

# LOGIPLAN REPORT ON LOGISTICS AND RETAIL IN ROMANIA 2013

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*Chamber news: We welcome Crina Stoica as secretary general of the Belgian Chamber in Romania. Crina has started on 1 July and she is an accountant and marketing specialist. Seco has renewed the membership for the 5<sup>th</sup> consecutive year. Seco is established in Romania since 5 years and they do technical control of buildings. You can find them at [www.seco.be](http://www.seco.be) and <http://bctrseco.ro/en>*

## **1. Business centre in Buzau**

The province of Buzau, Romania and East Flanders, Belgium are “twins”. Since 1995 there is a cooperation agreement between East- Flanders and the province of Buzau. The cooperation has been initiated by the Belgian Governor Herman Balthazar and later by governor André Denys and from the Romanian side prefect Ion Vasile and the president of the county counsel Victor Mocanu .

There was an important collaboration with the hospital of Buzau and financial aid from the province of East- Flanders ([http://www.spitalulbuzau.ro/colaborari\\_en.php](http://www.spitalulbuzau.ro/colaborari_en.php)).

For this reason the Belgian Romanian Real Estate Chamber has an office in Buzau and not in Bucharest since 2006.

For this reason we have created the Belgian Romanian Business Center in Buzau in 2011 in Maracineni 5 km from the city center in Buzau. The center is a business center and incubation center for Belgian companies that want to develop activities in Romania. We thank the Romanian side for the support on this project. This project is very important in the framework of collaboration between the provinces. At this moment there are 4 companies present and two more will be registered before the summer of 2012.

We would like to thank the local authorities for the support that they give and will give to Belgian investors in order to have a fast company creation, registration of the office at anaf and for the support in obtaining the vat number and ROI certificates and registration of employees at the start-up of the company.

*A preview can be taken at:*

<http://www.structural-funds-romania.ro/office/index.html>

## **2. Market intelligence – news on logistics and retail**

### **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.

### **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.

### **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.

### **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.

### **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,

### **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.

### **3. How to operate from a Romanian transport company in Europe and optimize your profit**

Romania has joined the European Union. Since January 2007 the Romanian state improved the mobility of Romanian workers throughout Europe. Per year more then 4 million workers are performing works in foreign countries. A service company can outsource to Romanian companies to do the job. This is done for marketing, ict, web design, webhosting, engineering, architecture, service centres (100-400 people), call centres (50-250 people), help centres, back offices, etc...**why not for transport ?**

#### **How can a production company benefit form these measures ?**

Instead of hiring the workers directly on your company you contract a Romanian company to do the Works from the Romanian territory in Europe. The transport company is incorporated and you get a transport licence and the international transport is done by Romanian drivers with trucks that are bought and registered in Romania. From Romania the trucks do international transports in Belgium, France, Germany, Holland and other EU countries.

#### **How can a service company benefit from these measures ?**

You should take control and do the operations with your own company that is established by us in Romania.

We create companies and get all licences and permits for you. Info [frjacobs@telenet.be](mailto:frjacobs@telenet.be)

### **4. Available plots & logistic centers**

**Timis** – excellent plot on the ring road of timis – 15 hectare

Have a look: [www.structural-funds-romania.ro/offer\\_513/offer\\_513.pdf](http://www.structural-funds-romania.ro/offer_513/offer_513.pdf)

**Arad** – Lipova – factory ready to start production all utilities

Dimensions: Building: 1.228m<sup>2</sup> built - Developed area: 9.380m<sup>2</sup> - TOTAL: 10.680m<sup>2</sup>

Building description:

Industrial hall built in the typical Romanian concrete frame and panel construction. Against the right wall of the production hall a "social / sanitary pad" is built, including toilets, showers, changing rooms, canteen and a separate building for the central heating system to gas. This washroom is from the production hall accessed via two doors. The building's interior is the rear divided by a stone wall in two parts. The front part is a production = 2 / 3 and a rear space (1 / 3). Behind this separation, the new offices (duplex) are built. These offices are built as built in metal construction. These built offices are both on the ground and first floor air conditioned – full description upon demand

Have a look: <http://www.belgianconnection.be/invest-romania-businessclub/industrial-building-arad-sale-or-rent>

**Arad** – excellent plot of 20 hectare – at National road in Industrial area

**Cluj** – to plot of 15 hectare – at National road – near Nokia plant 12 Euro/sqm – **TOP PLOT** Rascruce 2 km from Nokia village – wide opening 275 m on 4 hectare at the national road to Tetarom III (Nokia) for only 12 euro/sqm – direct from the owner ideal for a motel a restaurant and some houses/offices on 1-2 hectare or an industrial/logistics project on 15 hectare.

Have a look: <http://www.structural-funds-romania.ro/offer%20623/offer%20623.pdf>

**Cluj**, 10 km from Nokia (de longhi plant) – 37.600 sqm divided in 3 plots- all utilities at national road Cluj to Dej – 15 minutes from the airport – 15 euro /sqm – opening at the national road

Have a look: <http://www.structural-funds-romania.ro/offer%20622/offer%20622.pdf>

**Sibiu** – top plot in front of the airport at the industrial parc - New building Sibiu - Production facilities with hall and offices – year build 2008 – like new perfect warehouse or production plant including load docks or offices and show room - the land 10.000 sqm and 9.900sqm is land for construction with a building of 5.856 sqm and total surface with offices is 6.616,96 MP. The production facilities + offices are built by foreign construction company. 4.250.000 Euro to be discussed.

**Facility for fast starters at 15 km from the airport in Bucharest – ready to start your business** - New building : constructed 1.926 sqm , production/logistics area 1.584 sqm, offices 33 sqm, offices + sanitary 115,39 sqm, 46,58 sqm dressing room, 6, 23 sqm sanitary + 14 sqm sanitary + 14 sqm sanitary , sqm, sanitary group 7,02 sqm, dressing room 2,49 sqm and on the First Floor 264 sqm office. The land surface is two plots 7.640 sqm and 5920 sqm with direct access to the DN1 A. Ideal for a logistics or office and/or production project.

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