kurt Habersatter, chairman and general manager of Holcim Romania.

Holcim is one of the world's leading suppliers of cement, ready-mixed concrete, as well as aggregates (gravel and sand) and construction related services. The Swiss group entered the Romanian market in 1997. Holcim Romania holds three cement plants in Alesd (Bihor county), Turda and Campulung. On a cement market with sales estimated at 235-245 million euros per year, Holcim covers around a third of the domestic market, in close competition with Lafarge (France) and HeidelbergCement (Germany). (by Ziarul Financiar, July 08, 2004)

### **Holcim invests 3.5 Mln EUR in Turda plant**

Holcim (Romania) has announced the completion of a 3.5 million EUR investment in modernizing the only white cement production line in Romania, at its plant in Turda.

The investment started rendering results as soon as the production line was re-commissioned after modernization, as the mill reached an output of 32 tons/hour, while the whiteness factor increased to 86, which is above European standards.

In order to produce superior cement, cutting-edge technology was added to the kiln, mill and silos of the Turda plant to ensure production of superior and highly competitive cement. (by Adevarul, July 23, 2004)

### **Nestlé H1 sales grow 40%**

Nestlé Romania, the domestic branch of the Swiss food group, ended the first half of this year with a 40% increase in ROL turnover compared to the same period last year, stated Paul Nuber, the general manager of Nestlé Romania.

"The increase registered at the end of June exceeded the target set at the beginning of this year and points to the fact that we might also exceed our 50% annual objective in terms of increased turnover," Paul Nuber added.

Estimated in euros, the first-half increase amounted to 27%. Nestlé Romania last year obtained turnover of 39 million euros.

The growth projection announced for this year stands at around 50% in ROL. This would mean, according to Paul Nuber, a 42% increase in euros, considering that only a slight depreciation of the

domestic currency against the euro is anticipated this year. In the first half of this year, the domestic currency even registered a 1% appreciation against the European currency.

"The most dynamic categories were culinary products, represented by the Maggi brand, and Joe wafers, followed by Nescafé and children's food products," the Nestlé manager explained. Taking into account the first-half dynamics, Nestlé's management is banking on Maggi doubling its market share.

"For the time being, we do not have any data regarding market shares, but, analysing sales in terms of volume, we can expect a twice as high market share for Maggi products by the end of this year," Paul Nuber also stated. Nestlé has not yet made public its net results for last year. (by Ziarul Financiar, July 15, 2004)



### **Raiffeisen arranges for syndicate loan to finance highway**

Raiffeisen Zentralbank Österreich AG (RZB) and Raiffeisen Bank Romania have arranged for a 73 million EUR syndicate loan to become available to The Ministry of Transportation, Construction and Tourism.

The 10-year State-guaranteed loan will be used to partially finance initial works on the highway that would link Romania to Hungary. The highway will cost 2.8 billion EUR in total and will be built by Bechtel. (by Ziua, July 13, 2004)



### **Foreign direct investments, on the rise**

Four months through the year, foreign direct investments reached 583 million EUR, up by 31% year-on-year, according to The National Bank of Romania.

"This is a positive development and we expect an increase in the volume of foreign investments that Romania may attract by the year-end. The Petrom privatization will also boost the volume of foreign direct investments towards 2 billion USD," Ruxandra Stan, director general of The Foreign Investors Council, told *Adevarul*.

According to Economist Intelligence Unit, foreign direct investments per capita stand at 95 EUR, which is below the European average. (by Adevarul, July 15, 2004)

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## 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
September 2004	September 14	Board Meeting	RINGIER ROMANIA Bucharest
	September 14	Business Club: Visit to RINGIER ROMANIA	RINGIER ROMANIA Bucharest
October 2004	October 05 – 10, 2004	CCE-R participation at TIB 2004	ROMEXPO
	October 06	Board Meeting	CCE-R Head-office
	October 06	Business Club: Anniversary of HELVETANSA	HELVETANSA Bucharest
November 2004	November 02	Board Meeting	FIDEXPERT Bucharest
	November 02	Business Club: Visit to FIDEXPERT	FIDEXPERT 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:**

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

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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

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](mailto:cceer@pcnet.ro)

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