

LOGIPLAN REPORT ON LOGISTICS AND RETAIL IN ROMANIA 2011

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A special sectorial newsletter edited by : camera imobiliara belgia romania www.cibr.be for more information mail us at cibr@telenet.be

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1. *Presentation of the Belgian Romanian Real Estate Chamber*

We are a Belgian Romanian Real Estate Chamber. We have been created in 2006.

Our main scope is to develop business in Romania for our members and sponsors.

We have a large network of experts and suppliers. We also have a “lobby” department for Romania and Belgium on national and provincial level. We are active in Romania and Belgium and we help Romanian and Belgian investors. We have offices in Gent ,Belgium and Buzau, Romania where we created a business center for starting businesses (incubation center).

If you intend to “develop business” or “create a company in Romania or Belgium” contact us and we will see how that the chamber or one of our experts can help you.

Next to the general support activities we cover three main sections for lead generation :

1. Construction & infrastructure (example 32 qualified leads in sept 2011 - crisis ?)
2. Waste water, water and polluted soils
3. Renewable energy, solar panels, bio mass, wind energy

The chamber generates lead for the experts and engineers. Two people are screening the market to identify and they write tailor made leads that come with a short memo on the lead event and a company profile with contact data. Easy....

Websites:

www.cibr.be main website

www.investromania.be cibr blog

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2. Market intelligence – news on logistics and retail

Hypermarket Operators to Penetrate Bucharest Retail Market

The city of Bucharest, a market of about two million inhabitants, continues to be attractive for hypermarket operators. Carrefour, Kaufland and Auchan have recently signed agreements with land owners of Electroaparataj (Pantelimon), Romprim (Berceni) and Grantmetal (Crangasi) for new hypermarkets, according, while the Irish Caelum Development has announced the start of work on Park Lake Plaza Mall in Titan, which will be anchored by a Cora hypermarket.

Auchan has purchased a portion of land on the Tricodava platform in Drumul Taberei, Kaufland has begun construction of a store on Mihai Bravu Boulevard, while Cora has completed demolition of a site near Rahova bus station.

The retailer is yet to announce its development plans for the recently acquired plot. Auchan is already developing retail projects in Craiova – Electroputere Craiova, as well as in Polus Constanta and Coresi Brasov. Auchan, which entered the Romanian market in 2005, had its most recent openings in Constanta and Craiova. Auchan already has two stores in Bucharest.

Spanish companies Gran Via and Pryconsa bought the former Tricodava industrial platform in the Ghencea neighborhood of Bucharest for EUR 42 million from investment fund Broadhurst. The Spanish companies initially planned a 2,000-apartment project for the 5.4-hectare land plot, but the economic crisis delayed the project. The land plot is opposite an existing Billa store and close to a Carrefour Market unit.

In total, seven new hypermarkets could be built in the next two to three years in a market where the number of supermarkets, hypermarkets, cash & carry and discount stores has reached 150 units and continues to grow.

Bucharest-based Grantmetal has scheduled an extraordinary general meeting of shareholders for December 1, to approve the sale of 15,600 sq. m of land and a 6,700 sq. m hall on Constructorilor Boulevard. The land is under acquisition by France's Auchan, which currently have only two hypermarkets in Bucharest, in Militari and Titan.

"We have a pre-contract. We have 12 ha so that the land sale will not affect our work," said Nicolae Mocanu, president of the Board of Grantmetal. Auchan representatives declined to comment.

France's Carrefour is the hypermarket network with the best Bucharest coverage, with eight functional units. The chain continues to expand. This autumn it signed a lease in the future Mega Mall shopping center, to be developed on the Electroaparataj platform next to the National Arena stadium by Austrian Real 4 You. Construction work could start next year, when all permits are expected to be obtained.

German Kaufland, which is extending to small towns of 50,000 to 100,000 inhabitants, is also eyeing the capital, where they have begun building a store on Mihai Bravu Boulevard and are on the verge of buying a plot of 20,000 sq. m on Oltenitiei Road from Romprim

Kaufland representatives declined to comment on the transaction, while Romprim officials confirmed that they are in the process of selling the land, without specifying the name of the buyer, Ziarul Financiar reports.

Retailer Cora, owned by Louis Delhaize Group, will expand its network of hypermarkets in Romania with the use of a EUR 210 million loan the retailer could get from the European Bank for Reconstruction and Development (EBRD). Most of Cora's new hypermarkets will be opened in regional cities and will include sustainable energy solutions, according to the EBRD. The total expansion plan will reach EUR 397 million, EUR 210 million of which will be covered by this syndicated loan. The loan is pending final review and is set for the EBRD board decision on October 11 this year.

Cora has recently said it will open a store of 12,500 sqm in AFI Palace Ploiesti shopping center, which will be opened by the end of 2012. Cora is currently present in Romania with six hypermarkets: Cora Pantelimon, Cora Lujerului, Cora Sun Plaza in Bucharest and Cora Cluj-Napoca, Cora Gold Plaza Baia Mare and Drobeta Turnu Severin in the country.

Octagon building company: Industrial/Logistics Project Planned for Bucharest

Development of industrial and logistics real estate is planned to begin in Bucharest towards the end of 2012 or early 2013. The project will be implemented by Octagon building company, owned by Greek businessmen Alexandros Ignatiadis and Paschalis Paganias, which became a majority shareholder in Comat Electro this autumn.

Octagon paid EUR 2.5 mln to increase its stake in Comat Electro from 8.5 pct to 58.5 pct. Comat Electro has a site of 89,000 sq. m and 20,000 sq. m of industrial buildings in the Faur-Republica area in the Romanian capital. Comat Electro ended last year with a EUR 2.3 mln turnover and a profit of EUR 7,000.

"Octagon will develop the Comat Electro base. We intend to invest between EUR 8.0 and 10 mln in expanding the industrial park with new production and storage halls, after a study in 2012. We will also build an office building to serve the industrial park tenants," said Alexandros Ignatiadis, shareholder and managing director of Octagon.

The company posted EUR 14.3 mln in revenue last year and expects a similar level this year.

3. *Employ Romanian workers & drivers and earn 1000 Euro/per worker/per month*

Romania has joined the European Union. Since January 2007 the Romanian state improved the mobility of Romanian workers throughout Europe. Per year more than 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 from 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

4. *How to create a Romanian Company*

Generalities

In this section, we wish to present to you important information, necessary documents, conditions to be complied in the company incorporation process. This information limits itself to the incorporation of a limited liability company.

The documents

- Copy of the identity document or of the passport and their legalized translation. The translation and legalization can be made by us, the price being included in the service pack.
- Contract for buying or of a necessary location for the incorporation as well as land register extract. The company premises can be provided by us, its price not being included in the service pack.
- Copy of the identity document of the owner of the building where the legal premises are going to be established. In the case the building belongs to a legal person, there needs to be presented a copy of the Unique Incorporation Certificate.
- Three proposals for the company name.
- Articles of Incorporation – this is drawn-up by the shareholders and legalized by a notary or a lawyer. The Articles of Incorporation are drawn-up together with you. The legalization of the Articles of Incorporation can be made by us, its price being included in the service pack.
- Proof of registered capital deposit. This is made by us, the price being included in the pack.
- Legalization of the shareholders' signature. The shareholders' signature has to be legalized by a notary.
- Declaration under own responsibility stating that you don't have fiscal record in Romania.

There are some documents that you will need in case the company from Romania is incorporated by a foreign company:

- registration certificate of the foreign company at the Trade Register.
- certificate of bank reliability.
- extract from the trade register from the company country of origin.

5. Investment Opportunities - Romania international corridors ?

Objectives for Romania

In order to allow multimodal transport of freight and passengers, transport modes shall be connected in freight terminals, passenger stations, inland ports, airports and/or maritime ports. These nodes shall connect at least two transport modes.

Realization of inter-modal transport in and through Romania is seen of key importance to:

- Maximize the utilization of currently under-used freight infrastructure (rail + Danube)
- Attract cargo to inter-modal solutions into the transport market in Romania
- Support the development of efficient green logistics corridors via Romania in CEE
- Lower external costs in Europe (e.g. CO2 emissions)

Overall trade & logistics policy

- Empowering Romania as the Eastgate Trade Hub of Europe
- Priority of the development of intermodal transport
- Existing market is limited and concentrated around Corridors nr.4 & 7, key corridors within existing & new EU TEN-T, reflecting area where most new industries established locations
- Corridor nr.4 is the route most in demand and used for inter-modal transport
- Constanta Port is key entry port into Europe in new EU TEN-T
- Key hubs for phase one development: South Port of Constanta, Bucharest side, Timisoara North side, and Oltenita / Giurgiu

Why is there a future for Constanta as a gateway ?

- Creating direct route for serving EU from Asia (saving 2400 sea miles and reduce CO2 emissions)
- Route is more efficient and will attract additional benefits
- It will create new business for Romania (brokers, storage, transport companies)
- It will stimulate Romania to further develop logistic infrastructure (roads, inland ports, intermodal strategy, railway transferhubs).

What is in it for Romania?

- Job creation (176.000) over 5- 10 years
- Increase tax income state (up 1.6 bln euro)
- More goods volume in port of Constanta (additional 2.1 million TEU in 2020)
- Attract new business and production (assembly): GDP up 10.7 bln euro
- Establishment of university education in supply chain and logistics
- Make Romania international EU entrance gate from the east: a trade hub (assembly & product customization activities, serving the Central and Eastern Europe (CEE) and Black Sea markets)
- Create logistic chain from Constanta to its hinterland
- Economic growth particularly in Romania (hubs: along Corridor Constanta – Bucharest - Timisoara)
- International linkages (eg Danube strategy, energy sector)

6. Available plots & logistic centers

Craiova – 20 hectares prime position for industrial or logistic development

Craiova - Exceptional land at Ford Craiova 48470 sqm intravilan + buildings at the national road

Have a look: <http://www.structural-funds-romania.ro/offer%20614/offer%20614.pdf>

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%20513/offer%20513.pdf)

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**
Rascruci 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 – URGENT – will be more than double in 2013 -
-- TOP DEAL --- LOW RISK HIGH YIELD 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.

Cluj, 10 km from Nokia – 37.600 sqm divided in 3 plots- all utilities at national road Cluj to
Dej – 15 minutes from the airport – 290000 Euro/plot – opening at the national road

Have a look: www.structural-funds-romania.ro/offer/537/offer/537.pdf

Sibiu – top plot in front of the airport at the industrial parc
Constanta – Development plot south side – for fast movers – 14 hectare

Constanta – various top plots – on demand from 15 to 200 hectares

7. Logistic and business center for sale in Bucharest

Presentation of a top sale: business and logistics center in Bucharest

The ensemble of buildings in the business and logistics center is composed of 2 main buildings: one for offices and one for storage; in front of offices building are 40 parking spaces. The buildings are fully rented to logistic companies and industrial companies.

Price: 5.2 million Euro's and the buildings – buildings and rental contracts.

The office building is designed for P+4 and was performed as a P+2, 2 additional floors will follow to be built, in front of warehouse and there are over 1000 square meters concrete platform for trucks (standing / parking, handling, unloading). The location is fitted with 2 guard booths/gate (one entry in front at the site and one in the back at the warehouse). The building structure is a frame structure with walls of brick POROTERM. The building area is 875sqm / floor, total 2.625 square meters.

Price: 5.2 million Euro's and the buildings – buildings and rental contracts.

Read more:

<http://www.structural-funds-romania.ro/offer%20559/offer%20559.pdf>

More info and pictures of the complex at frjacobs@telenet.be

8. Facility for fast starters at 15 km from the airport in Bucharest – ready to start your business

HOT ITEM: New building : constructed 1.926 sqm , production/logistics area 1.584 sqm, offices 33 sqm, offices + satir 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. For prices contact frjacobs@telenet.be

9. Business centre in Buzau *NEW!*

We have taken some initiative and we are preparing a business centre 5 km from the city centre of Buzau. The business centre is a reaction on the law from 1 august 2010 where owners have to register the rental contract for a company creation with ANAF. Most owners refuse companies. In the next month we will announce the service and the prices via our websites.

A sneak preview can be taken at:

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

10. Linking partners & Events

www.belgianconnection.be The PBS blog: from idea to investment, funding and project execution + a complete list of the activities of rbbc and bc (the two leading business clubs)

www.structural-funds-romania.ro a complete overview on fundings in Romania

www.investromania.be The blog of the Belgian Romanian Chamber - cibr

<http://structuralfundsromania.blogspot.com> - blog on structural funds

www.davidintercar.ro – car rental in Romania and Bucharest

www.khafrely.eu : splendid hotel for your Romanian holiday or business stay

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