

# LEADS July 2013

Crina Stoica joined the chamber team as from 1 July. She has a background in marketing and accountancy. She is at your disposal in order to get the contacts behind the leads. Per edition you can ask for 5 contact data.

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## **201307001 Xerox expanding in Romania, looking to hire 440 new employees**

Xerox is expanding in Romania with a new Bucharest office and a recruitment drive. The company is looking to hire 440 people for a variety of positions, including human resources, IT, financial services and customer services, as well as starter positions for young, inexperienced applicants.

Xerox's new office is in the Multigalaxy II building in Northern Bucharest and as well as searching for employees to work in the new office, Xerox is continuing to recruit for the office opened in Iasi late last year. Of the total 440 new jobs, 140 are for the new office in Bucharest, while the remaining 300 are for the office in Iasi.

As well as specific technical skills, Xerox is looking for applicants with a knowledge of foreign languages, especially English, German and Italian. The company has indicated that demand from Europe for business process outsourcing (BPO) has motivated the expansion.

## **201307002 Wind energy capacity nearly doubles in Romania in 2012, biggest increase in the region**

There was a 94 percent increase in installed wind energy capacity in Romania last year. The 923 MW installed last year nearly doubled Romania's total wind energy capacity to reach 1,905 MW by the end of 2012, according to TPA Horwath and Schoenherr și Asociații's Wind Energy and Other Renewable Energy Sources in Romania report.

The amount of new wind capacity installed last year in Romania was the fifth highest in Europe, as the generous green certificates scheme made investors keen to put money into Romanian wind. Romania led the region for new wind energy projects, behind only Germany (2415 MW), the UK (1897 MW), Italy (1973 MW) and Spain (1122 MW). The increase in capacity has outstripped the estimates of both the Romanian energy authority (ANRE) and those given in the National Renewable Energy Action Plan (NREAP).

As for 2013, based on the wind projects planned or under development, the report suggests that some 617 MW of additional capacity will be installed this year, which will take wind energy's slice of Romania's total energy requirements pie to 8 percent.

The EU has set a target of 20 percent of total energy from renewable sources by 2020, however, the Romanian authorities have set their own higher 24 percent target for 2020.

There has been some disquiet in the renewable energy sector recently after the government announced a reduction in the green certificates incentive scheme. However, despite concerns over legislative stability, Romania remains an attractive spot for renewable energy investments, according to the report. Romania will remain highly attractive for global investment in renewable energy over the coming decade and this is proved by "the increasing scale of both direct and portfolio foreign investments in this sector."

But the report also cautions that continued investment "will require further support for the sector and, above all, the development of a transparent regulatory system, which is a prerequisite from the investor's point of view." Transparent regulation will ease problems associated with connecting energy projects to the main electricity grid of Romania, according to Wind Energy and Other Renewable Energy Sources in Romania report.

### **201307003 Bucharest to Exchange Land for Historic Building**

Bucharest City Hall will exchange a private municipal property, i.e. a 4,200 sq. m land plot at 5, Victoria Square, for a historic building on 18-20, Lipscani Street in the capital, owned by BCR, where it will arrange Pinacoteca Bucharest. The City Hall will also pay EUR 5.78 mln to BCR for the exchange, according to a June 28 decision of the General Council.

According to an assessment report, the market value of the 4,210 sq. m land plot at 5, Victoria Square is EUR 8.147 mln, while the value of the building and adjoining land at Lipscani Street, which has a ground, second and attic floor, is EUR 13.933 mln.

According to the report, the difference between the two objects, of EUR 5.786 mln, will be paid to BCR.

The land at Victoria Square is owned by SC Bucharest Financial Piazza SRL.

The building at the intersection of Lipscani, Smardan and Stavropoleos Streets was built between 1910 and 1913 and restored between 1977 and 1983.

Pinacoteca Bucharest, which became part of the Museum of Art Bucharest in 1984, is one of the traditional cultural establishments in the capital. It was founded on June 1, 1933, as a

necessity to concentrate in one place works of art (paintings, sculpture, graphic and decorative arts) that the capital city had gathered over time.

#### **201307004 Bega Group Opens Timisoara Office Center**

Bega group, owned by Emil and Marius Cristescu, will invest about EUR 20 mln for construction of a complex of four office buildings in Timisoara, with the first one to open on Monday.

The project, called Optica Business Park, with an area of 21,000 sq. m, will open in several stages by the end of 2015. The first building, of 5,000 sq. m, involved an investment of EUR 3.5 mln, financed through equity (30 pct) European funds (40 pct), and bank loans (30 pct) .

The second, 6,000 sq. m office building, estimated at EUR 6.5 mln, will open in the first quarter of next year.

"Besides these two buildings, we will build two more structures in the same complex, which will add an additional 10,000 sq. m of space and take a further EUR 10 mln. Thus Optica Business Park will have reached 21,000 sq. m of office space by the end of 2015, following a total investment of EUR 20 mln," Emil Cristescu, vice president of Bega Group, told Mediafax.

#### **201307005 Bosch Concern to open 3rd production unit in Blaj**

Bosch Concern that owns two factories in Blaj (Alba County) will open its 3rd production unit in this town, on June 8. The investment supplies 320 new jobs for a start, and the number of employees is planned to go up to almost one thousand by 2017. Bosch Concern the world top auto technology supplier holds two other Bosch Rexroth factories in Blaj, built in 2007 and 2009 respectively, the investments here amounting to 30 million euros, and numbering almost 600 employees.

The new production unit is not a Bosch Rexroth, but it belongs to a different division that puts out rotation sensors for engine and chassis. For a start, the new unit hires 320 people, in compliance with agreement signed by Bosch and the Finance Ministry that in spring 2012 okayed the state aid to the foreign investors a subsidy amounting to 13.4 million euros. Bosch paid 1.2 million euros without VAT for 7 ha land plot in summer of 2011 to get two new factories built there. The area lies in the immediate neighborhood of the 23-ha the Concern had already owned.

The works at the new unit started in March 2012. 'For Alba County, Bosch meant a stable partnership and likewise a positive message to other big investors. Bosch logo is a magnet placed on the map of the Alba County, and it has really worked like a magnet to bigger or smaller companies that invested at Sebes, Cugir or the Apuseni Mountains, Alba County Council president Ion Dumitrel said on Thursday June 6. The German corporation entered the Romanian market in 1994.

### **201307006 Over EUR 44 million to be invested in Constanta Port upgrade**

Upgrading infrastructure works worth more than 44 million euros (over RON 200 million) will be conducted at Constanta Port, following a decision taken by the Government on June 12.

"The finalization of the intervention works will increase the safety of port operations and stability of docks in the south of the port and it will increase the capacity of Constanta Port, in general. Deepening the basin and navigable channel from the current level of -7.00 metres to the level of -9.00 metres will provide access and docking of the ships of up to 10,000 DWT," reads a release issued by the Government.

The total value of the investment amounts to RON 215,863,000 and is funded from the state budget, through the Ministry of Transport, up to the amounts approved annually for this destination, from Title 56 "Projects with funding from post-accession non-repayable foreign funds." The Government has thus adopted the decision on approving the technical-economic indicators for upgrading the infrastructure of Constanta Port.

### **201307007 Mega Image opens 88 new stores and ups profit in Romania in 2012**

Retailer Mega Image, owned by Belgian group Delhaize, recorded a profit of over EUR 10 million in 2012, a year-on-year increase of 3.5 percent and a turnover of around EUR 390 million – up 44 percent on the previous year. The retailer opened 88 new stores in Romania last year and its number of employees increased by over 30 percent, according to local news agency Mediafax.

Last year, Mega Image almost doubled its number of stores in Romania, reaching a total of 193 units at the end of 2012, from 105 a year before.

Founded in 1995, the retailer currently runs 233 stores in Romania, of which 143 stores under the Mega Image brand and 90 Shop & Go neighborhood stores.

### **201307008 Two investors show interest in buying Russell Wasendorf's stake in Romania-based real estate group Avrig 35**

Several investors have shown interest in acquiring Russell Wasendorf Sr.'s minority stake in Romanian property venture Avrig 35, according to the receiver selling off Wasendorf's assets, quoted by The Wall Street Journal. The American businessman, founder of Peregrine Financial Group, is currently serving a 50-year federal prison sentence for embezzlement.

Russell Wasendorf Sr. holds an 11 percent stake in the Romanian company, according to Avrig 35 sources. Two investors expressed their interest in acquiring his shares, according to Michael Eidelman, the receiver who liquidates the Peregrine Financial Group founder's estate

to raise funds for clients and creditors. However, the names of the potential investors were not unveiled.

Avrig 35 was among the many ventures Wasendorf funded with USD 215.5 million in money embezzled from customers of his futures brokerage, writes The Wall Street Journal. However, Peregrine collapsed last year in July after the American businessman attempted suicide and left a confession detailing his crime.

#### **201307009 Saint Gobain opens EUR 7 mln mortar factory in Romania, one of the few countries in its European chain which brings growth**

French group Saint-Gobain recently opened its third factory in Romania, following a EUR 7 million investment. Saint-Gobain Weber's newly opened mortar factory in Suceava, Northern Romania, will have an annual production capacity of 100,000 tonnes. The factory will in a first stage serve the Suceava county, as well as the nearby counties of Botosani, Iasi and Neamt.

The factory on Stroiesti, Suceava, currently has nine employees, and will increase the staff to 25.

The Saint Gobain group has 1,100 employees in Romania and a yearly turnover of EUR 160 million, according to Francois Xavier Moser, the director of the French group for Poland, Romania and Bulgaria. Romania was one of the few countries where the group managed to achieve growth in the first six months of this year.

#### **201307010 Genesis Biopartner opens EUR 5 mln biogas co-generation plant in Romania, wants 10 more similar units**

Genesis Biopartner recently opened the first co-generation biogas -fueled power station in Filipestii de Padure, Prahova county, following a EUR 5 million investment. Romanian meat producer CrisTim will be the beneficiary of the electricity produced by the new station.

The biogas plant has a capacity of 1 MW and will initially use corn silage for feed-stock, but in the future, Genesis Biopartner will use the organic waste from the CrisTim meat factory, or collected from the county, and use it to produce energy.

“For Romania, this is the first biogas station, but there are some 10,000 functional stations at the European level, with an installed capacity of approximately 5,000 MW, so it is an usual thing,” said Michael Dietrich, founder of Genesis Biopartner. Moreover, the company plans to build 10 such biogas plants in the following three years.

Genesis plans to open at least 10 similar co-generation plants in Romania in the following three to four years, according to Dietrich.

Genesis Biopartner is a joint company made of Romanian company Baupartner and Swedish company Vireo Energy, formed in March 2013. The investment was fully financed by Genesis Biopartner, with 40 percent of the contribution coming from the Romanian company.

#### **201307011 EBRD ponders EUR 59 mln loan to Spanish firm for wind farm in Galati, Romania**

The European Bank for Reconstruction and Development (EBRD) is considering providing a loan of up to EUR 59 million to the Spanish company Inveravante Inversiones Universales for the construction of a 54 MW wind farm in Galati county, Romania. The total cost of the project is EUR 84.2 million.

According to EBRD, this project will support Romania in increasing its renewable energy capacity to meet EU green energy targets.

The project is developed by the Spanish company Inveravante Inversiones Universales through a special purpose vehicle, Smardan S.R.L., incorporated in Romania.

Inveravante Inversiones Universales is present in more than 20 countries and it engages in a range of business areas, including the development of renewable energy projects and oil and gas exploration and production.

The EBRD has played a significant role in co-financing infrastructure projects in Romania. Renewable energy projects, along with water supply and sewage systems in particular have attracted funding from the bank.

Two of the bank's more recent Romanian investments are a EUR 9.2 million loan to Hidroprahova SA, the water and wastewater operator for the Prahova area, north of Bucharest, and a EUR 50 million deal to finance the operation of two wind farms in Romania.

#### **201307012 American investor shows interest in building EUR 300 mln hospital compound in Timisoara, Romania**

An American group is interested in building a EUR 300 million medical compound in the Romanian Western city of Timisoara, according to the president of the Timis council, Titu Bojin. He recently signed an agreement with the firm GPM, which allows to further the proposal to build a hospital compound to the Timis county council.

The compound would include a 600-bed hospital, 300 apartments, a school and a kindergarten, as well as a center to train nurses. The exact location where the compound will be built should be established within three months. “It should be at the outskirts of Timisoara close to the Giroc village, on the site of a former military unit. We have there enough land, but the exact area has not yet been established,” said Bojin.

The American investor would finance the construction, while the county council would provide the plot and the infrastructure. This future investment will create up to 600 jobs, and the county council should approve the investment sometime in August. It would then take three months to start the construction site, and three years to finish the project.

### **201307013 Hong Kong – based investment fund takes over Romanian mountain resort project Silver Mountain**

A Hong Kong – based investment fund, Uni-Asia, recently took over the Silver Mountain resort in Poiana Brasov, central Romania, which was developed by INR Management Real Estate, controlled by the heirs of businessman Dan Fischer. The value of the deal was not disclosed.

The mini mountain resort, launched in 2008 and currently functional, includes apartments and villas, a club, restaurants and a spa center, and should have also included a 186- roomed hotel, which was supposed to be affiliated to the Radisson chain. The development of the hotel was however delayed because of the financial crisis.

The investment fund is currently under negotiation with BCR, which financed the development of the real estate project, to find solutions to relaunch and include it in the tourism circuit.

“Our intentions are as serious as possible, and the approach will be different than the previous one, which focused on developing a luxury resort for high end users. Under the current market circumstances, our specialists decided to re-launch the project under a new form, but before this, an essential role will have the main lender BCR, which could become our creditor in this venture,” said Bogdan Gheorghiu, managing director of Uni-Asia Group for Eastern Europe, quoted by Romanian media.

The Silver Mountain resort was started in 2008 by INR Management Real Estate, a company founded by the late businessman Dan Fisher, who died last year.

Uni-Asia ended 2012 with a net profit of USD 3.6 million, while its revenues were of USD 78 million. The profit was more than double on 2011, while the turnover was 35 percent higher.



## **201307014 French state group Thales lands EUR 60 million laser contract for ELI research center in Romania**

French state-owned group Thales will provide the EUR 60 million laser system for the laser project that will be built in Romania, at Magurele. The contract between the French group, which makes some EUR 14 billion a year, and the Romanian research center Horia Hulubei was recently signed in Bucharest. The ceremony was attended by French Prime Minister Jean-Marc Ayrault during his recent visit to Romania, where the cooperation between Romania and France was again highlighted, including support for Schengen accession.

This is the biggest contract awarded by a national research center within a project financed by European funds. The total funding for the Magurele laser is of EUR 293 million. The laser systems provided by Thales will generate an unprecedented power, of  $2 \times 10$  petawatts in short pulsations. This laser will open the way to a new generation of extremely powerful particle accelerators, which will be smaller and less costly, and dedicated to physics research and to medical use.

Thales had revenues of EUR 14.8 billion in 2012, and spent some EUR 2.5 billion – or 20 percent of its revenues, on research and development. The company is owned by French State – 27 percent, Dassault Aviation – 26 percent, and 46 percent of the shares are floating on the stock market.

ELI-NP (Extreme Light Infrastructure-Nuclear Physics), the nuclear physics research center which will be built in Romania, at Magurele near Bucharest, is one of the three pillars of the European project ELI, which aims to become the most advanced structure worldwide for studies on photon radiation with extreme characteristics. The other two centers, ELI-Beamlines and ELI-ALPS, will be built in Prague and Szeged – Hungary, respectively.

The Romanian center should be finalized by fall 2014, with the two lasers and the gamma radiation center to then be installed. The entire research center should become operational in 2017.

According to Romanian sources, the laser project could get public and private investments of over EUR 1 billion, and create a total of 13,000 direct and indirect jobs, including for 1,000 researchers from the entire world, out of which 200 permanently employed.

ELI-NP will create a new European laboratory to investigate a very broad range of science domains, from new fields of fundamental physics, new nuclear physics and astrophysics topics, to applications in material science, life sciences and nuclear materials management.



### **201307015 Romanian company Romflag to produce over 10,000 flags for the coronation of Belgium's new King**

Romanian flags manufacturer Romflag, part of the Belgium's company Waelkens, will produce over 10,000 flags for the coronation of Belgium's new King, scheduled for July 21, according to the company. The value of the contract was not disclosed.

“Over 5,000 flags of Belgium and over 5,000 flags with the profile and the name of the new king are currently produced. They will be shipped to Belgium for the crowning event on July 21, the National Day of Belgium,” reads a statement of the company. Some 20 employees of the company are working for producing the 10,000 flags.

Romflag was established in 2009 as part of Belgium's company Waelkens. The company's production site in Targu Mures prints over 3,000 sqm of flags daily.

Earlier this month, the Belgium's King Albert II, announced that he will step down in favour of his son Prince Philippe, on July 21, Belgium's national day. King Albert was sworn in as the sixth king of the Belgians in August 1993.

### **201307016 Investors expect feed-in tariff for small solar**

As the Romanian government has officially suspended the issue of two green certificates for solar capacities, investors are waiting for the enactment of a feed-in tariff system for photovoltaic installations up to 1MW, according to Germany's Conergy, a solar company.

Ales Spacil, business development East Europe at Conergy Italy, sees growth potential in the small solar capacities.

“We are not aware yet of decisions of investors to leave Romania however we know that many of them are studying promising markets outside Europe. We are also aware of a number – mostly local investors who are looking with increasing expectations to projects based on Feed-in Tariff scheme. This smart supporting scheme allowed governments of about 60 countries around the world manage flexibly the minimum amounts of support in order to keep investors interested and at the same time keep acceptable costs,” Spacil told BR.

“Romanian officials are talking about introducing this system for PV plants up to 1 MW for more than 1 and a half year. Now is the time to make it happen!”

Conergy has 430MW in solar installations worldwide and the Romanian operations represent only a fraction of this capacity. The company is completing a 2MW solar project near Slobozia and is currently working on another 2.2MW park. Conergy also announced the development of a 540 Kilowatts roof-top project in Bucharest. The developer reached a turnover of EUR 474 million in 2012.

“The share of the Romanian operations is currently below our expectation because the whole market is under everyone's expectations. The positive message is that our footprint is stronger with the time passing both on rooftop and free field projects,” said Spacil.

Spacil commented the potential enforcement of permanent anti-dumping duties on Chinese solar panels doesn't impact the firm's operations.

"Conergy supports the provisional duties and we believe that in the coming period there will be enough space for negotiations between EC and China to achieve a good solution without final duties being exposed. As per Conergy, we are flexible enough to work efficiently in both environments – with and without duties."

The European Commission and China have until August to come up with a solution that would raise the price of imported panels. Unless a deal is struck, permanent duties of 46.7 percent would be imposed.

### **201307017 Henkel invests EUR 770,000 in modernizing the Pantelimon factory**

FMCG and construction materials manufacturer Henkel has invested RON 3.4 million (approximately EUR 770,000) in increasing the energy efficiency of its factory in Pantelimon, near Bucharest. Out of this, RON 0.9 million (approximately EUR 200,000) are EU money. The project was implemented between March 2012 and this February and it consisted in a new sand drying technology. Following this investment, the factory's energy consumption for the sand drying process should decrease by at least 10 percent. The project is part of a global strategy and similar upgrades will be implemented in the manufacturer's other two local factories – the one in Campia Turzii and the one in Roznov which will be opened this year.

Henkel construction materials are sold under the Ceresit brand. Henkel to open third factory this year Henkel has invested EUR 10 million into building its third local adhesives and construction materials factory in Roznov, Northeastern Romania. About EUR 3 million of the necessary money comes from European regional development funds.

Initially, the new factory should have become operational in 2012 but its opening was delayed for the first half of 2013. It will have a production capacity of between 180,000 and 200,000 tons per year and it will cover mainly the Northern part of Romania as well as exports to the Republic of Moldova. The new production facility will employ around 70 people. Henkel Romania was set up in 1994 as a subsidiary of Henkel Central Eastern Europe, and presently employs over 500 people.

### **201307018 NEPI to invest in refurbishing Bucharest historic mansion**

South-African investment fund New Europe Property Investments (NEPI) will begin works on the refurbishment of the Oromolu Mansion in downtown Bucharest and the construction of a nearby business center, the company has announced.

The project will be directed by Romanian architect Dorin Stefan and will consist of a complete refurbishment of the historic mansion as well as the construction of a tree-story extension which will feature office spaces and entertainment areas.

The mansion was built by a former Romanian central bank governor, Mihai Oromolu, in 1927 on a 4,500 sqm plot of land located in Victoriei Square near the Victoria Palace, the government's headquarters.

The mansion, which was damaged by a fire in 2009, and the plot of land are evaluated at some EUR 13 million. NEPI got the property from real estate group Avrig 35 as part of a debt but the transaction's value has not been made public.

“Through the Oromolu project we want to leave our mark on Bucharest in the most concrete and visible way. We have thus chosen to contribute as directly as possible to the reinstatement of an unique architectural style and give back this monument as well as the entire area its interwar charm,” said Martin Slabbert, NEPI’s CEO.

NEPI’s investment portfolio is currently focused on Romania where it has been present since 2007. It has since bought or developed various commercial, office and industrial real estate projects. Its portfolio was estimated at EUR 445 million at the end of 2012.

NEPI’s most recent projects in Romania include the Ploiesti Shopping City mall developed in partnership with Carrefour Property, Pitesti Retail Park and Promenada Mall in Braila. On the office segment, NEPI has taken over the Lakeview office building in Bucharest this February and has begun work on The Office project in Cluj Napoca earlier this year.

The fund is listed on the Main Board of the Johannesburg Stock Exchange, the regulated market of the Bucharest Stock Exchange and the AIM market of the London Stock Exchange.

### **201307019 RIFIL Romania plans EUR 4 mln investments this year**

Romania’s RIFIL, the yarn manufacturer, pursues a EUR 4 million investment program this year, which includes the acquisition of manufacturing equipments and the development of new products.

The company has allotted EUR 3 million in a program for improving electricity consumption at the Savinesti unit, in Neamt County, for which 52 percent of the financing comes from EU sources.

RIFL exports mainly in Europe (Poland, Spain, France, Germany, UK, Italy) and also in the US, according to Ioan Stratila, the company’s president. At present, around 21 percent of the yarn sales of RIFIL Group are generated on the local market. Some of its biggest clients are Italy’s Arfil and Giorgini, France’s Dickson and UK’s Pax Ardel.

The industrial might of China – the world’s manufacturing powerhouse, doesn’t intimidate the company.

“China is not a threat for us because European consumers (mainly) prefer the yarn producers in areas that require lower transport costs and that are able to provide higher quality products that can meet the needs of consumers in the evolved and exacting market,” Stratila told BR.

He added the local textile industry looks competitive given its significant contribution to exports.

“We believe that through a more careful and professional approach regarding the development of the textile industry supported by the Romanian Government, we think the perspectives are there to diversify the range of products, reviving, in principle, the use of natural fibers (flax, hemp, wool), which at present is practically inexistent,” said the president.

Around 525 people worked last year in the three manufacturing facilities controlled by RIFIL. This year’s investments will increase the headcount by around 3 percent. The company’s

production operations are based in the Moldova region, in Savinesti, Campulung Moldovenesc and Gura Humorului.

RIFIL registered a turnover of around EUR 65 million in 2012 and generated business worth EUR 18 million in the first four months of 2013.

The company has both foreign and local individuals and companies as shareholders, including Italian Qquanti or Dutch Fraver Textile Int.

### **201307020 Good news for real estate investors from the Bucharest City Hall – online zonal urban plans**

I am one of those people who never believed that the Bucharest City Hall would actually take some action in order to help potential investors and developers, as well as real estate investors. But it seems that the impossible has happened.

The City Hall has recently released the website <http://urbanism.pmb.ro>, where you can access zonal urban plans, construction authorization letters and town-planning certificates. (The website is also partially available in English and a signup and login are required)

First of all, all the people involved in the process of buying land will save a considerable amount of time. More precisely, if the owner of the specific land claims that you can build a 24-story construction there, you can immediately access the map and see if the assertion is based on documents.

The safety of the investment. Any investment is done (or should be done) after a complete due diligence report is conducted – one which includes both the legal and the technical aspects of the investment – in order to have the certainty that you won't throw your money down the drain. With the help of the website launched by the City Hall you will know if, from a technical point of view (zonal urban plans, construction authorization letter and town-planning certificate), the land meets your needs even prior to starting the report.

Money saver. In order to obtain the papers which you can now access in just a few seconds with 2-3 clicks, you had to make several trips to the city hall of your sector or the General City Hall, according to case. But now you can have them instantly. Moreover, due to the easy access to information, the cost of the due diligence report is supposed to decrease. At least in theory.

Transparency. It is most likely that the biggest problem that the real estate market had in the past, the lack of transparency, will diminish as a result of this new tool which is now available to the public.

All these advantages are available not only for investors and developers, but also for real estate consultants which are involved in land acquisitions.

There are several advantages which interest real estate consultants exclusively:

Once they have seen the construction authorization letter, they know what will be built in the area they cover. Thus, three major advantages should be pinpointed.

The first advantage refers to the fact that you can begin the negotiations with the developer earlier in the process so that you can offer consultancy not only on what can be built (which is the feasible request, on what type of properties, etc.), but also in reference to advertising the property in an adequate manner, to increase the number of potential buyers.

The second advantage refers to the safety of the transaction which implies that you will never sell the 6th story off plan if the construction authorization letter clearly specifies that the building can have 5 stories.

The third advantage is that you will be knowledgeable about that future market stock. If you have 5 construction authorizations in the area, you can give the clients who have real estate properties for sale the best recommendations concerning price and the time-of-sale.

Let's not forget the end buyer who, by accessing the information available in the construction authorization letter, will know if a new building will emerge in front of his window immediately after the project where he wants to buy his new home is sold.

One swallow does not make a summer' but the initiative of the City Hall is admirable and it has the power to sustain the development of the real estate market.

### **201307021 Huawei estimates 260-million-dollar turnover in Romania this year**

Huawei estimates for this year a 260-million-dollar turnover in Romania, increasing from the 249-million-dollar turnover registered in 2012, Huawei Romania Integrated Accounting Department Director Vlad Doicaru said.

Vlad Doicaru said that, out of the 260 million dollars, approximately 100 million dollars represented business conducted through the entity in Romania, Huawei Technologies SRL. As concerns the number of employees Huawei has in Romania, it reached 800 persons and by the end of next year their number could increase to 1,200.

Moreover, Vlad Doicaru said that by 2018 the company planned to invest 100 million euros in Romania within the projects and the service centre, including fees and payments to third parties and suppliers.

The Chinese telecommunications equipment producer, Huawei, on Tuesday organises a press conference and a technical exhibition, to mark ten years of presence in Romania. Prime Minister Victor Ponta and Information Society Minister Dan Nica participate in the event.

### **201307022 EDP Renewables gets 264 MW wind farm permitted in Romania**

Romanian Ialomita Power, a subsidiary of EDP Renewables, has received the establishment permit for a 264MW wind farm in the Dobrogea region from the energy regulator ANRE, according to economica.net news portal.

EDP holds an 85 percent stake in Ialomita Power and Renovatio Trading, a Cyprus-based energy trader, controls the rest.

The Portuguese utility operates in Romania five wind farms with a combined capacity of 242 MW. The largest one is the Pestera park of 90MW.

Building the farm that is located in Facaeni locality, Ialomita County, requires an investment over EUR 300 million.

With a favorable incentives scheme in place, Romania has been able to attract large investments in the wind sector, taking the total installed capacities to over 2,100MW.

Wind producers are currently granted two certificates, but the issue of one certificate has been delayed through to 2017, as authorities tried to prevent the overheating of the electricity bills for companies and household consumers.

Representatives of the wind industry warned that the reduction of incentives would drastically reduce the flow of fresh investments in Romania.

### **201307023 Ming Yang Wind Power Group plans local renewable investments**

China's Ming Yang Wind Power Group aims to develop wind and biomass projects locally, aiming to turn Romania into a regional base for renewable energy production, said the presidency in a statement.

Chuanwei Zhang, president of the Chinese company, expressed "interest" in developing renewable energy projects in Romania, during talks with President Basescu.

Ming Yang is the largest private wind turbine manufacturer in China, reporting revenues of USD 464 million last year, down 47.5 percent from the previous one. Its gross profit fell 63 percent to USD 59.4 million.

Denmark's Vestas holds a 36 percent market share in the Romanian wind sector, while US GE has 30 percent, according to data published in 2012 by the Romanian Wind Energy Association (RWEA). Germany's Siemens has 14 percent of the market, while India's Gamesa has 13 percent. German wind turbine makers Enercon and Nordex have 5 percent and 1 percent, respectively.

Wind producers dominate the renewable market, operating capacities over 2,100MW, according to grid operator Transelectrica. Each megawatt in wind output is granted two certificates, but authorities have delayed the issue of one certificate through March 2017. The certificate should be recovered starting January 2018.

### **201307024 LUKERG Renew buys 70MW wind farm in Romania from Vestas**

Denmark's Vestas, the wind turbine maker, has sold its Romanian wind project Gebeleisis, with an installed capacity of 70MW, along with a smaller wind farm of 14MW in Bulgaria to LUKERG Renew.

The Romanian farm has been operational since February 2013 and can generate up to 165GWh yearly. The farm is located in the Galati region and is valued at EUR 109.2 million. The Bulgarian project has an annual output of 34GWh and is valued at EUR 17.6 million.

LUKERG Renew is a joint venture between Russia's oil major Lukoil and Italy's energy company ERG. The company made its first acquisitions in 2012, when it purchased two wind projects with a combined capacity of 192MW.

Vestas decided to sell the two projects as the development and ownership of projects is not part of its regular business model.

The transaction is expected to be closed in the next two months and the Bulgarian deal needs to be approved by the national competition authority.

LUKERG's acquisition comes amid the government's decision to reschedule the issue of one green certificate for wind producer, which is set to be recovered from 2018. Until then, the wind sector will have to manage with one certificate.

Law firm Wolf Theiss advised Vestas on the sale. The team of lawyers that worked on the deal included Bryan Jardine (coordinating partner Wolf Theiss Bucharest), Ciprian Glodeanu (partner Wolf Theiss), Ileana Glodeanu (counsel) and Radu Plesca (associate lawyer).

### **201307025 Enel Green Power puts online 19MW of solar in Romania**

Enel Green Power (EGP), the renewable arm of Italian utility Enel, has started operations on its first solar installations in Romania.

The two farms have a combined capacity of 19MW and can generate up to 29 million KWh yearly.

The first plant (Berceni 1) has an installed capacity of 10MW, being able to cover the yearly electricity consumption of more than 7,500 households. A second farm of 9MW (Berceni 2) will generate enough electricity for 6,500 households. Both projects are located in Prahova County.

EGP is among the biggest players in the wind business, having 498MW installed in local wind capacities.

Romania reached 258MW of incentivized solar capacities by May, according to grid operator Transelectrica.



Solar producers are currently granted four green certificates for each MW in output, after the government changed the support scheme. Authorities have postponed the issue of another two certificates, which should be recovered starting April 2017.

### **201307026 Consumer Goods Firm to Build Logistics Center in Romania**

A European consumer goods firm plans to invest EUR 150 mln in establishing a Romanian manufacturing and logistics center over the next two years.

Swedish Svenska Cellulosa Aktiebolaget (SCA) will invest EUR 150 mln in Sebes, in the current paper mill plant owned by Pehart Tec, and construction of warehouses and logistics facilities.

SCA is present in Romania through its Zewa brand.

"Investments in the first phase will exceed EUR 50 mln, and reach EUR 150 mln in the next two years," said Ioan Tecar from Pehart Tec.

Sebes Council will auction a 40,000 sq. m land area, near the existing plant, where the Swedish company wants to develop warehouses and logistics facilities.

According to surveys conducted by the Sebes city administration, the land will be auctioned at a price of about EUR 20 per sq. m.

This is the second largest investment in Sebes this year, after Daimler, which has begun to build a factory to produce gearboxes for Mercedes, worth EUR 300 mln,

### **201307027 Foreign Real Estate Investors Inject EUR 165 mln in Capital into Romanian Subsidiaries in H1'2013**

Foreign real estate investors made EUR 165 mln in capital contributions to their Romanian subsidiaries in the first six months of the year, almost double the amount allocated in the same period last year, of EUR 86 mln, according to ONRC data.

The largest contribution was made by Tower Center, registered in Cyprus, which brought EUR 33.4 mln in capital to its Romanian company. Tower Center owns an office building of the same name on Victoria Square in Bucharest.

Among the firms that received additional funds from investors are Goldale Real Estate (EUR 24.8 mln), and Masterage Imobiliare (EUR 21.8 mln). Both companies are held by Spanish Riofisa and businessman Ion Tiriac.

Australian investment fund Valad increased the capital of CEIF Industrial Epsilon by EUR 5.6 mln.

Scottish Aberdeen Asset Management brought EUR 19.4 mln in capital to DEGI Millennium Tower. The latter owns Millennium Business Center office building in downtown Bucharest, near the Armenian Church. The property was strongly affected by fire four years ago.

Another important investment this year was made by Polish real estate developer Echo Investment. The company enlarged the subscribed capital of its Brasov subsidiary Echo Investments Project 1, through which it wants to build a shopping center in the city.

Canadian investors increased the capital of Vic City firm with EUR 2.8 mln. Vic City is the developer of Victoria City Lifestyle shopping center in the Bucharest Noi area.

U.S. group Prologis increased the capital of one of its Romanian companies, Prologis Joita (Giurgiu), with EUR 2.6 mln, while Greek businessman Ioannis Papalekas contributed EUR 3.0 mln to the capital of Star Imob Construct, through which he bought City Mall shopping center in Bucharest. The building is being transformed into an office center.

The capital of Timisoara Office Building was increased by EUR 4.23 mln, while Land Targu Mures One, Land Suceava One, Land Sibiu One received funds totaling EUR 12 mln from Cyprus-registered companies. The firms are controlled by Rewo Management, part of Volksbank Group.

As well, Flavus Investitii increased the capital of Coresi Business Park with EUR 4.5 mln.

Other real estate firms active in the Romanian market in the first six months were Wellkept Imobiliare, with shareholders from Cyprus, who invested EUR 1.025 mln, Talia Developments, with Spanish investors, who added EUR 4.7 mln to the company's capital, while Town Imobiliare increased the capital of their Bucharest firm by EUR 1.3 mln.

### **201307028 Avantgarden Kasper Immo Invest Starts Brasov Housing Project**

Real estate developer Avantgarden Kasper Immo Invest has started construction of a housing project in Brasov's Tractorul neighborhood. "The project will be called Avantgarden Tractorul and require a EUR 15 mln investment," said the company owner Daniela Kasper.

Avantgarden Tractorul and will comprise nine buildings with 450 apartments. Construction work will take three years. "There will be one and two-bedroom apartments. Blocks will have a height of five floors plus a penthouse level. Prices of apartments will start from EUR 34,000 for a studio," explained Daniela Kasper.

Daniela Kasper has been involved in the development of Avantgarden projects in Brasov, in

partnership with Simon Maurer.

Kasper is also in advanced talks with Immochan Romania to develop a residential compound on the former Tractorul industrial platform in Brasov.

Daniela Kasper and Simon Maurer use the Avantgarden brand, although they are no longer associated.

### **201307029 Developer Starts 1,600-Apartment Project in Romania**

A Romanian company controlled by German capital is starting a new residential project in the Transylvanian city of Sibiu.

Avantgarden Sibiu will be built near Sibiu Shopping City Retail Park and occupy a 10 ha land plot purchased earlier this year. The project includes construction of 1,600 apartments in eight-story buildings.

"We will build a block of flats comprising 80-90 units and the first building will be fully completed in August 2014. According to estimates, we will obtain EUR 67 mln from the sale of all housing units," Dana Stemate, Marketing Director of Maurer Imobiliare, developer of Avantgarden Sibiu project said.

Dana Stemate also said that depending on the demand for housing, the company could expand the project through the purchase of land adjacent to the one it already bought.

Housing prices start from EUR 28,000 for a studio, EUR 37,000 for a two-bedroom apartment and EUR 49,000 for three rooms.

Apartments can be purchased under the First Home program, and the project will be developed with the company's own sources.

Maurer is a German private company founded by businessman Simon Maurer. The company has an ongoing project in Brasov, similar to that it intends to build in Sibiu. The Brasov development envisions construction of 1,800 dwellings, including 1,300 already sold units.

"We sell an average of 25 apartments a month, and buyers are both Brasov citizens and investors from other cities or other countries," said Stemate.

### **201307030 USD 66 mln Construction Contract Awarded in Romania**

A USD 66 mln contract has been awarded to the Bucharest subsidiary of the construction and infrastructure division within Africa Israel Investments (AFI) Group, Danya Cebus.

Danya Cebus Rom, in partnership with the U.S.-based KBR (Kellogg Brown & Root Services

Inc.), has won a contract to build the first stage of military bases in Deveselu, Romania.

The total contract value is USD 134.2 mln, with the Danya Cebus Rom part being USD 66 mln.

"This project cooperation is possible because Danya will perform civil construction and infrastructure works, while Kellogg Brown & Root Services will perform high security work," said Shlomo Mintzer, CEO of Danya Cebus Rom.

Danya Cebus Rom has been involved in a number of construction projects in Romania, including Cotroceni Park and Galleria Arad shopping malls.

Danya Cebus Rom recorded a RON 67.4 mln (EUR 15.1 mln) turnover and net profit of RON 14.6 mln (EUR 3.3 mln) last year, according to data from the Ministry of Finance.

### **201307031 Borgo Italiano to Pour EUR 25 mln into Romania Housing Project**

Italian developer Borgo Italiano has started construction of a luxury residential estate in Timisoara, called Armonia. This is the first major investment in the residential sector in Timisoara since the beginning of the crisis.

The project concept is best suited for expatriates and managers of multinational companies present in Timisoara. Total investment will be around EUR 25 mln and provided from the developer's own funds.

Armonia neighborhood will include 87 villa type residential units, duplex and row houses with built area of between 218 and 365 sq. m and garden areas. Prices will start from EUR 1,000 per sq. m.

The project will include more than 4.0 ha of green space, children's playgrounds, bike paths, a private club with restaurant, gym and various social spaces.

The last stage involves construction of a shopping area in partnership with one or more retail operators. Construction of the first phase, consisting of 27 residential units, has already started and will be delivered in early 2014. Development of the entire project will cover a maximum of four years.

Borgo Italiano is a company founded in 2009.

### **201307032 Eka Development to Start Bucharest Housing Project**

Eka Development, the real estate development division of Eka Investment group, controlled by businessman Emil Pop, intends to resume a housing project, including three blocks with

over 350 apartments in the north of the Romanian capital.

"We are in advanced discussions with a foreign investment fund to finance the development," Emil Pop said.

The project, initially estimated at EUR 60 mln, has been revised, so that investments will now be around EUR 25 mln.

The development will be carried out on an 11,000 sq. m site at 69-69P, Bucharest-Ploiesti Road, near Selgros Baneasa and behind the KPMG office building.

"We will target middle class buyers, with prices not exceeding EUR 800 per sq. m. We want to build two- and three-room apartments. I hope to have all documentation completed by the end of the year," Emil Pop said.

### **201307033 Investors Revealed behind Globalworth's Forthcoming EUR 300 mln London IPO**

Globalworth Real Estate Investments, headed by Greek businessman Ioannis Papalekas, believes that Romania is likely to become an exceptional investment opportunity. The company has scheduled a London IPO for July 12 seeking to raise EUR 300 mln for the benefit of buying real estate in the country.

One of the company directors is Eli Alroy, former CEO and chairman of GTC Poland. Elroy led the group's real estate activities in Eastern Europe from 1994 until 2011, when he left the team with tens of millions of dollars in his pocket.

Elroy will represent Eyal Ofer, Idan Ofer's brother, one of the world's wealthiest Israelis, and himself in the board. Eyal Ofer, who has already done business with Papalekas in Romania, is expected to be a major investor in Globalworth.

Another businessman expected to attend the Globalworth issue is Shlomo Tisser, with Villar-Real Estate Advisors.

But besides Ofer and Tisser, who are private businessmen, Globalworth, which will operate in the form of REIT and distribute at least 90 pct of its free cash flow to shareholders, has recently been approached by several Israeli financial institutions, with the assistance of the underwriter Rosario Capital. According to market estimates, the Altshuler Shaham Group may take part in the offering.

As mentioned, the Globalworth IPO is scheduled for next week, with Friday, July 12, being the first day of trading. In a letter to potential investors Globalworth representatives explain why now is the time to invest in Romania: "Papalekas has been active in the Romanian real estate market for 13 years, and in 2008 sold his EUR 1.0 bln property portfolio, which

resulted in a huge profit for him and his associates, some of whom were Israeli investors."

"Mr Papalekas is in the process of building a new portfolio based on international tenants such as Intel, HP, Danone, Vodafone, Nestle and more," according to a report distributed by the fund.

Papalekas currently holds rights to a portfolio including nine properties (eight in Bucharest), worth EUR 460 mln, producing cash flow (NOI) of EUR 49 mln a year.

Papalekas has committed to acquire at least 10 pct of the offering (EUR 30 mln), and together with the rights to the existing portfolio of assets, to be transferred to the Globalworth company, his investment will reach up to EUR 100 mln. With the capital raised, Globaworth will be able to purchase additional properties.

"You can expect an annual dividend yield of 15 pct, with significant potential for capital gains in a period of two to three years," according to their report.

#### **201307034 Hercesa to Build Bucharest Affordable Housing**

Spanish real estate developer Hercesa, owner of several residential projects and Cismigiu Hotel in the Romanian capital, will begin to develop the third phase of its Vivenda complex in Bucharest.

"We will start to build the third phase of the Vivenda Residencias project next spring. We are now working on the design of housing. We want to develop 120 units, to be sold for around EUR 38,000 with VAT, in line with the First Home government program," Mauricio Mesa Gomez, general manager of Hercesa Romania.

Mauricio Mesa Gomez also hopes to sell the remaining 100 apartments out of the total 420 units, built within the Vivenda Residencias project, by spring 2014. So far Vivenda blocks consisted of large areas, priced at around EUR 70,000 per unit.

#### **201307035 Hilton Hotel Project Gets Nod in Romania**

A Romanian municipality has given the green light to a Hilton hotel project, to be developed on land belonging to businessmen Robert Anthony and Tiberiu Siclitaru.

Last week, Craiova City Council approved the Detailed Urban Plan for a Hilton Hotel, which will rise on land near the Puppet Theater in the city.

The four-story facility will operate under the Hilton Garden Inn brand. The project belongs to Camataru Trans Com SRL.

Craiova City Council also approved the Detailed Urban Plan for construction of a business

center, called Center for Business Excellence Universitaria.

The building, with a height of S+P+3, will be built at 42, A.I. Cuza Street across the University of Craiova, at the intersection with Aries Street. The project belongs to the former footballer Rodion Camataru.

### **201307036 SOCAR to Build Gas Stations in Romania**

The State Oil Company of Azerbaijan (SOCAR), which owns 15 gas stations in Romania, has a plan to build new stations in the country, the company announced .

"We have purchased land for stations around the country and SOCAR's investments in creating a Romanian nationwide retail chain are growing. We have a EUR 50 mln investment plan for this year. The number of stations and the pace of national development in 2013 will depend on the fuel market dynamics in Romania, and the whole bureaucratic approval process," SOCAR Romania CEO Hamza Karimov said in a statement.

Up to now, SOCAR has opened 15 gas stations in the northeast of the country, in Iasi, Botosani, Suceava and Neamt, following a EUR 22 mln investment.

### **201307037 Contractor Sought for 16,000 Sq. m Office Project in Romania**

A general contractor tender has been announced by the developer of a 16,000 sq. m business center in the Romanian city of Oradea.

Tradecenter, controlled by Oradea businessman Alexander Mudura, is preparing a tender to select contractors to build a six-story office center, across Lotus Center shopping complex in Oradea.

The building will have 1,600 sq. m of exhibition space on the ground floor and underground parking with a hundred spaces.

"The center, with a GBA of 16,000 sq. m, including 9,500 sq. m of rentable space, has been designed to accommodate a minimum of 20 small and medium enterprises or up to 80 small firms," Ludovic Dioszegi, the project manager, said at a press conference last week.

Investment in the business center will be RON 88 mln, including a RON 46.7 mln grant. "In about two weeks we will announce a tender and hope to begin construction work in three to four months so that the building to become operational by the end of October 2014," said Dioszegi.

The future office building will have a 3.4 ha park area and a lake on 0.5 ha, arranged by Constructorul Salard si Gardener.



According to the EU's procurement journal, the contract's indicative value is RON 67.9 mln, excluding VAT. July 23 is the scheduled date for start of award procedures, with completion of works planned for September 30, 2014.

### **201307038 Company within Romania's Rompetrol group lands consultancy contract for USD 6 bln project in Kazakhstan**

Rominserv, part of the oil and gas group Rompetrol, will supply project management and training services for a petrochemical project in Western Kazakhstan, which is a EUR 6 billion investment that should produce 800,000 tonnes of ethylene and 500,000 tonnes of polypropylene.

The consultancy contract with the Romania – based company is worth some USD 5 million for this year, and covers the first stage of the project, which consists in building one of the needed production installations, a task undertaken by Chinese company Sinopec Engineering.

This is the third project for Rominserv in Kazakhstan, the home country of Rompetrol's parent company KazMunaiGaz. The previous two projects were undertaken between 2009 and 2011.

Rompetrol group, which includes the Rominserv subsidiary, is owned by KazMunayGaz, which took over the company in 2007 from former shareholder Dinu Patriciu.

Rompetrol Rafinare, the refining arm of the group, recorded a gross turnover of some USD 4.62 billion in 2012, around USD 200 million less than in 2011.

### **201307039 IKEA Keeps Plans for Balkan Expansion**

Swedish furniture retailer IKEA has started its first project in Croatia. The venture is the first step in a continued expansion in the Western Balkans, where the company has not yet been present.

IKEA's furniture store is set to open in less than a year on a site purchased by the company in 2008.

“We are standing on a giant building site on the outskirts of Zagreb, next to the highway that leads straight into the center. IKEA, which will invest EUR 100 mln in the project, hopes for a success story. The interest is incredible. Many Croats go to Austria or Italy to buy IKEA furniture,” said Igor Stefanac, IKEA's PR manager for Southeast Europe.

IKEA expects three million customers and a turnover of over half a billion euros already in the first year. Initially, the project included a large, 140,000 sq. m shopping center with a furniture house and over 300 stores, with a projected annual flow of 12 million customers. But

the shopping mall component is now put on hold until 2015 when the investment should be looked at again.

“We think long-term and are confident that the whole region is very interesting,” said Igor Stefanac, who is also heading the Belgrade expansion, where IKEA has long been planning a store opening but where a battle on the conversion of land lease from state ownership into private property have slowed investment.

"It was recently announced by Serbia's Deputy Prime Minister Aleksandar Vucic that the problems are solved and IKEA will open in April next year, something that IKEA does not want to confirm. When IKEA CEO Mikael Ohlsson in March 2012 met with then-President Boris Tadic, the company announced investments totaling EUR 250 mln in Belgrade, Novi Sad, Nis and another town in central Serbia.

“We are still working on the plan. Additionally, right now we are looking to acquire land in Ljubljana, Slovenia. And in the long term, we plan to start projects even in Split and Rijeka in Croatia, in another place in Belgrade and in several locations in Romania,” said Igor Stefanac

#### **201307040 U.S. company KBR confirms being awarded contract to build missile defence system facilities at Deveselu**

**U.S. company Kellogg Brown & Root Services Inc. (KBR) confirmed it has been awarded a \$134 million contract by the U.S. Army Corps of Engineers, Europe District to construct the facilities necessary to support Europe's first land-based ballistic missile defence system at Romania's Deveselu Air Base.**

The Aegis Ashore Missile Defence System will make a substantial contribution to provide protection for NATO European territories, including Romania, the cited source says. This will be the world's first operational Aegis Ashore installation, which is a land-based variant of the U.S. Navy's shipboard Aegis Air and Ballistic Missile Defence System.

Under this contract, KBR will re-locate a four-story radar deckhouse structure from the East Coast of the United States to Romania. In Romania, KBR will build all of the various facilities and infrastructure required to support the Aegis Ashore weapon system including roads, support buildings, communications, security and utilities.

The Pentagon announced on July 10 that Kellogg Brown & Root Services was awarded the contract for the development and construction of the missile defence system to be built in Deveselu, which employs the SM-3 interceptor (also referred to as the 'Aegis Ashore System').

KBR is a global engineering, construction and services company supporting the energy, hydrocarbon, power, industrial, civil infrastructure, minerals, government services and commercial markets.

#### **201307041 Support for SMEs to recruit young people**

Labour Minister Mariana Câmpeanu announced that small and medium enterprises that employ young people can access money from the European Investment Bank (EIB). The institution will, at European level, loans worth 6 billion to support SMEs.

"My recommendation is that small and medium enterprises to arrange for the date of January 1, 2014 can access these funds. Speak of the sum of 6 billion, the EIB will provide, at European level, SME sites that employ young people," said Mariana Câmpeanu. The minister also said that the other 6 billion will be allocated to the European Union as collateral for young people. Part of the money allocated by the EU can be accessed by HRD projects.

On the other hand, Câmpeanu said that Romania still faces a major problem in terms of youth unemployment, but there are some areas of the country where unemployment among this age group is very high.

#### Unemployed educated

According to the latest data of the National Agency for Employment (NAE) a number of fresh graduates 3,970 were registered as unemployed in June.

Of these, 177 were listed as paid unemployed graduates.

NEA statistics also show that in the first five months of the year, by subsidizing employers who hire graduates of educational institutions was achieved employment of 1,609 people.

Also, by providing employment for graduates first was performed employing 1,586 people.

According to the National Statistics Institute (INS), the unemployment rate was 7.5% in the total number of unemployed reached 720,000.

### **201307042 Romania, well positioned for future based on renewable energies**

According to British Ambassador Martin Harris, in the following years Romania could ensure an annual GDP growth of 0.5 pc solely by trading in green certificates.

Romania is very well positioned in order to be successful in a future based on green energy and low carbon dioxide emissions, having important resources in the hydro and nuclear domains, British Ambassador Martin Harris stated yesterday.

"The Cernavoda plant is one of the most efficient of those using CANDU reactors and Romania, just like the United Kingdom, is planning new investments in the nuclear domain. Great Britain is investing a billion GBP in an advanced research center for the development of low carbon dioxide emission technologies for the auto industry, including Ford, whose award-winning engine for the B-Max was designed in the United Kingdom and is produced in Craiova," Ambassador Harris added.

He also pointed out that in the following years Romania can ensure an annual GDP growth of 0.5 per cent solely by trading in green certificates, being one of the countries that will benefit the most from the EU's goal of lowering carbon dioxide emissions by 30 per cent by 2020.

Exports 60 pc higher by 2017

The ambassador made these statements on the occasion of Great Britain's Embassy and the Romanian-British Chamber of Commerce establishing the Romanian-British Business Center. As part of the project, the British Embassy will offer the bilateral chamber of commerce a EUR 200,000 grant.

"This is a step forward in the support we are offering to economic relations between Romania and Great Britain. This is part of a project that includes 20 top priority markets all over the world. We are offering support to British companies on markets such as Mexico, Russia, India, Brazil, and in Europe we selected two top priority countries in order to support trade relations, namely Poland and Romania. We hope to see strong growth both in British investments in Romania and in bilateral relations between the two countries," British Ambassador Martin Harris stated.

He also added that this measure also seeks to ease access for British companies that want to invest or have commercial relations in Romania. The British government hopes to see a 60 per cent growth in exports to Romania as a result of the setting up of this business center. Present at the signing of the document that sets up the business center, the British Secretary of State for Energy and Climate Change pointed out that Romania has immense potential in the energy domain, a potential that could attract investments and expertise from Great Britain. Davey discussed during his visit to Bucharest the issue of the Southern Corridor after the decision concerning TAP and Nabucco, as well as that of shale gas drilling and nuclear energy, the British Embassy in Bucharest informs. Yesterday the British Secretary of State met Premier Victor Ponta, Energy Minister Constantin Nita, Environment Minister Rovana Plumb, National Agency for Mineral Resources Gheorghe Dutu, as well as private and public representatives from the energy domain.

At the end of last year bilateral trade between Romania and Great Britain totaled EUR 2.9 bln, up from EUR 2.7 bln in 2011. British exports to Romania totaled over EUR 1.6 bln last year, while imports from Romania totaled EUR 1.3 bln. Investments from Great Britain represent 27 per cent of the foreign investments registered in the first half of this year.

There are approximately 4,300 companies with British capital in Romania, Great Britain being the 11th-largest investor on the local market, with EUR 4.6 bln. The domains in which British companies are active in are, among others, infrastructure consultancy, energy, IT, agriculture, auto, financial and legal services, engineering, etc.

### **201307043 Azomures signs EUR 75 M worth of contract for urea plant upgrade**

A contract aimed at modernising facilities was signed yesterday at Targu Mures, one of the first contracts that are part of the USD 200 M investment plan announced by Swiss trader Ameropa AG, the new shareholder of Azomures, after taking over the plant in April 2012.

According to a press release, Maria Grapini Ministry Delegate for SMEs, Business Environment and Tourism was also present during the announcement. This contract allows Azomures to begin modernising its urea manufacturing facility unit. The contract will be implemented in partnership with the Chemoprojekt Company from the Czech Republic, and is priced at EUR 75 M.

The work is expected to be completed in two years and a half. Since spring, the chemical fertiliser manufacturer has been conducting the assessment of platform activities in order to be able to integrate all activities in the strategy assumed once the plant is taken over by the Swiss company Ameropa.

#### **201307044 Gehrlicher Solar completes three additional solar parks in Romania**

Munich-based Gehrlicher Solar has completed construction of three new solar parks in Romania on almost 19 hectares of land located about 360 km northwest of Bucharest.

Construction of the parks was completed in just over six weeks.

"The very successful realization of our first Romanian project with 9 MWp in Isaccea last November gave us the chance to convince the investor early on with our rapid realization capability and high reliability," said Klaus Gehrlicher, CEO of Gehrlicher Solar AG.

"Therefore, we are very pleased to have been awarded the contract for the design and construction of three additional solar parks in Romania."

Gehrlicher Solar used a flexible mounting system on the projects that was customized to the local territory and is distinguished by its high load-bearing ability and its superior resistance to corrosion.

36,168 modules manufactured by Jinko were used for the construction of the plants and SMA produced the nine central inverters to convert solar power into grid-compatible direct current.

Each of the three solar power systems will produce around four million kilowatt hours of clean energy annually.

Compared to electricity generated from fossil fuels, the plants will avoid the emission of nearly 10,500 tons of CO<sub>2</sub> annually, Gehrlicher Solar said in a written statement.

In addition to these solar power plants there are two subsequent projects of about 2.5 MWp each under construction in Brasov. After the successful implementation of these further systems, Gehrlicher Solar will reach a total installed capacity of more than 23 MWp in Romania.

#### **201307045 ArcelorMittal Galati launches ENERGIZE project in Romania**

ArcelorMittal Galati in Romania has launched ENERGIZE, a project to increase energy efficiency and reduce associated costs.

Mr Bruno Ribo CEO of ArcelorMittal Galati said that "We are focused on obtaining fair

treatment regarding the overtaxing of energy. In the meantime, we are launching an important set of initiatives for reducing energy consumption and increasing energy efficiency.”

Part of ArcelorMittal Galati’s new Transformation Program ARC 2015+, ENERGIZE aims to reduce energy consumption by 15% in the next 5 years.

The first step of this project which is already 90% complete involves identifying the current levels of usage of electricity, fuel gases, steam, water, nitrogen, argon and other valuable resources. The second step is to identify solutions to increase energy efficiency.

The resulting action plans cover a wide range of applications and areas, from the energy intensive steelmaking equipment and processes, to office activities. The plans involve all parts of the business: operations, maintenance, investment and purchasing.

Mr Ribo said that “The ENERGIZE project aims also to increase employee awareness of the need to protect this kind of resource.”

#### **201307046 Cargill Romania and TTS invest EUR 15 mln to expand Constanta grain terminal**

Canopus Star grain terminal in the Constanta port will be expanded following a EUR 15 million investment made by Cargill together with Transport Trade Services (TTS), the local subsidiary of the US based agribusiness giant has announced.

The investment will increase the terminal’s operational capacity to 50,000 tons and its warehouse capacity to 110,000 tons and should be completed by 2014.

Cargill has a strong presence in Romania which remains a country of strategic importance for the company, said Martin Schuldt, the president of the board of administration of Cargill Oils. “We will continue to develop our local operations as we have announced before, and this project is part of our expansion plans,” he added.

Cargill bought its first local silo in 2000 and has since invested in expanding its capacity. The company has been present in Romania since 1996 and presently employs about 900 people within its 23 local branches. The company’s major businesses in Romania are grains, oil seeds and soybean meal trading, seeds, pesticides and fertilizers distribution, silo storage services, animal nutrition production, sweeteners distribution and industrial starch distribution. Cargill Romania has also invested in oil processing in Romania but sold this division to French Expur at the beginning of the year.

TTS is a local multimodal transport company with about 1,200 employees. Ten percent of the company is owned by International Finance Corporation part of the World Bank Group.

#### **201307047 Deutsche Bank soon to sign lease for large office space in Bucharest**

Deutsche Bank, which has been searching for a large office space in Bucharest for several months, is expected to sign a deal in the coming period. The bank plans to open a support

service center for different subsidiaries of the group, and not yet offer banking services, according to the local media.

Deutsche Bank has been searching for two types of offices, a 500 sqm office in a new building, and another option, of up to 6,000 sqm, with the possibility to expand to 10,000. Their expansion project into Romania would thus require 600 employees in a first stage, according to unnamed recruiting firms and real estate agencies contacted by Deutsche Bank and quoted by local media.

In 2012, Deutsche Bank had revenues of EUR 33.7 billion, up on EUR 33.2 billion the year before. Its net income took a nosedive to EUR 291 million, from EUR 4.3 billion in 2011. The group had 2,984 branches end – 2012, out of which the majority, almost 2,000, in Germany.

### **201307048 Real estate investor Papalekas raises EUR 54 mln on London Stock Exchange with fund targeting Romanian properties**

The investment fund Globalworth Real Estate Investments, created and controlled by Ioannis Papalekas, an active investor in Romanian real estate, recently raised EUR 53.6 million via the listing on the AIM market of the London Stock Exchange.

The fund, which targets investments in Romania, South Eastern Europe and Central and Eastern Europe, issued 10.7 million of shares at the price of EUR 5 per share, and invested EUR 15 in the initial public offering.

After the stock exchange listing, Papalekas, which used to fully control the fund prior the listing, had a share package of 28 percent, while the new investors in the fund were Union Bancaire Privee with 24.82 percent, FINEXT Fund Management (Futureal 2 Global) with 3.73 percent, Pictet & Cie, Banquiers with 7.74 percent, and Migdal Stock Exchange Services (N.E.) Ltd. with 27.95 percent.

In Romania, Papalekas is currently among the most active real estate investors, having acquired the former City Mall shopping center – a formerly distressed asset which is on its way to become a hospital – and the office towers Cathedral Plaza and Tower Center, both projects blocked because of litigation.

Globalworth is currently in the process of acquiring an identified portfolio of nine assets, eight in Bucharest and one in Timisoara, and an asset manager platform in Romania, according to its website.

The fund's board of directors is made of Ioannis Papalekas, Founder & Chief Executive Officer, Dimitris Raptis, Deputy Chief Executive Officer, Geoff Miller, Non-Executive



Director, Interim Chairman of the Board, and Eli Alroy, David Kanter and John Whittle, all three non-executive directors.

The fund's investment focus will be on distressed investments, with a primary focus on Romania, acquisition of unfinished or partially-let commercial buildings at prices below replacement cost, restructuring, developments with pre-lettings from high quality tenants, and arbitrage opportunities – acquisition of properties which by securing multinational tenants on long triple-net leases can create an arbitrage between the acquisition yield and the cost of structured financing.

### **201307049 Cora Opens EUR 50 mln Retail Center in Constanta**

French-Belgian retailer Cora has opened a hypermarket with shopping arcade in Constanta, following a EUR 51 mln investment.

The Cora store has a sales area of 8,600 sq. m, while the commercial gallery has a leasable area of 7,500 sq. m. The list of tenants includes Altex electro-IT retailer and fashion retailers such as Takko, Jolidon and CCC.

The shopping gallery has a current 75 pct occupancy rate, which will increase to up to 90 pct in the coming weeks with the opening of new stores.

"The project was initially meant to be a mall, but its area was reduced due to the current economic situation. It's possible in the future to continue expanding upstairs," said Phillipe Lejeune, general manager of Cora Romania.

Cora also operates a hypermarket in City Park shopping center in Constanta, developed by Neocity Group.

Romania Hypermarche, operating Cora retail chain in the country, has 11 hypermarkets, including four in Bucharest, two in Constanta and one in Cluj Napoca, Baia Mare, Arad, Bacau, and Turnu Severin. The retailer ended 2012 with a turnover of RON 1.6 bln (EUR 359 mln), an increase of 6.0 pct compared to 2011, due to the opening of two new stores.

### **201307050 AFI Europe Starts Work on Bucharest Office Building**

AFI Europe has begun construction of the third building within AFI Park office complex in the Romanian capital, earlier than originally scheduled, according to David Hay, Director of AFI Europe Romania.

AFI already opened the first AFI Park building in September last year, with a GLA of 12,000 sq. m, while the second will be delivered in Q2 2014 and the third in November 2014.

AFI Europe has already started efforts to achieve LEED Gold certification for the first two buildings of the project.

"There is a demand from tenants and we see great interest from foreign companies that want to bring IT departments in Romania," said David Hay.

The company has also begun to prepare an office project on the former Inox factory site, near Marriott Hotel, with an area of over 17,000 sq. m. "We want to prepare the project but our focus now is on completing AFI Palace Ploiesti and AFI Park offices," says Hay.

Moreover, two other shopping projects, one in the Bucurestii Noi area and a retail park in Arad have temporarily been put on hold. In Bucharest, the company expects approval of the Auchan-Real transaction, which is related to a pre-lease agreement for the shopping mall, while in Arad, as a result of weak market periods, the company has stopped all negotiations with retailers, which will be resumed after the AFI Ploiesti opening.

The company owns 65,000 sq. m of land in the Bucurest Noi area. AFI Europe recently obtained construction permits to build a 28,000 sq. m shopping center on the site. The most important tenant was Real hypermarket. Last year, the retailer agreed to open a 12,000 sq. m store in the center.

"We are currently focusing on AFI Ploiesti," said Hay, adding that the Romanian retail market is currently in the consolidation process. Hay also said the company is interested in acquiring other projects in the market, both complete and in the pipeline.

### **201307051 Real Estate Firms Eye Bucharest Site for Shopping/Office Development**

Several foreign real estate companies active in Romania have shown interest in purchasing a site intended for a shopping/office development in the capital. Among them are NEPI, Benevo Capital and Interprime Properties, the real estate division of Swedish retail giant IKEA.

The three firms are expected to bid for the Aversa factory site in Bucharest, whose sale has so far been unsuccessful.

The sale of Aversa Bucuresti pump factory at a price of EUR 17.6 mln, half of the initial amount set by the Romanian privatization agency AVAS, has failed again due to lack of bidders. Two more sessions for the sale of the property will be organized in the next two weeks.

If there are no bidders, then the AVAS' only solution will be to establish a new entity for the productive assets and licenses to continue the manufacture of pumps and sell the factory land of 10 ha as a separate entity.

The strategy was presented by the AVAS president Adrian Volintiru.

### **201307052 Gorenje wants EUR 13 mln from Romanian market, bets on larger distribution network and built-in appliances**

Home appliances producer and importer Gorenje plans to up its business in Romania by 10 percent this year, to some EUR 13 million, on the back of large home appliances, which make the bulk of the company's sales in Romania. The growth should also be fueled by a larger distribution network and by more products on sale, according to Damir Drazetic, general manager of Gorenje in Romania .

With small appliances accounting for only 30 percent of the local turnover, and white goods covering the rest, Gorenje expects growth this year on the built – in appliances segment, as built – in products are among Romanians' favorite.

Gorenje's sales in Romania are almost evenly divided between specialized stores – 35 percent, while a quarter come from independent stores, and a fifth from the cash and carry and do-it-yourself shops. Online sales only bring 17 percent, while partnerships with networks which specialize in the sale of kitchen furniture, some 3 percent. All in all, Gorenje sells its products throughout 600 stores in Romania.

The company, headquartered in Slovenia, where it also runs a production unit, posted a turnover of EUR 1.2 billion worldwide in 2012, but its profit was as low as EUR 290,000, down from some EUR 9 million in 2011.

### **201307053 Sika plans competencies center in Romania to serve Central Eastern European markets**

Sika Romania, which produces chemical materials for constructions, will invest in a new competencies center in Brasov, which will serve the local market, as well as the Central and Eastern European markets. The center will cover 1,200 sqm and will comprise labs where products will be developed and tested, as well as conference halls to train Sika's employees, and the existing competencies center for facades, which has been active since 2011.

All these will be close to Sika's headquarters and its factory in Brasov, and should become functional in 2014. A showroom will also be incorporated for clients to test Sika's products, according to Ileana Nicolae, general manager of Sika Romania .

This is the second investment Sika makes locally this year, after taking over a production hall and equipment from Deutek, which should become Sika's dry mortars factory this fall.

Sika, based in Switzerland, has subsidiaries in 80 countries and 15,200 employees worldwide. In Romania, it has been active since 2002, and has been running its Brasov factory since 2008. It plans to open its second factory in Romania, at Căpușu Mare in Cluj county this year.

In the first half of this year, the company posted net sales of some EUR 1.9 billion world wide, and a profit after tax of some EUR 114 million (converted from CHF).

#### **201307054 Cargill Romania and TTS invest EUR 15 mln to expand Constanta grain terminal**

Canopus Star grain terminal in the Constanta port will be expanded following a EUR 15 million investment made by Cargill together with Transport Trade Services (TTS), the local subsidiary of the US based agribusiness giant has announced.

The investment will increase the terminal's operational capacity to 50,000 tons and its warehouse capacity to 110,000 tons and should be completed by 2014.

Cargill has a strong presence in Romania which remains a country of strategic importance for the company, said Martin Schuldt, the president of the board of administration of Cargill Oils. "We will continue to develop our local operations as we have announced before, and this project is part of our expansion plans," he added.

Cargill bought its first local silo in 2000 and has since invested in expanding its capacity. The company has been present in Romania since 1996 and presently employs about 900 people within its 23 local branches. The company's major businesses in Romania are grains, oil seeds and soybean meal trading, seeds, pesticides and fertilizers distribution, silo storage services, animal nutrition production, sweeteners distribution and industrial starch distribution. Cargill Romania has also invested in oil processing in Romania but sold this division to French Expur at the beginning of the year.

TTS is a local multimodal transport company with about 1,200 employees. Ten percent of the company is owned by International Finance Corporation part of the World Bank Group.

#### **201307055 Turkish Firm to Invest EUR 30 mln in Romania Plant**

A Turkish biscuits manufacturer and supplier wants to invest EUR 30 mln in establishing a factory in the Romanian city of Craiova.

Eti Gisa Sanayi is willing to invest over EUR 30 mln in relocating a plant in Craiova Industrial Park, which will employ about 315 people, Dolj County Council .

The county council is now in the process of resolving land issues related to the project implementation.

#### **201307056 Carrefour officially launches online shop**

Carrefour officially launched an online shop, three months after the pilot project was kicked off. The company is planning to develop a version for smartphones as well by the end of the year, a press release reports.

The online service is available in Bucharest and nearby localities, and provides home delivery for over 10,000 products. "The highest selling products are water, fruit (bananas especially), vegetables and detergents.

The areas in Bucharest in which deliveries are most frequently requested are District 1, followed by Districts 3, 4 and 5; as nearby localities are concerned, these include Otopeni, Voluntari, Tunari, and Popesti Leordeni, 45 per cent of the clients have made purchases at least twice”, Radu Butuftei, E-commerce manager of Carrefour Romania stated.

The minimum order for home delivery is RON 150 and the transport fee is RON 15, regardless of location