

LOGIPLAN REPORT ON LOGISTICS AND RETAIL IN ROMANIA 2014

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Chamber news: We would like to wish you a very good 2014. Romania is active as the leads of January reflect. Romania remains a popular destination and an attractive country for logistic & transport investments.

1. Business and incubation center 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 .

A preview can be taken at:

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

2. Our services for starting companies

Our business incubators serve as a launching platform for young and small businesses. We build your business on a tailor made time frame with little or a lot of involvement from our expert teams. If required we will do the entire start-up phase for you and then teach you how to run the business and keep supporting you in the next phases of your growth cycle.

We offer everything from virtual support, rent-a-desk, secretary support through “plug & play” tailor build companies (e.g. transport companies with trucks, drivers and a transport license) and everything in between for different sectors. We provides a nurturing, instructive and supportive environment for entrepreneurs during the critical stages of starting up a new business. The goal of our business incubators is to increase the chance that a start-up will succeed, shorten the start-up period and reduce the cost of establishing and growing its business.

What are the benefits of being part of a our business incubator?

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- Minimal start-up costs: we offer competitive 'rental' rates, which assist with minimizing costs so that you can focus more on developing your business rather than worrying about paying the next big bill.
- The executive director, program managers, support staff and other consultants provide ongoing assistance to incubator.
- Secretary services with experience in start-ups and your sectorial business.
- Instant peer support and networking opportunities created with other small business owners and managers.
- Shared administration facilities and meeting rooms & training rooms.
- Start-up with well-defined deliverables in the time frame that we agree with clients.
- Shared-use spaces: reception and product display area, conference rooms in each building; training rooms and central office services : up to 2 or 4 hours per day.
- Facilitation for your recruitment: we recruit the personal and experts needed for a quick start
- The experts in our business incubator handle the local government and license and permit issues. You can relax. We will accelerate and facilitate the time consuming files and we always get what you need.
- And last but no least we provide with a secure environment in offices were the employees can enjoy the working day.

3. Our recruitment services

We offer complete solutions within recruitment were advertisement, networking, databases and search is included. We differentiate by offering search as a natural part and complement of the recruitment process. This will give the full picture of the candidates that are available on the market and we will select the best candidates for the assignment. We assign our experienced recruitment consultants to clients according to the number of positions which need to be filled. If requested, these consultants will take over the entire recruitment process, including interviews and candidate selection, advising respective departments and drafting contracts. If needed we hire the candidates for our clients and register the labor contracts.

Executive search and middle management

We are specialized in the recruitment of executives, management and specialists in engineering and sales. We implements demanding and interesting recruitment assignments for domestic and international companies. We work with targeted direct search in the market, including executive searches, handling advertisements and recruitment processes.

Employees and workers

We help companies to find workers and employees on a tailor made basis. Our “organized recruitment” of workers and employees is a system of recruiting unskilled and skilled labor for industry, construction, transportation, and farming. Recruiting the best employees for your organization is an ongoing challenge for every manager, supervisor and human resources professional. If you're looking for solid, proven best practices and up-to-the-minute ideas in

recruitment, interviewing and selection, you've found the right partner in recruitment. Our approach is tailor made and we provide you with workers and employees that will fit in your organization with the defined skills and experience.

Here is what we offer:

- Analyzing your business strategy and personnel requirement.
- Evaluating employee qualifications.
- Identifying the skills and staff you'll need today and in the future.
- Designing a recruitment strategy around your business goals.
- Implement national and international recruitment programs.
- Integrated management of all channels in order to find the right candidates.
- Assessments using a wide range of recruitment procedures and skill profiles.

4. Market intelligence – news on logistics and retail

Genesis Development to consolidate after completing EUR 40 mln of investments in 2013

Next year should bring consolidation for real estate developer Genesis Development, which owns the 150,000 sqm NovoPark and West Gate office projects in Bucharest, said Liviu Tudor , the company's president, last week. The announcement comes after the developer completed investments of EUR 40 million in four office buildings in the NovoPark project in Bucharest's Pipera neighborhood in 2013.

While investments in upgrading the existing office buildings will continue, Tudor, who is the largest Romanian office space owner, says he has no plans to start a new one. And this is despite the fact that both NovoPark and West Gate have room for expansion. "We would consider developing a new office building only if one of our existing tenants wanted considerably more space. Otherwise, the context doesn't leave room for much speculative risk," said Tudor last week, during a press conference.

Genesis Development, which in addition to the Novo Park and West Gate office projects also owns the West Gate Studios residential project, estimates it will report EUR 32 million in revenues this year, in line with 2012 results, said Tudor.

Cora launches drive-through service in Romania

Romania Hypermarche, the company operating the Romanian Cora hypermarket chain, has launched the first local drive-through service which for now is available in its Lujerului hypermarket in Bucharest. Customers can buy the products online and later pick them up at hypermarket. The minimum order is RON 50 (approximately EUR 11.25). They can choose from over 8,000 products but their number will go up over the next period, said Claudia Mirica, the general manager of Cora Lujerului. While the service (coradrive.ro) is a novelty for the Romanian market, in France it is available in over 2,400 locations. Cora offers the drive-through service in 56 stores in France and now hopes to replicate its success in Romania also. The service targets some 380,000 of Cora's more than 2 million customers who regularly shop online, said Mirica. The target for the first year is for the drive-through service to generate some 5 percent of the hypermarket's turnover and for the value of the average

receipt value to be 40 percent higher than the regular in-store receipt value, added the general manager. Should results be positive, the service will be made available in other Cora hypermarkets, she added, without offering a concrete timetable. Until then, the retailer plans to launch home deliveries in the first part of 2014.

Kaufland opens 6th Bucharest hypermarket

Discount retailer Kaufland opened a new hypermarket in Bucharest earlier this week. This is the 6th outlet opened in the capital and the 89th in the country. The average investment in a Kaufland store is between EUR 6 million and EUR 9 million, the retailer has previously said. Kaufland hypermarkets have average sales area of between 3,000 and 5,000 sqm. The new outlet is located on the grounds of the former Electroaparataj factory on the Pierre de Coubertin street . It is the 7th hypermarket Kaufland has opened since the beginning of the year. The German discount hypermarket chain is the largest hypermarket operator in Romania and the leader of the local retail market based on turnover. Last year it reported a RON 6.43 billion (approximately EUR 1.44 billion) net turnover. It has been present in Romania since 2005. On the hypermarket segment, Kaufland competes against Carrefour, Auchan and Cora but unlike them it has a discount policy. Also unlike most of these players, Kaufland has managed to invest in maintaining a steady expansion pace over the last three years, opening 13 stores each in 2010 and 2011. Another 10 units were added in 2012.

Carrefour Romania opens store in Bucharest's Old Town

The Romanian subsidiary of French retailer Carrefour has opened two new proximity stores in Bucharest, one of which is located in the capital's Old Town, the company announced today. The two stores which have taken up the Carrefour franchise have been rebranded as Carrefour Express Wine&Co and Carrefour Express Icebreg. Express Wine&Co is located in the Old Town at 54, Franceza Street. It covers some 70 sqm. The second store is at 27, Colentina Street and has a 149sqm sales surface.

Romanian Dedeman invests EUR 15 million in new store

Romanian DIY retailer Dedeman will open this Friday a 15,000 sqm store in Ploiesti, some 60 km away from Bucharest. This is the 6th unit the retailer will open in 2013. Some EUR 15 million was invested in the new outlet while overall investments in expansion this year amount to EUR 73 million. Owned by Romanian businessmen Dragos and Adrian Paval, Dedeman now owns a network of 36 stores countrywide which range between 6,000 and 18,000 sqm. The company is the leader of the Romanian DIY market ahead of international players such as Praktiker, Bricostore, Baumax, Obi and Hornbach. Unlike all its competitors, Dedeman has maintained a steady expansion pace over the past years. In 2012 it opened four new stores located in Constanta, Ramnicu Valcea, Slatina and Bistrita. The company has previously announced plans to reach 45 stores by 2015. After opening 6 new stores this year, Dedeman estimates its turnover will increase by 8 percent to EUR 540 million. In 2011 the company reported a turnover of about RON 2 billion (approximately EUR 460 million). The other 5 new outlets opened this year are located in Galati, Miercurea Ciuc, Pitesti, Comanesti, Targu Mures. Overall, some 960 people were employed for the 6 new stores.

EADS to Expand Romania Production Capacity

Through Aerospace Technology Park company, aircraft components manufacturer Premium Aerotec Ghimbav, part of EADS group, intends to lease 10 ha of land from IAR Ghimbav to expand production of components for Airbus aircrafts. Two years ago Premium Aerotec rented 6.0 ha of industrial land at the IAR Ghimbav platform. The company already has 800 employees, exceeding the originally estimated 500, according to industry sources. "IAR SA has received a request from SC Aerospace Technology Park SRL to extend its site with another 10 ha in the area adjacent to the current one under the same financial terms, with the request being determined by the need to build new industrial buildings and expand existing ones, so that Premium Aerotec Romania to be able to expand production of components used by Airbus," said Neculai Banea, general manager of IAR Ghimbav.

IAR Ghimbav shareholders will discuss the expansion of land area leased to Aerospace Technology Park on January 8. IAR Ghimbav is expected to collect EUR 1.083 mln from the contract extension with 100,000 sq. m (EUR 10.83 per sq. m). Premium Aerotec representatives could not be reached for comment. Premium Aerotec had a EUR 32.2 mln business last year and it is estimated that this year's sales will reach EUR 40 mln. The Ghimbav factory was launched in January 2011, following a EUR 40 mln investment, carried out in two stages.

Contractor Sought for EUR 15 mln Logistics Center Construction in Romania

A Bucharest-based company has called a tender to select contractors to build a logistics center in the country for an indicative value of RON 66.5 mln (EUR 14.9 mln), excluding VAT. SC European Logistics Park International SRL has called a tender for construction of a logistics center in Giurgiu. The contract duration is 10 months. Interested companies may submit bids by January 26.

Swiss Firm to Build New Production Facility in Romania

The Romanian subsidiary of a Swiss technology holding group will build a 12,000 sq. m facility for production of equipment for the aviation industry in the town of Dumbrava, Maramures County. Universal Alloy Corporation, part of Swiss group Montana Tech Components AG, is currently working on the technical documentation, and plans to enter the project site in early 2014, Bursa reports. Dumbravita is the place where the headquarters of the Universal Alloy Corporation Romania is located. The company has already opened a factory to supply the aerospace industry in Maramures County. Architectural plans for the new facility have been drawn by Baia Mare companies Aedilis Proiect and Arcolar, while construction work will be carried out by AMIS, which has already started earthworks for the future hall.

Carrefour Romania opens first supermarket in Targu Mures

The Romanian subsidiary of French retailer Carrefour will open this Thursday its first supermarket in Targu Mures, center Romania, the company announced today. The store is located on the grounds of the Mures Mall shopping center and has a sales surface of some 600 sqm. This takes the retailer's local supermarket network to 78 units. In addition to this, Carrefour also operates 25 hypermarkets, 56 Carrefour Express proximity stores and this July it opened an online store – carrefour-online.ro. Carrefour Romania's turnover stood at EUR 986 million (VAT not included) last year, up 3 percent y-o-y.

Europharm Distributie opens Chitila Logistics Center

Europharm, the distribution arm of UK drug company GlaxoSmithKline (GSK), has integrated its operations by opening a new logistics platform in Chitila, near Bucharest, in a move designed to streamline sales of drugs. The new platform was set up by expanding the existing deposit in Chitila and will integrate the warehouses in Brasov and Bucharest. Margareta Mares, general manager, Europharm Distributie, said: "It is very important, given the current backdrop, that the products we distribute will be available faster for sale in our deposits, thus increasing the access of patients to treatments. The new center, spanning 6,400sqm, will handle both logistics operations for direct distribution and specific logistics services for partners and suppliers. The direct distribution division has a portfolio of 3,500 products and covers 5,500 working points such as pharmacy chains and hospitals across Romania.

5. 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 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

6. 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

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

Arad – building with land for a production facility – QUICK START IN ROMANIA

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

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 – 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 /sam – 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 build 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 + 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.

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