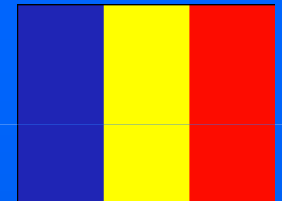




**MINISTRY OF ECONOMY AND
COMMERCE**

Foreign Trade Department



ROMANIA

Member of the European Union

***ECONOMIC DEVELOPMENT
AND OPPORTUNITIES
IN ROMANIA***

By

***Iuliu WINKLER, minister delegate for
commerce***

Romania – Member of EU from January 1st, 2007

Changes of legislative and treaty nature

- European Commission takes over the national authorities competence with regard to international trade
- Common Customs Tariff
- Integrated Tariff of the European Communities (TARIC)
- Intra-community trade statistics (Intrastat)
- Common defense trade policy
- Free Trade Agreements concluded by EU and Stabilization and Association Agreements with West Balkan states
- Tariff concessions extended by the EU to goods originating in developing countries (GSP)
- Non-preferential Trade Agreements concluded by EU based on the Most Favored Nation Treatment
- Other commitments taken by the EU in the trade and cooperation fields

Benefits of EU Accession

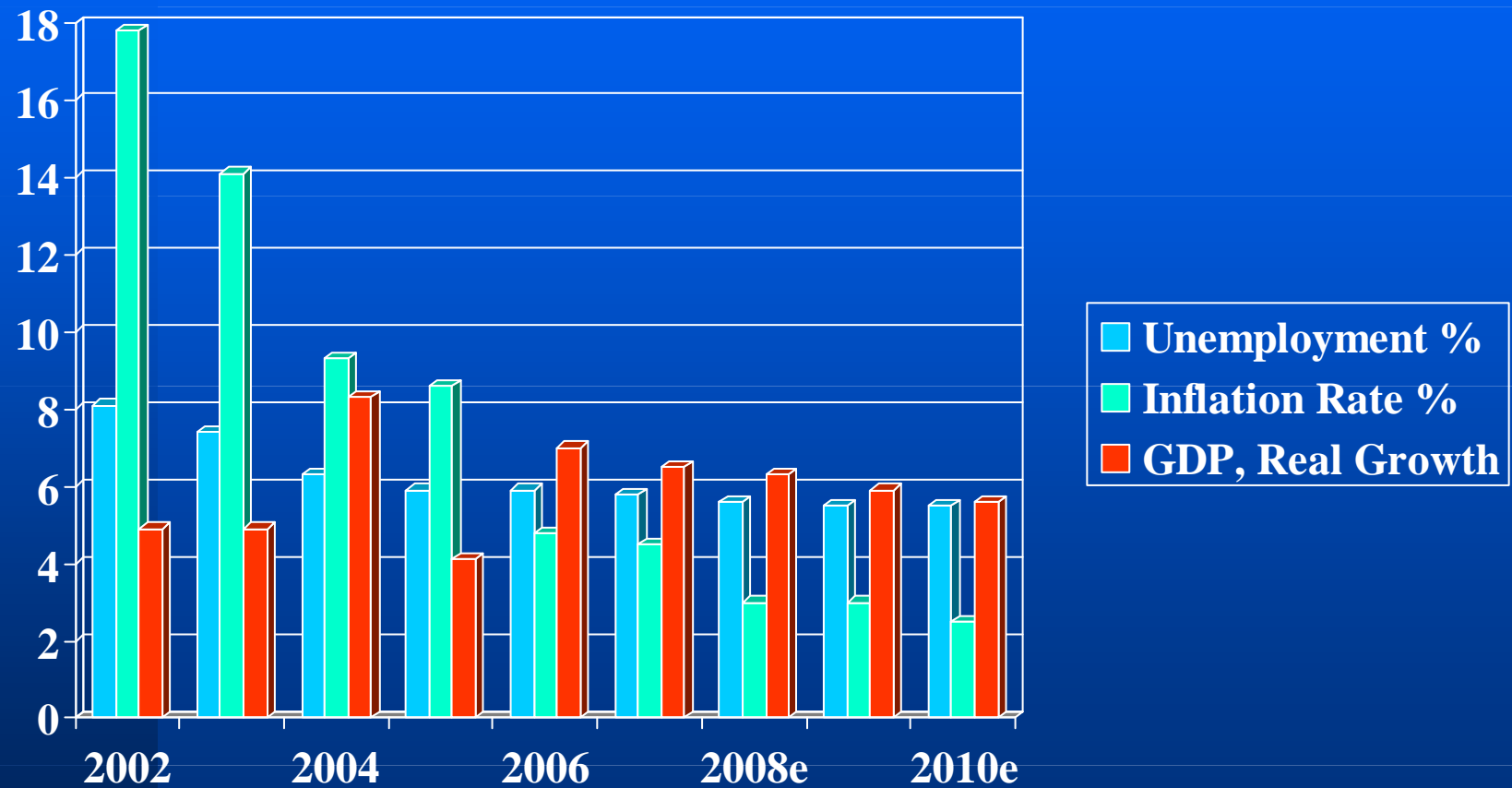
- Access to an extended market of more than 500 mill consumers for non-European companies settled in Romania
- Harmonization of capital market regulations, taxation, accounting rules => higher transparency and simplification
- Simplified procedure in business administration when delivery to EU member states
- Elimination of exchange risks and conversion charges when Romania will join the Euro zone

Competitive Taxation

FLAT TAX - INCOME - PROFIT	16%	
VAT	19%	
DIVIDEND TAX	10%	
SOCIAL SECURITY	45.5%	39.5% by the end of 2008

Country	Corporate Tax
Serbia	14%
Macedonia	15%
Bulgaria	15%
Romania	16%
Hungary	16%
Slovakia	19%
Poland	19%
Croatia	20.32%
Slovenia	25%
Czech Rep.	28%

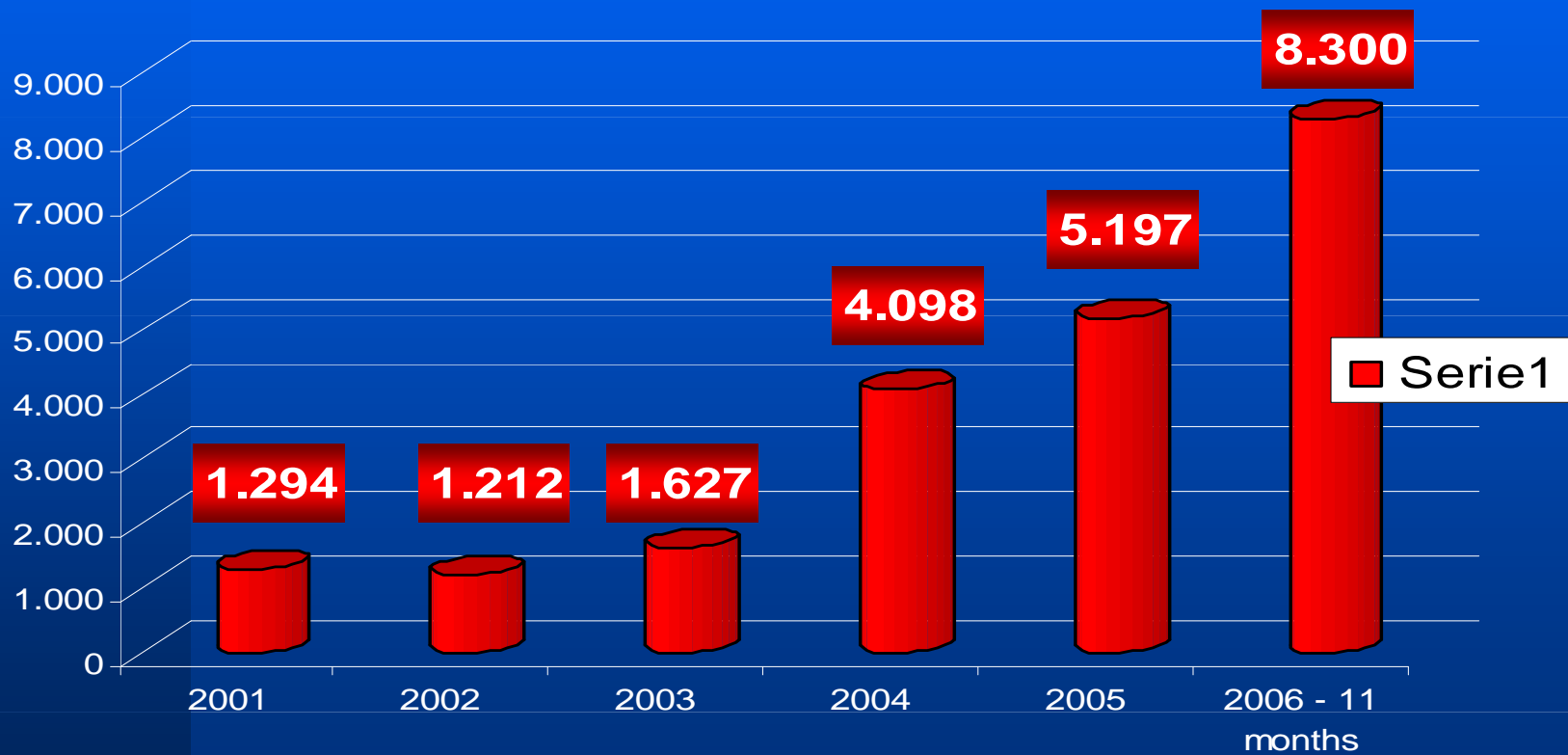
Macroeconomic Performance & Trend



Source: National Institute for Statistics, National Bank of Romania, National Committee for Prognoses (trend)

FDI Annual Inflows in Romania 2001 – 2006 (11 months)

Euro million

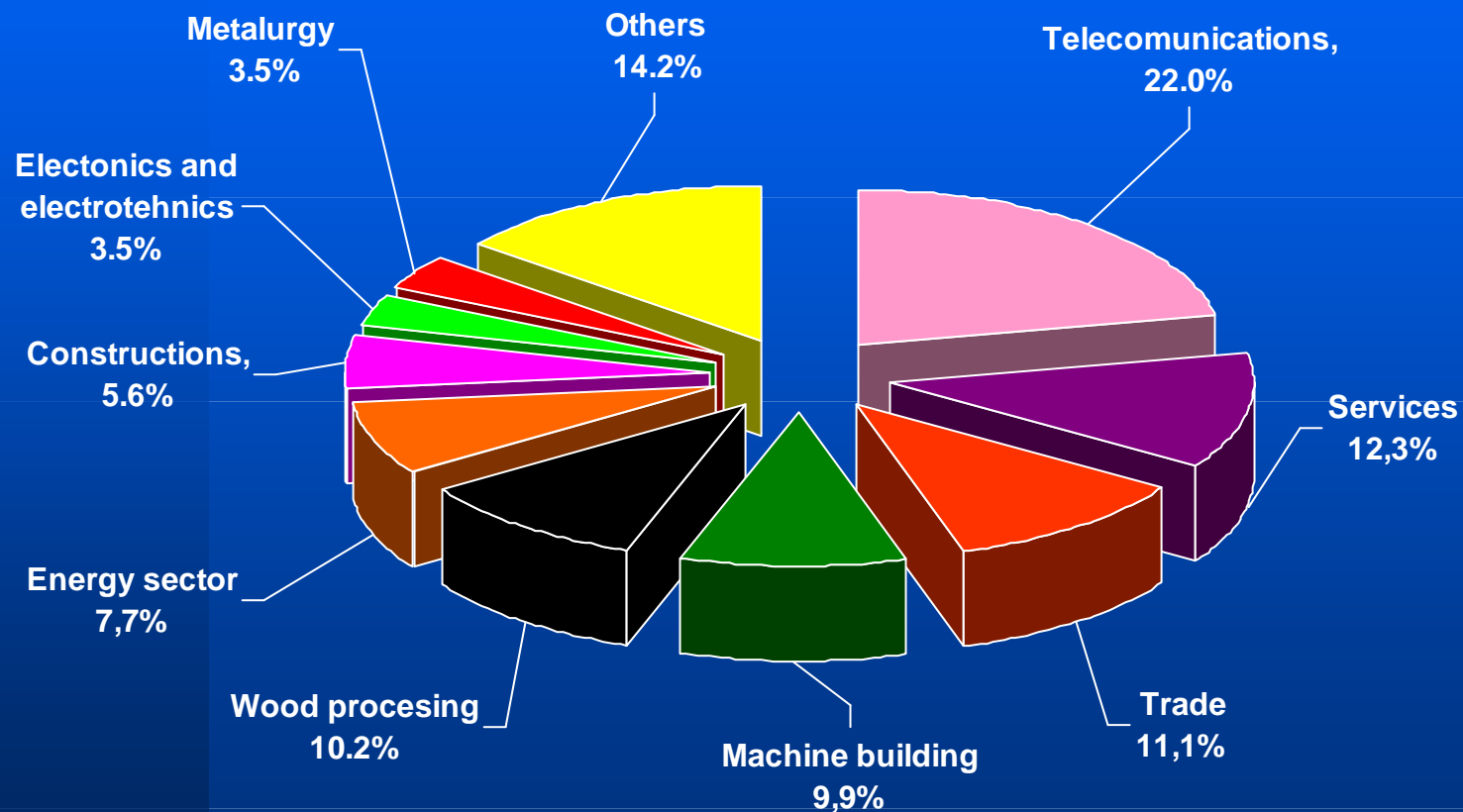


FOREIGN DIRECT INVESTMENT

Foreign direct investment by the investors' countries of origin, at 30 November 2006

No.	Countries	Number of companies	Amount of subscribed capital	
			mill. EURO	%
	Total, of which:	130710	14947	100.00
1	THE NETHERLANDS	2655	3112	20.82
2	AUSTRIA	4138	1984	13.27
3	FRANCE	4644	1583	10.59
4	GERMANY	14116	1516	10.14
5	ITALY	21252	845	5.66
6	U.S.A.	4871	705	4.71
7	UNITED KINGDOM	2657	681	4.55
8	NETHERLANDS ANTILLES	12	567	3.79
9	GREECE	3569	543	3.63
33	NORWAY	195	16	0.11

DIRECT INVESTMENT WITH SIGNIFICANT IMPACT ON ROMANIAN ECONOMY, BY MAIN FIELDS, IN 2006



Foreign Investor Status

- foreign investment possible in all sectors of economy
- possibility to freely manage the company with full ownership rights
- full repatriation of capital and profits
- protection against expropriation and nationalization
- national treatment for foreign investors

New Investment Law

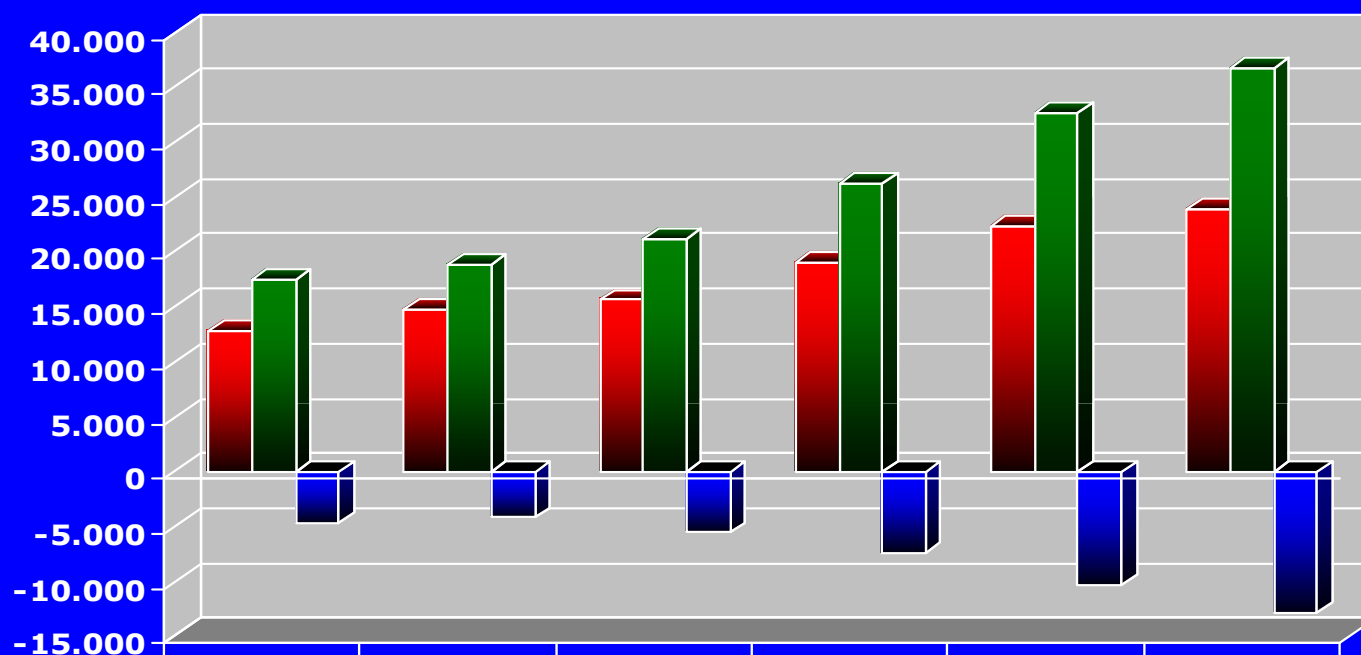
Draft under public debate

Purpose

- This law determines the principles, terms and modalities of stimulating investments in Romania, aims to contribute to the sustainable country development
- This project is in fully accordance with the EU legislation
- The Government will issue also legal/administrative acts in order to regulate the state aid schemes for each objective aiming to contribute to the law implementation
- By these legal acts will be regulated the objective, the time, the budget, the beneficiaries, the eligibility and selection criteria and the competent authorities responsible to grant incentives
- By this Law will be set up a Responsible Authority for implementing and **monitoring** the legal provisions

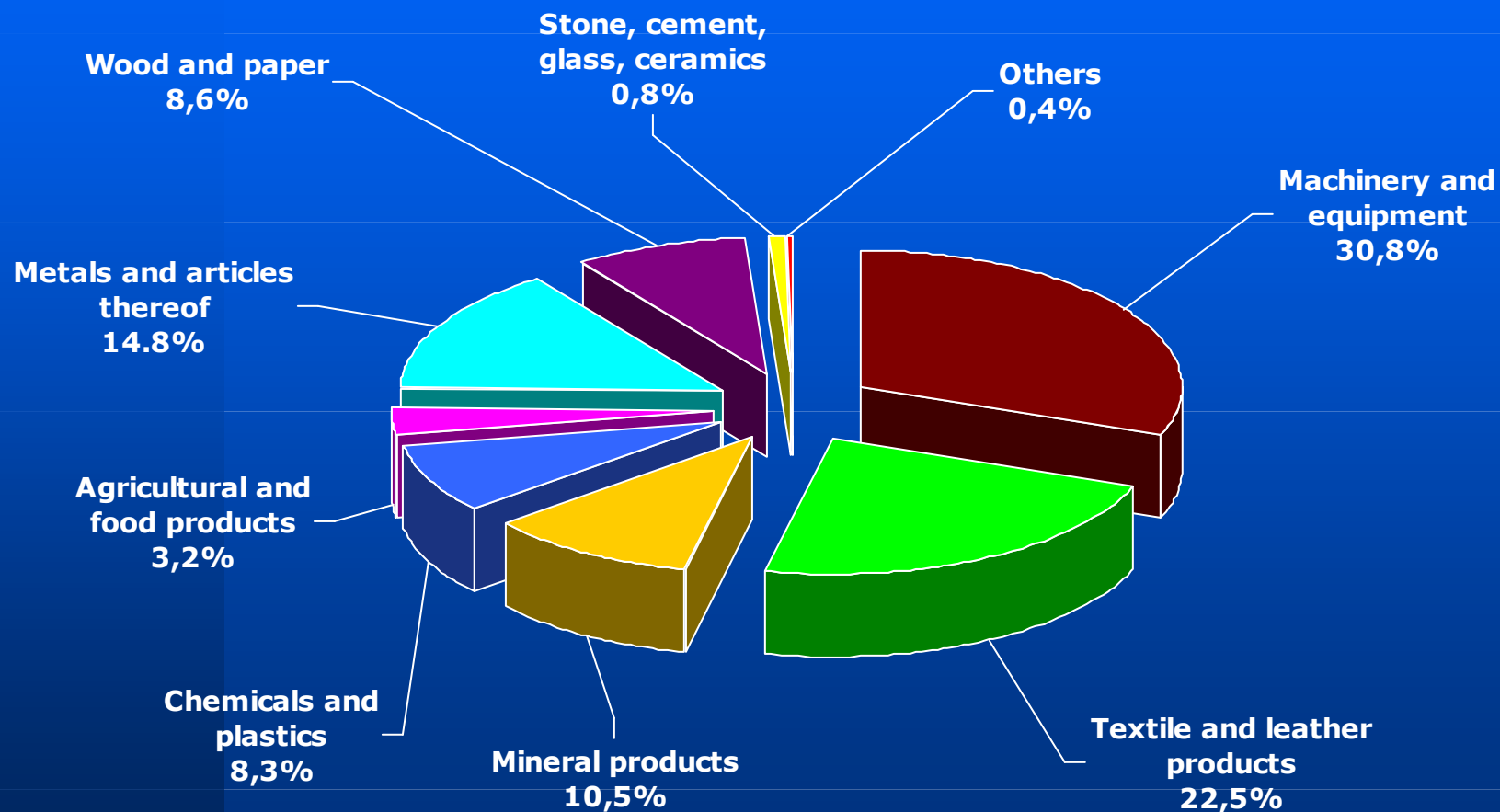
FOREIGN TRADE, IN THE PERIOD 2001 – 2006 (11 months)

EURO mill.

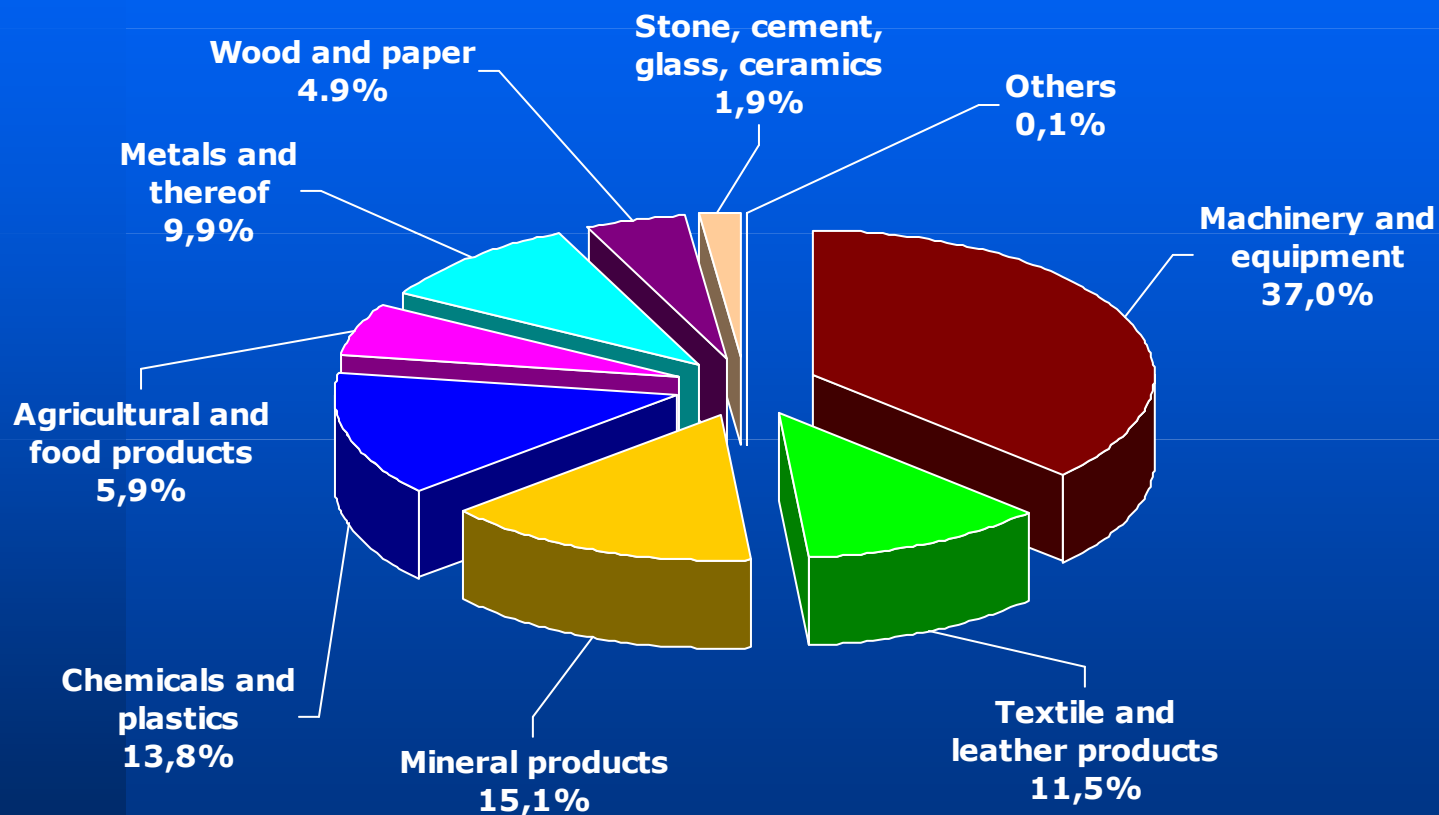


	2001	2002	2003	2004	2005	2006, 11 months
Exports	12.722	14.675	15.614	18.935	22.255	23.844
Imports	17.383	18.881	21.201	26.281	32.569	36.677
Balance	-4.661	-4.206	-5.587	-7.346	-10.314	-12.833

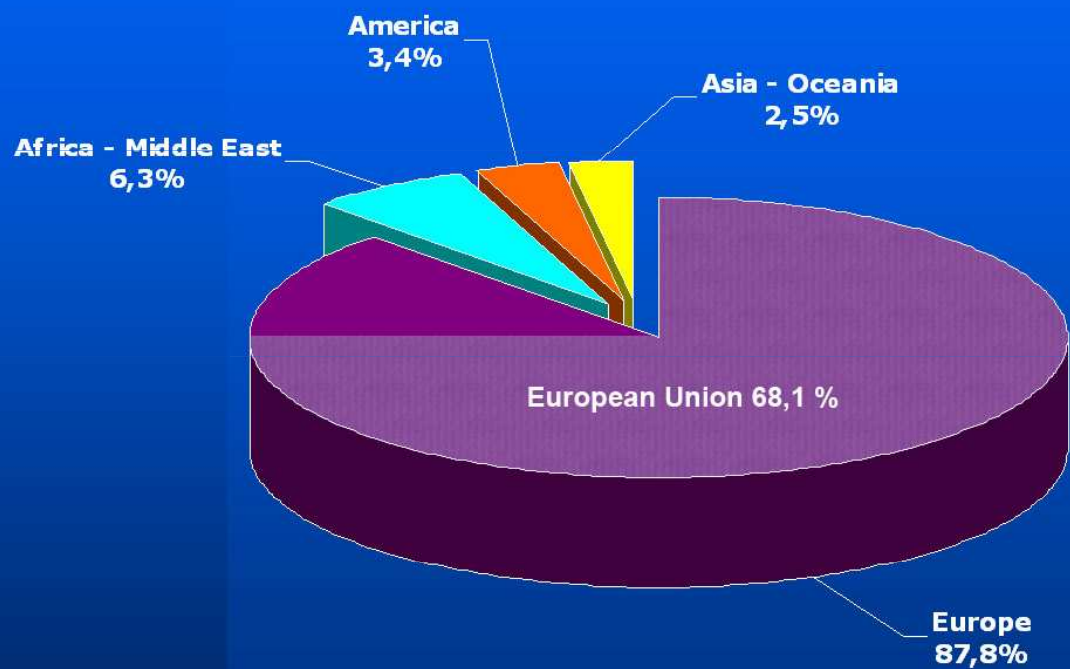
THE STRUCTURE OF THE ROMANIAN EXPORTS, BY MAIN GROUPS OF PRODUCTS, IN 2006 (11 months)



THE STRUCTURE OF THE ROMANIAN IMPORTS, BY MAIN GROUPS OF PRODUCTS, IN 2006 (11 months)



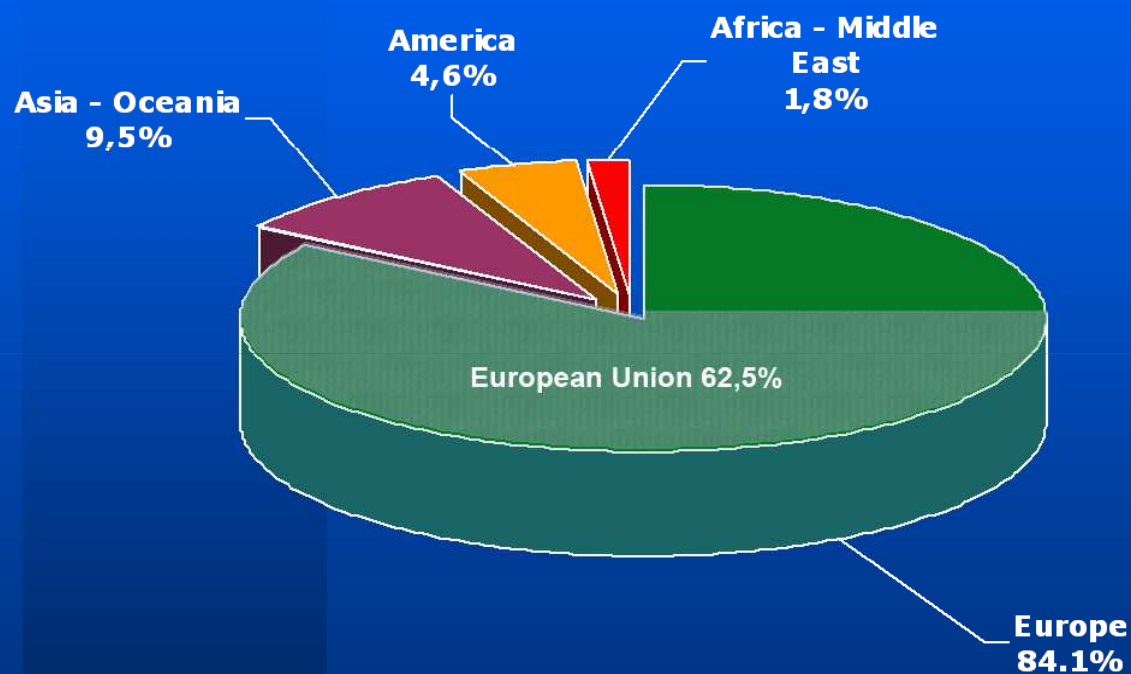
GEOGRAPHICAL ORIENTATION OF THE ROMANIAN EXPORTS, IN 2006 (11 months)



Top export markets
per cent, share of total export

Italy	18.1
Germany	15.8
Turkey	7.7
France	7.5
Hungary	5.0
Great Britain	4.8
Bulgaria	2.8
Austria	2.7
USA	2.6
Netherlands	2.4
Spain	2.4
Greece	2.0
Poland	1.8
Belgium	1.6
Serbia	1.5

GEOGRAPHICAL ORIENTATION OF THE ROMANIAN IMPORTS, IN 2006 (11 months)



Top import partners` countries <i>per cent, share of total import</i>	
Germany	15.0
Italy	14.8
Russian Federation	8.1
France	6.5
Turkey	4.9
China	4.2
Austria	3.8
Hungary	3.3
Kazakhstan	3.2
Poland	2,8
Great Britain	2.5
Czech Republic	2.5
USA	2.5
Spain	2.3
Netherlands	1.8

Bilateral relations with Norway

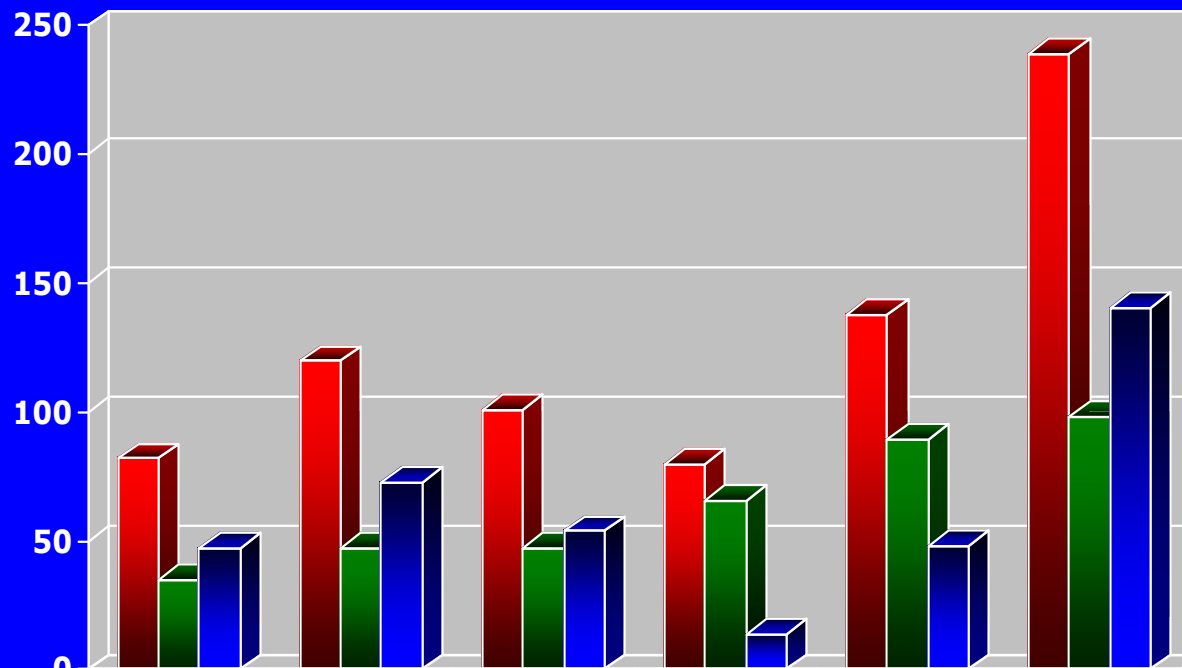
- ✓ Agreement regarding the Mutual Promotion and Protection of Investments, signed on October 25, 1993
- ✓ Convention for the Avoidance of Double Taxation, signed on October 25, 1994
- ✓ Agreement between the Ministry of Economy and Commerce of Romania and the Royal Ministry of Petroleum and Energy of Norway regarding cooperation in the field of energy, signed on September 14, 2004

The first meeting of the bilateral Task force in the field of energy will take place today.

- ✓ Romania's accession to the European Economic Area– under negotiations

COMMODITY TRADE BETWEEN ROMANIA AND NORWAY, IN THE PERIOD 2001 – 2006 (11 months)

EURO mill.



	2001	2002	2003	2004	2005	2006-11 months
Exports	81,9	119,7	100,6	79,5	137,9	238,7
Imports	34,7	47,4	46,9	65,6	89,7	98,2
Balance	47,2	72,3	53,7	13,9	48,2	140,5

THE STRUCTURE OF THE BILATERAL COMMERCE, BY MAIN GROUPS OF PRODUCTS, IN 2006-11 MONTHS

Romanian Export

- Sea-going and river vessels – 79,2 %
- Metals and articles thereof - 8,6%
- Machinery and electrical equipment – 5,0%
- Textile and leather products – 3,1 %

Romanian Import

- Metals and articles thereof – 30,1%
- Machinery and electrical equipment – 30,0%
- Agricultural and food products – 18,3%
- Mineral products – 6,3%
- Chemical products – 3,2%

Norwegian FDI's in Romania -

- ✓ Norway – ranking on the 33 position among the foreign investors in Romania
- ✓ The total capital of the Norwegian investments in Romania reaching 15,8 Euro mill.
- ✓ 195 Norwegian-Romanian joint ventures
- ✓ The main Norwegian investors :
AKER YARDS GROUP has been the owner of Tulcea Shipyard since 2000 and Brăila Shipyard since 2003.
ORKLA FOODS ROMANIA - the company now has 5 production plants located in Craiova (margarine, ketchup and mustard), Targoviste (jam), Covasna (liver paste, patés and tinned meat), Iasi and Bucharest.
- ✓ The main investing sectors are: sea-going and river vessels, food industry

5 REASONS TO INVEST IN ROMANIA

**1. STRONG MARKET
POTENTIAL**

**2. FUNCTIONAL MARKET
ECONOMY**

**3. HIGH SKILLED LABOR
FORCE**

**4. COMPETITIVE TAX
POLICY**

**5. SIGNIFICANT
ECONOMIC GROWTH**

Potential Sectors for Investment

- Manufacturing
- Automotive component parts
- IT & Communication
- Electric & Electronics
- Wood processing
- Construction materials
- Textile
- Food processing
- Infrastructure
- Outsourcing and logistics

THANK YOU !

MINISTRY OF ECONOMY AND COMMERCE

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