

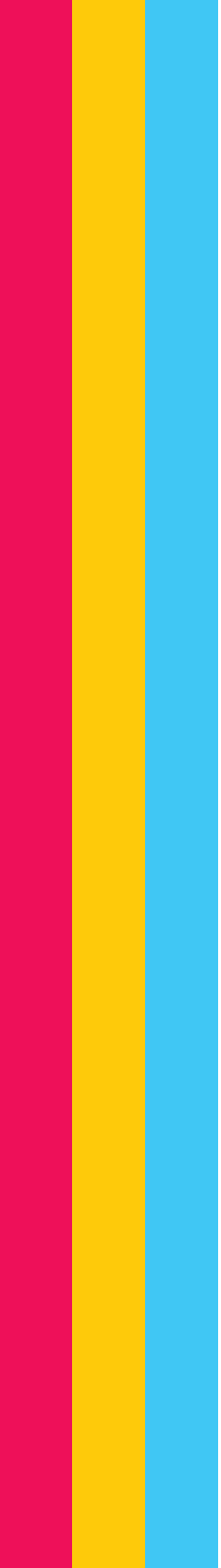
AMERICAN CHAMBER OF COMMERCE IN ROMANIA



PRIORITIES FOR ROMANIA

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COMPETITIVENESS

AmCham Romania stresses as a key general priority the need for the Romanian economy to become more competitive on the global scene, as we affirm that such increased competitiveness would bring about many inherent benefits including a higher GDP per capita, an increased standard of living for Romanian citizens and higher profit margins. The table below shows the different rankings of Romania's competitiveness as given by various organisations, highlighting the scope for improvement in increasing our ranking and thus increasing the country's profile on the global economic scene, in addition to bringing about the internal benefits as alluded to previously.

Where Romania Ranks in Competitiveness	
	Ranking
World Economic's Forum The Global Competitiveness Report 2011-2012 (www.weforum.org)	77
IMD World CompetitivenessScoreboard (imd.ch/wcc)	50
Doing Business 2011, World Bank (www.worldbank.org)	72
Legatum Prosperity Index (2011) (www.prosperity.com)	58

It is also important to note our belief that the scope for improving business competitiveness extends to all types of companies, from those in manufacturing to those in the service sectors, from the large national champions to small local businesses. It is our belief that Romania's future is closely linked to the economic performance of large multinational companies, and to the success of small and medium sized enterprises able to compete locally and internationally and to generate a solid middle class equipped to absorb the inherent effects of the cycles of growth and recession that define capitalism.

AmCham's 2011 Romania Competitiveness Report¹, the first such report issued by AmCham Romania, presents a focus on what could make Romania more competitive. For a comprehensive insight into the key strengths and weaknesses with regards to Romania's competitiveness, including comparisons to other European countries and the EU average, along with suggestions for possible measures that would aim to overcome the stated deficiencies, it is encouraged to consult the report in full.

¹ http://www.amcham.ro/index.html/articles/articleID_908/AmCham-Launches-Romanian-Competitiveness-Report-2011.html

DIRECTIONS IN THE ANTI-CORRUPTION FIGHT

Following Romania's accession to the EU, several legal reforms have been implemented to strengthen the rule of law. However, the high level of corruption remains a major obstacle for Romania's economic prosperity and growth, as it impacts the country's political and social stability and discourages private investment. Both the public and the private sectors are affected by corruption and, as such, they should engage in a joint effort to effectively fight corruption.

Further reforms of Romania's legislation and institutions should include the improvement and stronger enforcement of national and international framework legislation. Romania's efforts to modernize its criminal legislation against corruption needs to be further supported by more effective law-enforcement actions to deter bribery and by a more effective application of international judicial cooperation systems to curb cross-border corruption schemes.

The participation of the civil society, including unions and business organizations, in anti-corruption initiatives and other administrative reforms should be increased. Larger public participation should help identify sources of corruption as well as the most appropriate deterrent mechanisms, and furthermore, as corruption is linked to a high level of bureaucracy and institutional inefficiency, the reform of the public services and administration should also be continued.

Awards in public procurement procedures should be given predominantly to companies that have demonstrated a full commitment to fighting corruption through implementing adequate and tight internal anti-bribery policies and codes of ethics, as well as establishing a zero tolerance policy on bribes, facilitation payments and other types of improper conduct.

Romanian public authorities should also display full transparency and accountability in managing public money, by allowing professional, external auditing of their respective budgets and of their public money spending.

The hiring and promotion of government and public officials, both at the central and local level, needs to observe the highest standards of transparency, integrity and civic conduct.

PUBLIC CONSULTATIONS IN ADOPTING LEGISLATION

AmCham Romania expresses its concern with the lack of transparency by which public authorities routinely engage in lawmaking that affects the rights and interests of companies doing business in Romania.

Thus, in the cases of several enactments applicable to the entire business community (e.g. tax regulations, primary regulations in civil and criminal law and public procurement) or to a certain segment thereof (e.g. pharmaceuticals, real estate, distribution and infrastructure), the public authorities have often ignored the principle of transparency and consultation with civil society and business community in the decision-making process.

In this regard, both the business environment and the representatives of international institutions have identified: an absence of announcements and statements of grounds for proposed changes to law, a lack of public consultation with concerned subjects or with legally established associations, a disregard for proposals and comments received from the latter, and even a complete disregard for the required legal procedures.

It is important to stress that due observance of the requirements concerning transparency in decision-making is not a mere formality under Romanian law, but a material stage in the lawmaking process, aimed at guaranteeing the identification of the best reasoned and justified legislative solutions among potential alternatives, along with the implementation of those rules which are actually necessary, sufficient, fair, enforceable and able to lead to a high degree of legislative stability and efficiency, in the context where the legitimate rights and interests of Romanian citizens and the business community are observed and protected.

The possibility of business associations to participate in the decision-making process, and express their grounded stance in connection with draft legislation and public policies having an impact on the business environment, actually represents an advantage to the initiating authorities, which may thereby benefit from the practical experience and areas of expertise of these associations, and further ensure a high degree of legislative stability and efficiency in a fair and transparent manner.

AmCham believes that the Romanian business community, through its representative associations, should be considered as an essential partner in the process of drafting new legislation that affects the business environment, and that as such, the public authorities should ensure a proper framework for exercising the rights and prerogatives related to the exchange of information concerning draft legislation, proposals of amendments, and the actual implementation of the proposals and opinions addressed to the initiators of legislation that impact the business environment.

ROMANIA'S PRIORITIES FOR THE NEXT TRANCHE OF EU MONEY: 2014-2020

The Current Programming period is the first complete European budgetary exercise in which Romania participates as a fully-fledged Member State of the European Union since its accession on 1st of January, 2007. The major ambition assumed at national level was to spur the integration process with the European Union while accelerating the catching-up process in economic terms. Although difficulties faced in a number of sectors are serious enough to prompt vigorous efforts to correct, including the absorption of EU funds, lessons learnt should be incorporated in development strategies and instruments to be used for the next Budgetary Exercise 2014-2020. This document puts forward several areas, which, in our opinion, demand swift action to ensure a smooth implementation of EU funds for the next Programming Period.

Coherent Strategies with realistic objectives – the practical implementation experience of the Current Programming period proves the relevance of having coherent and realistic strategies as a pre-requisite of social and economic development, rather than mere economic growth prospect, which may be fundamentally affected by cyclical economic evolutions. One of the fundamental questions to be answered by the set of Strategies that will cover the next exercise is: which are the priority sectors in which Romania needs to spend EU funds in order to have the most impact on GDP formation?

The mid-term review of the EU Structural Funds implementation will be a good opportunity to assess the impact of spending EU funds on the real economy and to set reasonable and achievable objectives for the next Programming Period. Furthermore the next Exercise will impose stricter constraints in terms of achieving proposed absorption targets, which may impact the level of funds available for Member States with poor draw-down track records. Furthermore, having coherent strategies in place in sectors identified by the European Commission as an ex-ante conditionality will be mandatory for accessing EU funds. All these elements indicate the programming function of the Ministry of European Affairs as well as the line Ministries as an essential factor that will determine either the success or failure of the absorption process in the next Budgetary Cycle.

Negotiation capacity at European level – Romania needs to prepare sound arguments to support its case during negotiations at EU level. The current track-record in the implementation of EU Structural funds as well as general performance in public policy areas which have a significant EU component [such as those covered by the Cooperation and Verification Mechanism and Schengen Accession] proves that negotiation capacity at EU level is a significant factor for success. Taking also into account the global and European economic climate, with the significant impact of the economic crisis, the negotiation environment is characterised by various tensions which will impact the positions of partners, their negotiation stance, as well as flexibility. However, without having solid preparatory work provided by national institutions and actors, negotiation at EU level may prove a rather difficult exercise.

Coherent institutional system for the up-take of funds [including structure of Operational Programs, responsibility and coordination, effective management and control systems] – the implementation experienced proves that there is significant scope for improving the current institutional system for the up-take of EU structural funds. Fundamental questions like the structure of Operational Programmes, distribution of responsibilities between line ministries, coordination, as well as functional and effective management and control systems are topics that need to be clarified in order to improve the absorption performance. Without having a clear answer to the questions mentioned above, the design and implementation of the management and control systems according to the new European Regulations, as well as the accreditation process of these systems, both of which are mandatory steps for accessing EU funds from 1st of January, 2014, are impossible tasks.

Flexible and adequate instruments for EU funds disbursement – Romania needs to use the entire range of financial instruments as well as the flexibility and procedural simplification available in the European Regulations to define intervention instruments tailored to the needs of various target groups and regions. Current experience provides us with sufficient data and a large collection of problems and options that need to be taken into account for the design and implementation of the next generation of financial instruments. Employing financial engineering instruments as well as more flexibility in the design of interventions according to specific regional comparative advantages and also resources endowment may be conducive to a better take-up of EU funds and for more positive effects on the local economy.

Accreditation – the Accreditation process is a mandatory step for the management and control system to become operational. The experience of the current programming period should serve as an example in structuring our stance for the future period. Avoiding late accreditation of the management and control systems, which benefitted from significant flexibility from the assessors, combined with limited control on the mechanisms of improving the systems during implementation proved to be unfortunate for the up-take performance. Thus, preparing a timely accreditation process, combined with a solid preparation of the new management and control systems according to the new financial regulations and an assessment process focused more on risk management, should contribute decisively to limit the danger of financial corrections and suspensions in the next period.

Administrative capacity building – this is one of the most important horizontal issues in Romania and deserves due consideration for the near future. Most probably an ex-ante conditionality, this topic has significant relevance for most of the points we touch upon in this document and it is widely recognised by national authorities, European Institutions and International Financial Institutions. One of the most comprehensive analyses of the problem is provided by World Bank during the Functional Review Analysis in the context of the MoU of the Romanian Government with the IMF and the European Commission. The lack of administrative capacity is mostly relevant at the local level in the public sector, where it constitutes an important barrier for the implementation of projects financed via EU funds.

Partnership/consensual approach – regional development – while implementing structural reforms or development projects, public support and a consensual approach in defining targets to be achieved are key factors for success. Having large participation and comprehensive public consultation at the national and regional level to define development objectives for 2020, according to the objectives already assumed by Romania in the Europe 2020 strategy, will be essential for the successful up-take of EU structural funds. Special characteristics at the regional level and specific development need to be reflected both at the Strategy level and by the instruments designed.

TAX RECOMMENDATIONS

The consultation process that needs to be initiated by the authorities is important as it enables the strengthening of tax-related strategy and legislation in order to meet the needs of both the authorities and the business communities.

The business environment has welcomed the tax authorities' efforts to ensure greater decision-making transparency in the Romanian tax system over the past few years. However, we consider that the consultation process between the Ministry of Public Finance and representatives of the business community should be constant and further extended to give interested parties the opportunity to comment on proposed changes in tax legislation before they are passed into law. A modest rate of recommendations from the business community members, through constantly considering both the requirements arising from Romania's tax strategy and the businesses' need for development, was considered.

In light of the above, AmCham Romania proceeded with an in-depth analysis of the tax provisions in force in Romania. The outcome of the analysis translates into a series of propositions aimed at improving the tax strategy and law in Romania, as detailed below.

1. Maintain the flat tax rate system, remove all taxes and levies which distort this system and curb para - fiscality

The flat tax system has a positive impact on the economy with regards to both taxpayers and the state, and considering its competitive advantages, we believe that this measure should be maintained. Thus, we support a decision to eliminate all taxes that distort this system. Furthermore we also support the view that tax authorities should maintain their firm approach towards removing para-fiscal taxes and levies on account of the fact that we welcome this initiative, started in 2009, and we believe that the process should be constantly revised.

2. Lower social security contributions, capped taxable base for health insurance contributions

Considering the beneficial effects of the flat tax rate mentioned above, we appreciate that the reduction of social security contributions (i.e. health contribution, unemployment fund contribution) could be equally successful, and would act as an incentive for investment and encourage employment.

A measure well received by the business environment was the decision to cap the social security tax base (i.e. pensions) that was implemented in January 2011.

If the measure had also covered health insurance contributions, this would have been seen as an even greater incentive and would start producing the desired effects. The business community supports such an initiative as the Government is considering reforming the healthcare sector and implementing a co-payment system.

3. Lower VAT rate for certain goods and services

Similarly to other EU countries, we recommend lowering the VAT rate for certain basic goods and services (food, consumer products and child care products in order to increase birth rates).

4. Ensure consistency between the Methodology instructions and the Tax Code provisions by removing from the Methodology Norms the provisions which exceed the Tax Code and include them into the Tax Code when and if it is the case

At present, there are still situations where the Methodology Norms contain provisions which either exceed or conflict the Tax Code regulations. This discrepancy causes difficulties for taxpayers and tax authorities in implementing the Tax Code and breaches the legal principle according to which a methodology instruction cannot exceed the law. Therefore, we consider that it is necessary to review and update the Norms and Tax Code so that such non-correlations are avoided in the future.

5. Simplify and make research and development tax incentives more attractive to taxpayers by allowing double deduction for qualifying research and development expenses

The research and development incentive is currently impracticable and taxpayers do not take advantage of this incentive due to the unclear procedure and the insignificant reduction in the taxable base for corporate income tax purposes.

We recommend an amendment of the Tax Code in order to allow double deduction for qualifying research and development expenses and also to simplify the application of this incentive. Such measures would reduce the emigration of smart and talented members of the workforce and would sustain the research field, leading to economic development and growth.

6. Reform the tax administration and improve tax collection

We welcome the state authorities' announced plan of reforming the tax administration as we consider there to be an urgent need to improve ANAF's management capacity in order to ensure an efficient tax collection for the state budget. We believe this measure will have a positive effect on the following aspects:

- Continuing to modernize and simplify the on-line declaration and payment procedures for tax liabilities and the electronic cooperation between taxpayers and the tax authorities for updating and removing errors from taxpayers' individual tax records (Romanian: 'reglarea fișei'), as well as modernizing and simplifying the IT system within ANAF;
- Simplifying the registration/deregistration procedure of taxpayers for VAT purposes;
- Continuing to modernize the declaration and payment procedures for local tax liabilities in all local tax authorities;
- Reform of the tax inspection and tax audit structures subordinated to ANAF (tax inspection, the unit fighting economic crime (Romanian: 'Garda Financiară'), anti-fraud and customs surveillance), by eliminating duplication of efforts in checking taxpayers, as well as variation in interpreting and enforcing tax provisions;
- Reducing the five year period for inspection of large taxpayers to three years in order to simplify and ease the process. Possible advantages for taxpayers: the cash outflow in the case of penalties and fines paid after the tax inspection will be lower (only for 3 years) and mistakes can be corrected faster. Documents required for the tax inspection will be easier to find and past information will be easier to retrieve. Advantage for the state budget: the inspections could take less time (from 6 months previously to 4-3 months) leading to an increased speed for the collection process;
- Observance of legal deadlines allowed for processing and answering refund claims;
- Ensuring a more efficient mechanism for the issuance of advance individual tax rulings and/ or advance pricing arrangements, in observance of the deadlines allowed as under the law;
- Regulating the option of taxpayers to offset directly overpaid or reimbursable taxes against other tax liabilities. At present, pursuant to art. 116 of the Fiscal Procedural Code offset is carried out by the tax authorities, at the request of taxpayers; this is

- a lengthy procedure which affects businesses' cash-flow and resources;
- Clarifying and simplifying procedures for declaration and payment of the withholding tax payable on income derived by non-resident individuals, as well as the procedures for non-residents' tax registration.

7. Simplify calculation, reporting and payment of profit tax

a) Extend the scope of yearly calculation, reporting and payment of advance profit tax as of 2013

From 1st of January 2013, taxpayers may opt to declare and pay the annual profit tax by making quarterly advanced payments, a system that became mandatory for banks as of 2010. We welcome the introduction of such a provision, however, the effective implementation of this measure was postponed two times and so we request that the authorities ensure that it is properly enforced. This would give the business community a clear and predictable message on the required methodology for calculating and reporting profit tax payments.

b) Amend the law to allow taxpayers to choose their tax year in conjunction with the accounting year; this may differ from a calendar year

Implementing the laws which enable businesses to choose their own tax year in conjunction with the accounting year is a must as this would lead to improved tax collection and simplified tax administration apparatus. To the business environment, such a step would enhance tax planning, while allowing the even allocation of employee efforts throughout a calendar year, with an immediate positive impact on cost-effectiveness. To Romania, having such regulations in place would enhance its European integration and compatibility with the EU economies.

8. Ensure consistency between the fiscal and accounting legislation in order to unlock the debt collection market

As of 2010 the accounting legislation requires taxpayers who acquire bad debts and want to collect them to record revenue for the difference between the nominal value of the receivable and the acquisition price. From a tax perspective such income is taxable. Moreover, the fiscal legislation was only recently amended in order to allow taxpayers to deduct provisions, under certain conditions, for the impairment in value of receivables acquired from credit institutions. We recommend amending the Tax Code in order to also allow the deduction of such provisions for the impairment of receivables acquired from other categories of taxpayers (e.g. taxpayers from the telecom industry). This would support the economy by leaving the debt collection process to be carried out by specialized institutions rather than leaving this process in the hands of the taxpayer.

9. VAT grouping and simplification measures pertaining to VAT payment

The VAT grouping was implemented in early 2007 as an option available to major taxpayers and was further amended in 2012 when the scope of the tax provisions was extended to all taxpayers. In practice, the VAT grouping regime is rather restrictive, being available only to taxpayers established in Romania that are registered for VAT purposes at the same Tax Administration office. Thus, in view of implementing a more viable and efficient VAT grouping regime, the legislation should include more relaxed criteria, allowing VAT group consolidation irrespective of taxpayers' tax jurisdiction.

10. Continue the harmonization measures of the excise duty law with the EU legislation, by adopting domestic legislation in line with EU principles and procedures

The harmonization of the excise duty legislation with the EU provisions in the field was performed as a first step by transposing Council Directive 2008/118/EC. However, some restrictions exist in our domestic legislation with regards to the storage tax

warehouse regime, and therefore, the harmonizing efforts should continue, in order to fully align the Romanian excise duties legislation with the EU Directives.

Furthermore, we also believe that an elaboration of clear procedures is still necessary, so that these procedures can be easily applied into practice, which will ensure that companies can exercise the rights given to them by law.

11. Introduce modern tax concepts which are not regulated at present

a) Develop and promote legislation pertaining to holdings in Romania

This would involve:

- Defining the holding concept for commercial and tax purposes;
- Setting specific tax regulations on the tax treatment of dividends and capital gains of holdings;
- Inserting provisions in Law 31/1990 and in the Tax code to allow the distribution of advance payments to shareholders, counting towards dividend payment, before the approval of the yearly balance sheet;
- Identifying a specific tax treatment for advance pay counting towards dividend payment.

b) Introducing the tax consolidation option for profit tax purposes

Introducing tax consolidation for profit tax purposes would involve offsetting the fiscal losses incurred by some group-member companies against the profits of other group members and would imply the consolidated calculation, reporting and payment of profit tax at the group level. Such a measure would reduce the fiscal burden of local company groups and would also contribute to the enhancement of the efficiency with which the state revenues are administered.

c) Tax on capital gain

The tax on capital gain is one of the taxes which is not specifically regulated under the Tax Code. For purposes of uniform calculation, declaration and payment of the tax on capital gain, as well as for the tax registration for capital gain tax purposes, we recommend that a new chapter be inserted in the Tax Code by merging provisions on taxation of capital gain from Headings II, III and V into a distinct chapter or heading of the Tax Code. This way, the necessary premises for the correct and unitary application of the tax on capital gain in Romania would be created.

12. Define the principles for a modern fiscal system

Include new principles in the Tax Code such as the in dubio contra fiscum principle or the stability principle, as they are defined in the proposals presented to the Ministry of Finance, in order to be in line with the European legislation.

13. Encourage companies' involvement in the community by allowing deductibility of sponsorship expenses at profit tax computation of up to 0.6% of annual turnover, without any limitations related to the profit tax liability of the company

Such a measure would increase the number of companies willing to make donations along with the amounts that are donated, thus directing significant funds to quality social and civic services and relieving the state from funding or providing such services.

LABOR MARKET, EDUCATION, RETIREMENT & SOCIAL BENEFITS RECOMMENDATIONS

LABOR LEGISLATION

The legislative framework governing social security and employment relationships impacts the competitiveness of the labor market and is influencing the development of Romanian society and Romania at large.

The business community welcomed the amendments brought to the labor legislation in 2011 and saw them as important steps forward to establishing a balanced employee–employer relationship and to creating the necessary conditions for flexible work relations.

AmCham Romania is deeply concerned with the announced intentions to amend the labor legislation (Labor Code and Social Dialog Law) in the direction of reverting to its pre-2011 form, or by introducing even more unbalanced provisions.

AmCham Romania welcomes any clarifications brought to the current labor legislation and further flexibility of work relations, and considers that reverting to former provisions only deepens the problems employers face in this difficult economic environment, thus jeopardizing existing jobs and potential newly created ones, seriously affecting Romania’s competitiveness. Stability and predictability would be shaken, fueling investors’ prudence with regards to investing in Romania.

AmCham Romania considers that by taking the following measures the competitiveness and attractiveness of the labor market will increase and an adequate labor force will be ensured:

- Decrease the level of bureaucracy and simplify the procedures with regards to the management of employment contracts/ employees in order to increase the attractiveness of the Romanian employment market.
Even if progress has been made by providing electronic communication methods (for example the electronic register of employees and the fact that certain decisions of the employer no longer require registration with the Territorial Labor Inspectorate), further steps need to be made as certain procedures continue to be bureaucratic and time consuming. For example, the presence of posted foreign employees in Romanian companies has to be notified with the Territorial Labor Inspectorate by filling in a special form. An electronic notification is not currently possible.
Another issue that may lead to practical problems is the requirement to conclude addendums to the employment contracts in all cases when the work relations are modified, even by effect of a collective bargaining agreement (for example the collective

bargaining agreement provides a higher salary or more days of holiday). After the expiry of the collective bargaining agreement, the modifications provided by the addendums stay in force and may be amended only by the parties' mutual agreement. Practical problems may also appear due to the fact that currently the employment contract has to be registered within Revisal prior to the actual commencement of work. In practice, there are cases when employees who have concluded employment contracts fail to begin work with the respective employer. In such cases the employer does not have the possibility to cancel the Revisal registration and has to perform a dismissal procedure.

- Decrease the level of work on the grey/black market, by imposing more severe sanctions and by creating a clearer, balanced legal frame (e.g. flexible conditions allowing the conclusion of employment contracts for a determined period according to the parties' needs; incentives for employers hiring certain categories of employees etc.).
The amendments brought to the Labour Code are aimed at ensuring a higher level of flexibility concerning labour relationships. However, certain aspects require further clarifications and further steps need to be made.
For instance, the provisions concerning the maximum duration of successive employment contracts for a definite period of time are unclear, as it is debatable whether the maximum duration of such successive contracts is of 36 months or of 60 months. A maximum duration of 60 months would ensure a higher level of flexibility.
Also, clearer and more attractive incentives for hiring certain categories of employees (i.e. new graduates, people registered with the unemployment offices, people coming from foster care institutions or national trainee programs, people with physical disabilities etc.) should be implemented.
- Clarify the provisions of "Transfer of Undertaking" in order to allow better use of this tool, especially in the current economic environment, so that mergers and acquisitions may be managed better.
The transfer of undertaking is insufficiently regulated and often leads to different practices of the relevant authorities. In the absence of a clear transfer procedure, certain authorities request additional documents or procedural steps such as simultaneous termination and conclusion of employment contracts of transferred employees or tripartite addendums to the employment contracts. Also, it is still unclear whether the new employer has the obligation to perform unexecuted obligation of the old employer such as payment of older outstanding financial rights.
- Maintain the current provisions regarding Trade Unions, Collective Labor Agreements and Employers' Associations, as they ensure a certain level of stability and balance for employment relationships.
The current provisions concerning trade unions, collective bargaining agreements and employer's associations create a certain level of stability on the work market.
The amendments brought to the Labour Code and the Law no. 62/2011 concerning social dialogue currently ensures a balanced relationship between the parties participating in social dialogue. For instance, the role of the employees' representatives was increased. Currently the employees' representatives have the possibility to participate in collective negotiations under certain circumstances even when a trade union is established at the company's level.
- Further clarify and elaborate regulations concerning internship and professional debut (Romanian: **stagiatură**) provisions;

also offer clear incentives for employers who hire debutants.

The current regulations concerning internship and professional debut are insufficient, providing only the duration of professional debut and stating that further regulations shall be separately adopted. More detailed regulations concerning the procedures should be adopted. Also, clear benefits and incentives for the employers should be provided, in order to trigger their interest in hiring debutants and interns.

- Achieve correlation between the provisions of the Labour Code and the provisions of Law no. 62/2011 concerning social dialogue.

Certain legal terms are not correlated. For instance, the Labour Code provides that the employees have a 30 day term to challenge in court the employer's decisions, while Law 62/2011 provides a 45 day term. Considering the rules of legislative technique, the last term of 45 days shall apply. However, practical misunderstandings may appear, mostly due to the fact that employees commonly know about the existence and the provision of only the Labour Code.

Other provisions that need to be correlated are those referring to the duration of judicial terms and the summoning of parties. Also, certain terms are defined and used differently within the content of the law or certain procedures are not clear.

EDUCATION

Education reform is one of the most important challenges that the Romanian society faces in order to close its current gap between education and the labor market's needs.

We believe that the following major educational challenges that Romania faces today are likely to be perpetuated in the coming decades unless energetic measures are taken to address them:

- Lack of support for early education as a key strategy to address school abandonment;
- The growing school drop-out rate due to poverty;
- The achievement gap between children born in the rural versus urban areas²;
- The high number of unemployed youth and high migration of youth;
- The gap between the labor market's needs and formal education;
- Poor school performance due to low quality of teaching at all levels from pre-primary through to university.

The business community considers that the new Education Law brings positive changes with regard to these challenges. The continuation of the collaboration between the Ministry of Education, Research, Youth and Sport (MECTS) and civil society needs to continue in order to develop and implement effective secondary legislation that supports the law.

We hope that any political changes will not affect the actual implementation of the Law by modifying it in its essence, but will sustain the participatory process that has already started in implementing the new Education Law.

We can no longer afford to fail our children due to the different political agendas or inconsistency in education policies. Every change that is made will result in delays in important educational reform measures. It is not an easy task and requires the cooperation of government, civil society and the private sector. It also requires vision and consistency, since changes in education take a long time to show positive effects.

AmCham Romania has identified seven priorities in education for the short and medium term:

1. **Increase focus on early education**, including making the last year of kindergarten mandatory and encouraging (through parent incentives) and even earlier enrollment of children at high risk of school abandonment. (This recommendation is based on compelling international evidence that shows that early education is the key to reducing school dropouts and even crime rates³.) We advocate maintaining “clasa pregătitoare” within the primary school while introducing compulsory “grupa mare” within kindergarten.
2. Increase **investment in human resources (teachers)**, including:
 - a) The competitive, decentralized recruitment of bright, motivated youth to the field of teaching (Finland has an excellent model);
 - b) Meaningful incentives to draw qualified, motivated teachers to rural and poor urban schools;
 - c) High-quality in-service training;
 - d) Salary increases commensurate with performance (further strengthening the human resources measures introduced in the Education Law).
3. Continue the **modernization of the national curriculum** (incorporating experiential education methods, assessment and individualization, and integrating technology) to match other advanced countries and to reduce the gap between the education system’s output and labor market needs. Consolidate the recently reintroduced vocational education programs (Romanian: învățământul profesional).
4. **Scale up the existing best practice extracurricular models for schools**, as a short and medium term strategy for reducing the gap between formal education and market needs (e.g. debate clubs, community initiatives clubs, social entrepreneurial and entrepreneurial initiatives, financial education, school newspapers, theatrical clubs, competitive sports etc.) via Public-Private Partnerships and/or European funding.
5. Create and fund a major national strategy to bridge **the educational achievement gap between urban & rural and mainstream & minority students at all levels**. (Note: only 2% of rural children enter university)
6. Strengthen the **decentralization process of the school system** and improve **local management performance** (in terms of investment in infrastructure in rural areas, supporting the School Board to act according to its responsibilities, a better correlation of the cost per child with reality, capacity building for the management to apply for different European grants).
7. Promote **life-long learning** and professionalize practitioners working in adult education, both formal and non-formal.

We believe that the 6% financial allocation of GDP to education and the European funds can be used as an instrument for fulfilling the objectives of the current educational law. We are also firm believers that two working principles need to be respected: **consistency and enforcement of policy and the principle of involvement and participatory activity towards the development of methodologies for enforcing the education law**.

² http://www.worldvision.ro/_downloads/allgemein/Raport_Bunastarea_copilului_din_mediul_rural.pdf, pg. 38-57

³ Toward an Equal Start: Closing the early learning gap for Roma children in Eastern Europe, The World Bank, 4 June 2012
http://siteresources.worldbank.org/EXTROMA/Resources/RomaECD_FinalReport.pdf

RETIREMENT & SOCIAL BENEFITS

A sound and sustainable framework for retirement and social benefits is a prerequisite to maintaining the overall macroeconomic and public finance balances. In previous years, several measures that have already been implemented have contributed to the consolidation of this macro-stabilization (i.e. the law providing for a unique public pension system and the overhaul of the social security benefits, under the multilateral arrangement between the international financial institutions – IMF, WB and EC – and Romania). The continuation of streamlining the social benefits framework is therefore of vital importance.

Given the still poor state of sustainability of the public pension system and the adverse demographic forecasts, a strengthening of the retirement system is in order to ensure safe and adequate pensions for future generations of Romanians. In this respect, the continued development of the private pension system launched in 2007-2008 is critical for the overall pension system's capability to deliver on its promises to the working population. A strong funded pension system, supplementary to the public PAYG component, will be able to alleviate the pressures of a rapidly aging population and deterioration of the demographic and systemic dependency ratios.

- The mandatory privately funded system (2nd Pillar), currently covering 5.7 million plan members, must be safeguarded by maintaining the existing schedule to transfer social contributions from the PAYG (pay-as-you-go) to the private pension funds. Also, the overall viability of this system must be ensured, especially in terms of cost-effectiveness. There is currently an ongoing debate in the EU concerning the future of pensions, and one of the main issues of this debate regards cost reduction and cost effectiveness of all pension provision, whether being publicly or privately funded.
- The voluntary private pension system (3rd Pillar) should be strengthened by gradually increasing the fiscal incentives to join these pension funds.

CAPITAL MARKETS RECOMMENDATIONS

In order to catch up with developed economies, emerging countries greatly depend on foreign capital flows in order to achieve higher economic growth, increase their productivity and raise the level of employment, as local savings are simply not enough to fund the investment needs.

During the recent economic crisis, the availability of foreign inflows decreased, and so now there is greater competition with regards to attracting foreign capital, and therefore, Romania should increase its efforts to raise capital flows. The foreign indebtedness of the private sector in Romania is relatively high, and so as a result, we now need to count more on local savings than we did in the past. To achieve this goal, among other things, we should develop the local capital market as:

- It diversifies the sources of funding for private and public companies, as an alternative to bank lending;
- It provides long term funding, while the banking sectors mainly provide short and medium term funding;
- It keeps long term domestic savings (of pension, mutual funds and insurance companies) invested mainly locally;
- It improves the efficiency of capital allocation through a competitive pricing mechanism. This will enhance the functioning of the other financial market sectors (banks, insurers, funds) and reduces the borrowing costs for the state, companies, and the population;
- It improves corporate governance, including in the state owned companies, thus improving the allocation of the public expenses;
- It provides investment opportunities for the population, thereby encouraging savings. The resulting broader ownership of productive assets by small savers not only supports the development of the domestic industry, but also improves the country's wealth distribution by enabling the population to benefit from the country's economic growth;
- It provides a gateway for global and foreign portfolio investors. The global investors can be attracted in case the market can accommodate large transactions and provide liquidity.

Currently, the capital market in Romania is very small and underdeveloped, thus it is a long way away from achieving the goals mentioned above. AmCham Romania proposes the following measures for the development of the capital market in Romania:

- Draft a medium-long term strategy for the Romanian capital market by setting up an office directly subordinated to the Prime Minister headed by a senior Investment Banker. In addition, hire any international consultants to help in drafting the strategy, organize the tenders for lawyers and investment banks for any privatization transaction, decide the calendar for privatizations, and help with changes in other areas of activity that impact the capital markets, yield curve etc. The office should be held accountable for the implementation of privatizations within the specified calendar, will consult regularly with stakeholders to elaborate the best privatization strategy in the given market conditions, and should have the power to decide prices and discounts if market conditions require them.
- Simplify access of local corporates to the domestic capital markets by aligning the issuances documentation with international standards (agency agreements, program agreements, deed of covenant, reviewing fees, CNVM program approvals and issuer charges) and the underwriting and book building process.

- Set a formal frame for a periodic review of the capital markets regulatory framework in order to align it to innovations and best practices, covering issuers and investors, as well as other categories of market participants. Subsequently, publicly engage in concrete medium and long term actions to implement such improvements in cooperation with capital market institutions (Bucharest Stock Exchange, Romanian National Securities Commission etc.).
- Accelerate the listing on the stock exchange of state owned companies as part of the privatization process. Privatizations through the stock exchange are a major trigger of capital market developments and offer the state the possibility to raise funds to be used in other public projects (e.g. infrastructure). In addition, this also sets the background for private sector listings.

ICT RECOMMENDATIONS

The members of the AmCham Romania share the aspiration of doing business in a competitive economic environment. While most of our members represent important corporations that have large global footprints and significant social and economic impact across the world, we believe the key to fueling economic growth in Romania is to ensure a favorable business environment where Small and Medium-sized Enterprises (SMEs) can create value in terms of innovation, performance, and new jobs. More importantly, we believe that SMEs are a key factor in creating and supporting a local innovative entrepreneurial culture.

Perhaps not surprisingly, the originator of this theme is the ICT Committee of AmCham Romania. Not only is Information Technology an important tool for growing business performance, with these results proven in many countries that have strategies for skills development and technology adoption, but the Digital Economy is also already upon us. The pace of technology and business change is set to accelerate, with the impact of the digital economy set to broaden and deepen. For some organizations, this will unlock significant competitive advantages, whilst for others, dealing with the disruption this will be a major challenge. Our broad message is that organizations should incorporate an understanding of the digital economy into their strategic thinking to help identify new market opportunities, formulate new ways of doing business, and compete with an ever-growing number of innovative rivals.

Investing **now** in the right instruments to ensure national-scale awareness and utilization of IT among SMBs ensures a leapfrog scenario for **tomorrow**, for domestic performance and for the global competitiveness of the Romanian economy. Whilst we have made our proposals with due consideration to the fact that strategies targeting direct improvement for SME performance continue to be required, we believe that the root cause needed to be addressed is that of ensuring a dynamic environment is in place in order to enable strong SME performance. This view is both influenced and endorsed by the SMEs contribution to economic growth – present and perspectives report (National Forecast Commission, Romanian Government; June 2012).

- Having looked at the status quo, we have seen that Romanian SMEs are slow to use technology and to innovate. We have therefore proposed a series of national initiatives that require collaborative efforts between the government, businesses and communities. These initiatives are aimed at increasing awareness of digital economy opportunities, developing skills, ensuring creation of state-aid schemes and encouraging access to State Aid Programs (including external sources such as EU Funds) to change this current status quo, with a sense of urgency.
- We have also looked at how the government can provide opportunities for greater public participation (business and communities) in the development of policy and service delivery. In a “networked” government, with clear service orientation towards the business environment, a clear vision of how institutions will work better together needs to be implemented, independent from any political changes and turbulence. In order to achieve a constant and rapid progress in this direction, we propose a Government CIO Office (Chief Information Officer).
- Finally, we have also looked at how current success stories in Romania – from educational frameworks to the investments in technical support, outsourcing, and R&D centers in the IT&C industry – can be a source of best practices and know-how, not only for the local IT&C SMEs but for SMEs in other sectors as well.

In the new Digital Economy, the CIO Office is the institution accountable for making the administration act as One Open Government for Citizens and Businesses and for making the Administration more efficient, more transparent, and more responsive.

Key areas under the incidence of Government CIO Office:

- **Digital Agenda (and National Interoperability Framework), including:**
 - Common standards for consolidating and accessing the Government Registries (i.e. Citizen ID National Database, Fiscal/Tax Payers National Database, Property Reference Database, Health Information Database extension, Education Database);
 - Implementation of services that are key to the e-Government architecture and in alignment with the EU directives (i.e. identity management, registration, application, reporting and accountability, information and content management, payments, telemedicine services in underdeveloped areas);
 - A global architecture roadmap covering Processes, Information Flow, Applications, Hardware and Communications Infrastructure for all interactions between government institutions, in order to obtain a public sector service oriented landscape in an evolving environment.

- **Neutrality of the public procurement;**

- **Open Government Partnership (OGP):**
 - Designing and implementing an open data strategy;
 - Ensuring the implementation of the Romanian action plan (including common standards for open data, open data portal, legal framework for open data if needed, e-governance services envisioned in the plan);
 - Drafting the self-assessment report regarding the implementation of the OGP action plan;
 - Organizing competitions for software developers using open data.

- **Open and scalable cloud platform based on industry standards and interoperability principles, as a shared platform enabling efficient and optimal usage of the IT resources.**

PUBLIC PROCUREMENT RECOMMENDATIONS

The continuous requisite to adapt, improve and modernize the Romanian public procurement legislation occurs as a result of the need to better deal with the evolving political, social and economic contexts that we are facing; we must ensure that the legislation is in line with the European Union law on public procurement, along with the case law of the Court of Justice of the European Union, and also with the European Commission's vision in terms of the modernization of the public procurement market.

In improving the current public procurement legislation, emphasis should be placed on a series of principles demanded by the market, amongst which AmCham Romania notes:

1. The need to unblock procedures, to eliminate the obstruction of public procurement procedures and to fluidize public procurement procedures

This may be achieved through a simplification of the current rules and through an increase in their efficiency and effectiveness. The increase in the procedures' efficiency could lead to an increase in the flexibility of the contracting authorities in applying public procurement procedures and to a simplified access of the economic operators to such procedures and thus to a more efficient use of public funds.

One step in simplifying the current rules would be to encourage the use of competitive procedure such as the negotiation with or without prior publication. However, this would only be achieved provided that the legal framework is clear and consistent. Currently, negotiation without prior publication is widely used (although it should be used only exceptionally) due to the fact that the necessary elements to identify the situations when it may be used are not stipulated. The competitive procedure with negotiation improves the quality of offers, simplifies public procurement and makes procurement more flexible when dealing with complex contracts. This would allow contracting authorities to purchase works and services better adapted to their needs and to their budgetary constraints.

However, considering that competitive procedure with negotiation also presents high risks especially in terms of transparency and competitiveness, when simplifying the rules, attention should be paid to such risks by implementing clear supervisory measures, starting with the prior publication step and continuing during the entire procurement procedure and even after the contract is awarded.

2. The need for better grounded legal amendments

Legal amendments have often been adopted without considering their impact on the market, and by ignoring the required practice and their actual implementation effects. Public consultations, although they benefit the legislative process, cannot overcome the effects which impact studies and risk analysis could have done if undertaken prior to launching the legislative project for public consultations.

Legal amendments should also be analyzed from a legislative technique perspective, as it is necessary to further limit if not to eliminate the situations where the secondary or tertiary legislation makes additions to the primary legislation, instead of only clarifying the latter. Such situations lead to divergent interpretations of the legal provisions, causing the public procurement procedures to become blocked and burdening the procurement process.

3. The need to eliminate to the greatest extent situations where there are conflicts of interests

Public procurement procedures should guarantee sound competition between economic operators as this leads to an increase in the procurement process' efficiency. Preferential treatment that could favor certain economic operators has to be prevented in all situations. The regulation of conflicts of interest should cover actual, potential and even perceived conflict affecting the contracting authority's staff, the staff of procurement services providers involved in the procurement process, and also members of the contracting authority's management who may influence the outcome of the procurement process even if they are not formally involved in it. Effective mechanisms should be set up to prevent, identify and remedy conflicts of interests which have a high potential to improperly influence public procurement decisions with the effect of distorting competition and jeopardizing the equal treatment of tenderers.

The current public procurement legislation should also encourage the wider use of green procurement, in line with the European Union's direction and strategy. In this regard, contracting authorities should be encouraged to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to those with the same primary function that would otherwise be procured. Training programmers on green public procurement should also continue to be undertaken in order to increase the general awareness of the target public on the advantages of green procurement. By considering and using green public procurement, contracting authorities can get better value for money. In terms of green procurement, it is important to understand what procedure to use, what criteria to apply and how to properly assess and verify environmental claims.

HEALTHCARE RECOMMENDATIONS

AmCham Romania's Healthcare Priorities are subject to the overall objective of improving the healthcare status of the population and extending average life expectancy by 10 years within the next 15 years.

A healthy population is a long-term investment in a nation's wellbeing. While Romania has shown significant progress in improving its healthcare system, in order to overcome the current difficulties and to match the European level, additional efforts and measures are necessary.

AmCham Romania considers that the healthcare system in Romania should be one in which the patient is treated with respect and decency, having access to quality, efficient and equitable health services provided both in public and private facilities.

In view of developing such a healthcare system in Romania, AmCham Romania members consider leading priorities to be: building efficiency in the healthcare system, ensuring an adequate financing level to meet existing needs (currently there is chronic under financing of the system despite a continuous increase in health spending as a % of GDP), as well as an objective and transparent decision-making process.

1. AN EFFICIENT HEALTHCARE SYSTEM

It is generally accepted that the healthcare system and related industries are among the most regulated sectors; however in Romania the dynamic of the changes taking place in the legislative framework governing the healthcare sector is very intense. Often, amendments do not take into account the general context or a long term strategy; instead, they are generated by the need to solve urgent matters or by differences in the vision of the political parties coordinating the Ministry of Health and subordinated bodies at the time of the changes.

Under such circumstances, our recommendation is to harmonize and calibrate at the political level the decisions which impact the healthcare system.

At the same time, in view of implementing coherent healthcare public policies, AmCham Romania considers the adoption of a medium to long term strategy for the healthcare system in Romania, supported by all political parties, to be a priority.

Such a strategy should focus on the following directions:

a) Increasing the role of primary care and prevention

There should be an increase in the role of family doctors by actively involving them in prevention and education programs, early treatment of common diseases (cardiovascular, cancer, mental, diabetes, kidney disease etc.) as well as in promoting a healthy lifestyle (eating habits, tobacco and alcohol addictions) and including it in the incentive system for family doctors.

There should also be continuity in the activity provided by doctors by using better organized services (for example, to have one consulting room well equipped, with more doctors available for patients). The consulting rooms must also be well equipped in order for the doctors to be able to diagnose patients without consulting a specialist for most of the diseases.

b) Developing the healthcare system infrastructure

- Encourage prevention and ambulatory treatment, improve the emergency system and build efficiency into existing hospitals;
- Set a calendar for the implementation of EU standards and employing strategic investments in the infrastructure;
- Continue the three major ICT projects – electronic prescription, the European health card and the electronic patient record – for an efficient and real control of health spending. The IT systems need to be equally accessible to public and private healthcare and healthcare software suppliers;
- Create an electronic national data base which would grant access to healthcare related information and the opportunity to follow its dynamic;
- Stimulate investment in the high-end medical technologies which are able to provide patients with the best medical treatments in a short period of hospitalization (measures leading to a reduced healthcare budget);
- Sustain training and offer technical support for family doctors in order to maintain minimum equipment requirements for consulting rooms, such as for EKG, ultrasound and other paraclinic investigations; furthermore, the ability to identify patients sensitive to chronic diseases at the early stages would have a positive impact on both the health condition of the population and the dedicated budget;
- Create an incentive system for teams (family doctors and specialists) for early reference of patients with chronic disease;
- Create an incentive system for the ‘home care’ treatments/ assistance, generating a series of benefits for the patients and the healthcare budget;
- Redefine the procedure that patients have to follow: first they should see the family doctor, then the specialist (hospital ambulatory). The scope is to identify the urgent cases and those for which hospitalization is needed. The rest of them would then be solved by doctors in their consulting rooms, which should be well equipped.

c) Human Resources Management

- Increase the quality of education and access to lifelong learning for physicians and pharmacists, and improve the retention of medical staff;
- Acknowledge the social importance of doctors and pharmacists and increase the role of professional associations in decision-making related to reforming the system;
- Elements such as salaries and working conditions have driven numerous healthcare professionals to seek employment opportunities abroad, whilst the medical profession has become less attractive for youth. Consequently, increased efforts and funding are necessary to ensure proper conditions are in place to retain young specialists in the healthcare system, including offering them opportunities to grow professionally through decent salaries in the public sector and private practice opportunities;
- Programs destined to invest in high-end med-tech would help the health system retain skilled Romanian physicians and specialists, while facilitating the relocation in Romania of some of those who had already left.

d) Boost the development of private healthcare services by defining the basic service package, as well as by developing the private health insurances system, along other prepaid health services which will increase competition within the involved entities.

- Increase the quality of medical services by differentiating reimbursement with co-payment for therapies using high end, minimal invasive technology (this option can also be valid for public hospitals).

e) Ensure equal access to medical services for the entire population

- Clarify the relations between payers and beneficiaries and finalize the social package of medical services that can be equally accessed and guaranteed, regardless of localization and other individual characteristics;

- Create an informative program addressed at patients in view of presenting the most innovative medical homecare treatment available for almost all chronic diseases such as diabetes, kidney disease etc, which would not only offer the patients a chance for a better and normal life, but also the chance for them to continue their professional activities (this way, they would also continue to contribute to the national budget through social insurance).

f) Ensuring regular patient access to drugs

- AmCham Romania emphasizes the need for a regular update of the reimbursement list in order to allow patients in need the access to life-saving medication;
- Clear, transparent, unbiased criteria should be used when operating any changes in the list of reimbursed drugs;
- The administrative barrier concerning the one year wait for new molecules before being assessed for reimbursement should be removed;
- Introduce a mandatory regular quarterly update of the reimbursement list.

g) Professionalize hospitals' management

Even in the context of decentralizations, efforts to professionalize hospitals' management need to continue. Our recommendation is to consider new options such as management outsourcing, and to increase transparency by using adequate auditing tools. In our opinion it is also time to introduce the governance model which is carried out by a supervisory board, an apolitical body consisting of representatives of the main stakeholders to offer stability and continuity in the decision-making process.

2. FINANCING THE HEALTHCARE SYSTEM

The healthcare system must benefit from an adequate level of funding, derived from a viable strategy with efficient cost control. Budgetary allocations need to be increased in order to ensure proper access to the medical services and treatments, based on demographic trends and medical realities.

According to AmCham Romania members, the basic recommendations with regards to financing and efficient spending in the healthcare system are:

a) Ensuring an adequate financing level

- Increase the GDP allocation for health to 5% in 2012 and gradually to 6-7% in the next 3 years from both public and private sources;
- Align payment terms to the EU level and observe them to avoid financial imbalances;
- Align the general budget allocation for the Ministry of Health within the Government's multi-annual fiscal policy.

b) Diversify financing sources

- Allocate financial resources from the central budget for healthcare services towards use for the exempted or uninsured population and for public health strategic objectives;
- Attract additional resources from the private sector, primarily by allowing fiscal deductions for private health insurances and for other prepaid systems, and by reducing informal payments and attracting these in the taxed flow (co-payment, vouchers, etc);
- Measures to increase quality and performance;
- The funds obtained from health insurances must grant an adequate basic package, as defined by the relevant quality requirements, and offer an equal access to all categories of contributors;
- Programs for investment in high end medical technologies in public and private hospitals.

d) Implementing control mechanisms

- Audit hospitals in Romania and introduce standards and protocols;
- Implement clinical guidelines and treatment protocols;
- Introduce systems to control resource utilization;
- Increase transparency in the use of public funds.

e) Health Technology Assessment

- Introduce such a mechanism only by consulting all stakeholders and if it is in line with the EU practices in the field;
- Promote HTA as a mechanism for rationalizing costs, budget optimization and increasing transparency in the decision-making process related to evaluating health technologies;
- Increase the quality and accessibility of medical services by facilitating access to modern technologies, improving prevention systems and continue investments in the National Health Programs which have major impacts on the population's health status (cancer, diabetes, HIV/AIDS etc.).

f) Combating late payments in commercial transactions

- Implement the Directive 7/2011 which urges member states to reduce the payment deadline for medical services and drugs to 60 days, plus 30 days for acceptance.

g) Revisiting the claw back tax

- The 2012 approved Budget of the National Fund for Health Insurance includes the amount of RON 900,73 mil as subsidies from the Ministry of Health (the amount corresponding to the claw back contribution).

Based on the publicly available information, the amount collected by the fund from this contribution for the first quarter of 2012 is approx. RON 439 mil. The amount collected for the last quarter of 2011 (the first quarter when this contribution was applicable) is approx. RON 208 mil.

As it may be noted, the computation method of the claw back contribution available at that time led to a 100% increase in the contribution paid from one quarter to the other. In addition, it might also be noted that the amount collected for the first quarter of 2012 already represents almost half of the entire amount budgeted for 2012.

Taking into consideration the above, and in light of the multiple adverse implications and downturns raised by the business environment associated with an unrealistic mechanism for collecting this contribution.

AmCham Romania highly encourages the development of a computing formula able to grant the sustainability of the system and, most of all, patients' access to adequate drugs.

3. PRIVATE HEALTH INSURANCES

Creating a sustainable health system in Romania is closely related to the development of private health insurance. This can be done through a clear and predictable legislative framework, creating a fair competition environment, supporting private health insurance and incentivizing the population and companies to use it. These can be achieved through the following:

- Complement the existing health financing options and take the pressure off the public system;

- Expand the options available to the population in terms of health care accessibility;
- Increase competition in the system, create a correct and fair competition environment, a free competition between private and possibly health insurers that are envisaged to become important players by transformation of the district health houses;
- Increase control and promote quality of services;
- Ensure that the entire amount collected from the health insurances is directed to medical assistance;
- The state should provide financial support in order to cover the health insurance contribution for the categories currently exempt;
- Support the promotion and development of volunteer health insurance by providing tax deductibility for the employee and employer;
- Provide tax deductibility for private hospitals for investments in high-end, minimal invasive technologies as opposed to usual therapy methods;
- Create the same level of eligibility and performance for different Country Health Houses regarding capital, solvency and reserves requirements with the Insurance Supervisory Commission, including auditing, in the same conditions with the private insurance companies.

4. TRANSPARENCY IN THE DECISION MAKING

Given the high number of measures adopted within the context of a changing and underfinanced healthcare system, it is clear that most of these were adopted as “emergencies” without observing minimum transparency requirements in the decision-making process. The numerous changes in legislation affect the predictability and stability that private operators need in carrying out their activities, as well as affecting the overall perception of the Romanian investment climate.

AmCham Romania requests the use of a structured and transparent approach in the decision-making process and adoption of legislation, in terms of: ensuring the necessary time to consult all involved/affected parties, avoid implementing measures with the potential to distort competition, clearly formulate the content of legislative projects and launch them in public debate, and provide a solid scientific reasoning and justification towards legal projects to be undertaken.

The public consultation process also needs to be transparent and aimed at adopting legislation that represents the result of real and constructive dialogue between all stakeholders, and not merely an observance of some formal consultation requirements without genuinely considering the proposals advanced by the parties.

In conclusion, AmCham Romania reaffirms that in view of an efficient healthcare system, authorities need to ensure that the financing level is consistent with real needs, in addition to effective reform and increased transparency in the decision-making process.

ENERGY, MINING AND ENVIRONMENT RECOMMENDATIONS

ENERGY

It is important to note that energy is not “electricity only”. Whilst the electricity sector clearly has great significance having inherited various important institutions that emerged from the former Ministry of Energy/RENEL/CONEL, in the past, other sectors which also have a huge impact on the National primary energy bill have typically received less attention and resources. For decades, the electricity sector has been the main focus whilst others have been neglected or have received weaker resources allocations.

As such, AmCham Romania advocates that the following measures be taken in order to ensure the continued development of the energy sector in Romania.

1. Institutional reform and reinforcement

Institutions in charge of the energy sector should be reinforced in terms of:

- a) **Status** – the government should enhance the profile of the various agencies as for many investors, these are their very first encounters within the business realm, and the relationship continues during the life of the investment.
- b) **Authority / Independence** – the legislation should grant such institutions sufficient independence for playing their expected role and they should be empowered to make/formulate the decisions vitally needed for the energy sector:
 - We recommend both ANMR and ANRE are de-politicized, as similar agencies have been throughout Europe, the Americas, and the developing world;
 - Similar agencies should also be granted the right to award concessions and negotiate/set pricing within the bounds of pre-existing legislation without requiring further government /ministerial approvals;
 - Delays in granting concession agreements and awarding permits relevant to the various elements of the energy sector have, and will result in investors leaving or investing elsewhere.
- c) **Resources** – legislation should grant such institutions the necessary access to resources, both material and human. As an example, in bid rounds for oil and gas concessions, exploration & production companies have pledged millions of Euros for information and technology transfer. By law, these funds are to be used, in consultation with, and agreement by the respective “company”

and ANMR. This has not been the case and the monies have been routed into the General Fund.

- d) **Competence** – the institutions in charge of the energy sector should be instilled with the necessary technical and business competencies to allow informed and proportional regulatory and decision making processes to take place.
- e) **Reorganization, creation and reinforcement of new functions for coping with the challenges of the coming years**, i.e. regulation of the thermal energy sector, the nuclear industry, the unconventional gas sector, the renewable energy sector etc. Other examples would include the granting of construction permits for the Black Sea explorations and for the construction of off-shore hydrocarbon pipelines.
- f) **The case for the reconfiguration of the former agency for energy conservation is relevant**: it requires repositioning, empowerment, legislative and regulatory framework, authority, right subordination, competencies, affiliations, proper staffing and proper financial resources.
- g) **The representation of Romania to EU institutions on energy matters needs reinforcement** in terms of staffing and additional resources allocation, perhaps by also eventually using the relevant industry lobby organizations – Romania’s voice should be better heard in Brussels and Romania’s priorities should be more prevalent on the EU lawmakers’ agendas.

There should be greater identification and clearer definition of the primary energy mix and formulation of energy policy and energy strategy options in terms of:

- Defining the optimal electricity generation mix of the country;
- Re-invigorating the focus on indigenous resources, both conventional and unconventional, onshore and offshore;
- Organizing and clarifying the debate on available unconventional gas resources/reserves in Romania, without hindering the development of conventional onshore and offshore resources;
- Assessing the evolution of the major hydrocarbon infrastructure projects (pipelines, terminals, etc.) in the region and making the right choices for the national energy mix;
- Making the strategic decisions on the future of coal extraction and use in Romania:
 - Hard coal;
 - Lignite;
- Right sizing the renewable electricity generation sector in Romania with the corresponding balancing capacities investment efforts;
- Right sizing the utilization of renewable energies in Romanian economy and households taking into account the technological evolutions, the local potential, the economics and the demand for energy;
- Continuously assessing the progress towards achieving the politically assumed objectives 20/20/20.

2. Market reforms

- a) The electricity market should be reformed in order to cope with the general energy policy objectives:
 - Fair remuneration for security of supply;
 - Elimination of market distortions and promotion of fair/transparent competition;
 - Keeping the environmental impact at reasonable/politically and economically acceptable levels.
- b) Promote fairness in energy pricing, with a proper balance between incentivizing investors and operators, protecting customers’ interests and meeting objectives of the governmental fiscal policy, including:

- Liberalization of end-user prices for electricity, gas, thermal energy;
- In-lockstep liberalization of producer gas prices with the above and taxation policy;
- A revised royalties/taxation policy with the main focus on hydrocarbons, which should be made in consultation with a range of exploration and producing companies, and, for example, not just Petrom;
- A concerted effort for identifying the categories of consumers and the vulnerable ones, which should be awarded the right resources, given the macroeconomic and social implications;
- Redefinition of the social protection instruments and beneficiaries.

c) Integrate within the internal EU energy market:

- Couple with other electricity markets;
- Create the framework for gas exports in parallel with the alignment of indigenous gas prices to the international levels;
- Follow the relevant evolutions of the oil and oil products market in the EU.

3. Assessment of financial resources available for funding development of the Romanian energy sector

a) Assessment of investment needs of the sector/subsectors:

- A special attention is to be awarded to investment in security of supply; Romania should participate in the EU wide effort to identify innovative financing means for security of supply and active promotion of instruments convenient for Romania and countries in the region;

b) Dialogue with strategic investors active in Romania and identification of legislative and regulatory measures needed for attracting private investment in the sector, as well as of the economic impact of such investment;

c) More active promotion of Public-Private Partnerships in the field of transmission/transport infrastructure. For instance, realization of oil/gas pipelines from the Black Sea platforms to the shore could be done in PPP. All this requires, among others, transformation of the legislative and regulatory framework, and sometimes common work with the European Commission for addressing issues such as state aid, monopoly regulation and competition regulation.

4. Continuous promotion of energy efficiency efforts in the country

- Transpose and implement the *acquis communautaire* in the field;
- Reinvalidate and reinforce the institutional framework for the regulation and promotion of energy efficiency measures – see above.

MINING

According to data provided by the National Agency for Mineral Resources (NAMR), Romania has over 20 billion tons of unexploited mineral resources including coal, gold, silver, copper, salt, sands, gravel and ornamental rocks. As a result, many experts consider that the mining sector could become a veritable and sustainable source of economic growth for the Romanian economy.

Reopening mining sites for development and exploitation could become economically viable if steps were taken to support private initiatives, invest in modern technology, and use the best available technicians, all in accordance with a coherent Mining Strategy.

Currently, there are three major mining projects in the final stages of authorization which are aiming to revive the mining industry in Romania, which would offset the heavy damage that the decline of this industry has had on the economy over the last two decades.

1. Adoption of a Mining Strategy

Romania needs to adopt a long-term Mining Strategy in order to efficiently capitalize on its available natural resources, in accordance with sustainable development principles. Currently, a governmental intergroup is working on the draft Mining Strategy for 2008 - 2020.

The Mining Strategy should provide a framework for:

- Encouraging investment in the mining industry through fiscal and administrative facilities as well as through fiscal stability for investors;
- Implementation of a transparent regulatory framework, irrespective of the type of property, the origin of capital or the nationality of investors;
- Promoting the use of Best Available Technologies (BAT) in the mining sector, in accordance with sustainable development principles.

2. Improving the mining regulatory framework

A modern and flexible regulatory framework could leverage Romania's mining potential, positioning it as a future European leader in the mining industry.

There is a need for clarification of the mining legal requirements as well as for simplifying the cumbersome permitting procedures, according to international standards.

One suggestion would be for a "One-Stop Shop" facility (Romanian: Birou Unic) to manage the permitting procedure, which would save, time, costs and resources that would otherwise have been wasted by going to different authorities for dozens of different permits and endorsements etc.

Furthermore, re-launching the Romanian extractive industry would require the improvement of its domestic regulatory framework, including the Mining Law. There is already a project bill amending the Mining Law (PLX 549/2009) in advanced parliamentary

debate (Chamber of Deputies), comprising of proposals coming from the Minister of the Economy, NAMR, trade unions, and Professional Associations. The modification of the mining law could be a significant step forward in the process of creating an ideal environment for attracting potential mining investment.

ENVIRONMENT

As an EU member state, Romania should follow the European Community's environmental policy, strategy and priorities, transposing and especially implementing the EU environmental objectives and priorities at national level.

European priorities

Currently, the EU priority areas in environmental protection have been set out under the 6th Environmental Action Program (EAP) for a 10-year period ending 2012. By the end of the current year, a final 7th EAP for Community is expected to be adopted and published and to include the following environmental priorities⁴:

- **Better implementation and further strengthening of current environmental priorities** in climate change; nature and biodiversity; natural resources use and waste; environmental, health and quality of life;
- **Dedicated management of natural capital and ecosystem services**; the management of natural capital (e.g. non-renewable resources, biodiversity) involves decoupling economic growth not only from extensive resource use but also from environmental impacts within Europe and globally;
- **Coherent integration of the environmental considerations across other sectoral policy domains** will help increase the efficient use of natural resources and the reduction of common pressures on the environment that originate from economic activities;
- **Transformation to a green economy** which will address the long-term viability of natural capital within Europe.

National transposition of European priorities

One of the positive environmental protection developments in Romania consisted of the ongoing transposition of existing EU environmental regulations into domestic laws. However, the process of implementation and enforcement seems to be slow, raising some "infringement" risks for the Government of Romania GOR.

Generally, the European environmental priorities have been translated through the "National Sustainable Development Strategy (NSDS) of Romania for 2013-2020-2030", approved by the GOR at the end of 2008, which points out the main key challenges and priorities for short, medium and long term as follows:

⁴ Which were pointed out after The Sixth Community EAP assessment and after the Commission had adopted the new strategy in 2011.

- Climate change and clean energy;
- Sustainable consumption/production and waste;
- Conservation and management of natural resources.

1. Climate change and clean energy

The energy and climate change package (4 Directives) approved by the European Parliament in December 2008 and published in the EC Official Journal on 5th of June 2009, has been adopted by Romania, and thus the EU targets are also similar for Romania:

- 20% Greenhouse Gases (GHG) emissions reduction by 2020 (2005 baseline year); the installations under EU Emission Trading Scheme Directive (EU ETS) come to this condition and non-EU-ETS activities should reduce their GHG emissions by 10% in the same period;
- 20% increase in the renewable energy use by 2020;
- Energy efficiency increase by 20%.

According to the Commission's Decision 278/2011 and Decision 1983/2011, the preliminary free and transitional allocation process for GHG emission rights (2013 – 2020) has been finalized and submitted to the EC. However, taking into account the experience of the first commitment period (2007, and 2008 – 2012), when the EC did not approve the initial allocation plan and about 20.7% reduction to the initial allocated number of certificates for the period 2008 – 2012 was applied, the Romanian competent authorities (e.g. Ministry of Environment and Forests, National Agency for Environmental Protection, Ministry of Economy, Commerce and Business Environment) should initiate an active and concerted lobbying action addressed to the EU organizations to obtain a fair burden sharing between countries, as well as between economic sectors, for the reduction of greenhouse gas emissions in the easiest and most efficient way.

In order to reach these ambitious targets without significantly affecting the economic development, the GOR should consider some **short term priorities** as follows:

- Set clear & differentiated GHG emissions contribution levels expected from each industry type (including transport and waste industries), as well as from non industrial sectors (e.g. household energy efficiency);
- Develop concrete solutions and measures to help achieve the targets set;
- Increase awareness of all stakeholders by ensuring easy access to information about relevant legislation;
- Introduce market mechanisms to ensure that polluters pay for their pollution and that more environmentally friendly technologies are supported (e.g. CO₂ captured and stored should be credited as "not emitted" under the EU Emissions Trading Scheme, and fair rewards given for renewable energy);
- The authorities should agree on a realistic monitoring procedure for CO₂ emissions (by reference to EU-ETS) to avoid excessive costs. Better exchange of information between the central authorities and the private sector is highly recommended to improve awareness about problems encountered and to find practical solutions;
- The authorities should engage in an active dialogue with affected industries to help develop the monitoring mechanisms for emissions of CO₂ and other greenhouse gases used for EU-ETS compliance purposes, as well as for National Inventories and Communications (e.g. nationwide emission factors should be determined).

2. Sustainable consumption/production and waste

A positive remark is that Romania's NSDS for 2013-2020-2030 highlights some objectives/measures for addressing sustainable practices when industrial sectors policies are to be developed, as follows:

- Considering products' impact on the environment throughout their life cycle (from design, manufacturing, assembly, marketing, distribution, sale and use down to recycling and disposal);
- Supporting research, development and innovation in close connection with the actual needs of industry and market demand in order to obtain competitive advantages;
- Encouraging direct foreign investments as a source of capital, know-how, technology and managerial skills;
- Supporting the introduction of ecological technologies and encouraging eco-innovation will bolster the demand for, and the production of, specialized equipment and procedures in all sectors of the economy;
- Developing a green public procurement system;
- Proposing specific regulations to impose an obligation to include an indicator on "resource productivity", as would be measured by the ratio between gross value added and intermediary consumption, plus the cost of total material consumption, on the explanatory notes regarding income and expenditure, as well as the financial reports, of companies.

Despite the well-structured objectives mentioned above, no specific actions to reach these objectives have been noticed. The GOR should speed up the process of NSDS implementation and actively involve all stakeholders. Thus, the following can be of interest:

- Proposing new regulations to enable the implementation of the objectives set;
- Strengthening the institutional capacity in the environmental field, at national, regional and local level;
- Implementing financial facilities for new eco-technologies and innovation.

3. Waste

The Waste Management Framework Directive (WMFD), approved and published in Nov. 08 has been transposed into Romanian legislation under Law 211/2011, which covers the general framework on waste hierarchy, recovery-disposal, by-products, end-of-waste, mixing-dilution, waste oils, hazardous waste, self – sufficiency and proximity principle, targets for re-using and recycling, permits, waste management plans etc.

The government has continued the implementation of the initial National Strategy on Waste Management (NSWM) and developed the Regional and County Plans for Waste Management. Currently a new NSWM is under public debate and interested parties may come with recommendations and proposals for a better solution to waste management so as to keep the impact on industry at an insignificant level.

Even though all the EU regulations on waste are transposed into national laws, their implementation is somehow below expectations, and there is a risk of infringement in connection with the undertaken obligations on waste management.

Substantial financial support to implement integrated waste management systems at county levels is available, many financing contracts have already been signed to this end, but due to local authorities' lack of experience and sometimes of interest, the related waste infrastructure investments are often pending.

The following priority actions can be considered:

- Continuing to simplify the public procurement procedures for EU funded projects;
- Taking substantial action for increasing awareness of population and economic operators of adequate waste management;

- Employing experienced people for EU funded projects implementation structures (including local authorities who are the beneficiaries);
- Simplifying the environmental permitting procedure;
- Encouraging selective collection and recycling of various types of waste by directing some financial support to the companies involved in this sector and issuing special regulations in this respect.

4. Conservation and management of natural resources

In respect of other topics, the Romanian legislation on natural resources (e.g. biodiversity, water, mineral resources etc.) is similar to the European one, but its application is slightly different.

For instance, Romania has transposed the Water Framework Directive, under which a special attention should be given to the preservation of water bodies' quality as well as to the corresponding aquatic ecosystem. However, during the last period, the competent authorities have granted approvals for the development of projects (e.g. micro hydro power plants), in close vicinity of the water bodies, without the adoption of special environmental conditions in order to preserve the water resources in question.

As such, further midterm priorities can be considered:

- A detailed analyses of economic benefits and ecological pressures should be performed before the approval of projects that can significantly affect natural resources;
- Penalties should be set forth under the law which should also apply to the authorities that do not correctly meet the environmental legislation requirements;
- A control mechanism in relation to the natural resources consumption as well as the associated impact on their quality (including biodiversity) can be improved by employing more experienced personnel;
- Similar to waste management, financial support for various water management projects is available, but their implementation takes longer than expected and in many cases the related investments are pending; thus, similar priority actions can be considered, such as:
- Continuing simplifying the public procurement procedures for EU funded projects;
- Adopting substantial actions for increasing awareness of population and economic operators about an adequate water management;
- Employing experienced people for EU funded projects implementation structures (including local water authorities who are the beneficiaries);
- Simplifying the environmental permitting procedure.

INFRASTRUCTURE RECOMMENDATIONS

It is not a secret that many foreign companies have avoided Romania or postponed the decision to establish local operations, reconsidering planned investment due to the poor quality of the infrastructure.

Failure to make significant progress towards bridging the infrastructure gap proved costly in terms of congestion, unreliable supply lines, blunted competitiveness, and growing environmental problems, with all subsequent implications for living standards, quality of life and economic development.

AmCham Romania considers that the consolidation of infrastructure related strategies, and their urgent implementation, should be top priorities of the Romanian Government.

AmCham Romania encourages the elaboration of comprehensive and coherent strategies for the development of transportation, ICT, health, and energy infrastructure. Priority projects should be identified with urgency and implemented to the benefit of Romania and its overall competitiveness.

AmCham's Competitiveness Report highlights that Romania's physical infrastructure requires further investment to reach EU levels of development. Such improvements would benefit the economy overall by connecting rural areas to larger markets, improving productivity, reducing transport costs, and generally encouraging development and more economic activity.

Fortunately for the country, EU funds are available and could significantly defray the cost of the necessary development. A comprehensive and coordinated plan to bring Romanian infrastructure to EU levels should be high on the list of priorities. The low level of development presents a significant opportunity to implement integrated intermodal transportation that would reduce costs, increase efficiency, and reduce the environmental impact of this sector.

Recommendations:

- Develop a comprehensive and coordinated plan to improve Romanian infrastructure towards EU standards of quality and coverage, especially focusing on adequate financing through effective combination of EU funds, state budget and special regulatory mechanisms. Ensure the plan's implementation against a timetable and enforce the existing multiannual budgeting legislation to ring fence major projects and integrate them with regional business and tourism development initiatives. The end of 2012 and 2013 are the perfect timing to elaborate a sound strategy for Romania's 2014 - 2020 EU funds allocation, with a unique opportunity to prioritize impactful infrastructure projects and promote innovative projects. The elaboration of Romania's strategy for 2014 - 2020 in close consultation with the business community is a must in order to ensure its viability;
- Ensure coherent development of e-Government with emphasis on the single point of contact solutions for business and residents as well as interoperability of public services;
- Integrate road, rail and port development planning through intermodal solutions that would allow better flexibility of different transport modes as well as facilitate grow of the value added services along international transport corridors in Romania. The intermodal solutions, already implemented with EU funding in other CEE countries, should be priorities of the National

Transportation Master Plan currently in elaboration;

- Focus on absorbing the available EU funds (in the current and next financial exercise) for transport infrastructure by ensuring co-financing sources from the state budget, as well as on developing well-structured public-private partnerships;
- Establish a clear and effective legislation framework for infrastructure projects, especially with regards to financing mechanism to ensure transparency of the process as well bankability, with the aim of fostering public-private partnerships from a practical perspective for priority projects;
- Continue development of the nationwide broadband communications infrastructure, with the main focus on the rural areas for coverage, as well as on the systems utilized in the public institutions, data exchange and integration, ITC productivity mechanism, especially for small and medium businesses.

PUBLIC – PRIVATE PARTNERSHIP

RECOMMENDATIONS

Public-Private Partnerships (PPPs): AmCham Romania is actively supporting the enactment of regulations explicitly establishing a legal framework for PPPs in Romania.

As no major projects are known to have been implemented, organized or even effectively envisaged to be organized on the basis of the current PPPs legal framework, AmCham Romania proposes the following priorities to be considered in relation to the promotion of PPPs in Romania:

1. Elimination of all bureaucratic impediments preventing the use of the current legal framework, especially of the impediments preventing the publishing of PPP announcements in a specially designed section of the website where public procurement announcements are currently being published;
2. Organization by the PPPs' Central Coordination Unit (Romanian: Unitatea Centrală de Coordonare a Parteneriatelor Publice-Private), public authorities, and business promotion or advocacy organizations of joint seminars aimed at clarifying the actual steps for the implementation of PPPs, especially in the fields which are most easily implemented or financed. Gradually, such seminars should be organized in relation to more complex PPPs;
3. In parallel with the steps described above, decision makers together with public authorities and business promotion or advocacy organizations should cooperate to improve the current PPPs legal framework, in order to create more attractive opportunities for both investors and public authorities in this field.

A special attention should be given to:

- Elimination of all inconsistencies or conflicts (whether actual or only arguable) with other pieces of legislation;
- Increase of flexibility granted to the parties to a PPP by the current PPPs legal framework;
- clarification of the legal regime applicable to the transfer of public assets (including to the transfer of the right to use public assets) into the patrimony of the project companies;
- Clarification of the legal mechanisms entitling public authorities to undertake long term obligations (e.g. availability payments on the basis of multi annual budgets) regarding fixed periodic payments towards the project company or towards the private partner;
- Finding mechanisms to enable EU funds to be applied (in addition to the present possibilities for up-front capital expenditure contributions) to the co-financing of PPPs;
- Considering the possibility of co-financing between grant funds and loans or equity backed by financial engineering instruments;
- Finding mechanisms to enable step-in rights in favour of the PPP financing entities;
- Enlargement of the possibility of securing PPP projects with assets of the private domain of the state in order to make such projects more financially attractive. As a long term objective, securities over assets of the public domain of the state should also be permitted under the condition that the envisaged public use of such assets is preserved.

TOURISM RECOMMENDATIONS

Tourism is often mentioned as one of the opportunities Romania missed when talking about existing and tapped potential. While Romania has a huge tourism potential, and great opportunity to turn it into a success, the statistics reveal a worrisome reality. AmCham Romania highly recommends **the implementation of the National Tourism Development Master Plan 2007 – 2026**, a comprehensive and reality-reflecting document put together by a team of the World Tourism and Travel Organization and the Romanian authorities. The document clearly identifies the weaknesses in the Romanian tourism industry, as well as its assets, and provides strategic directions as to how the sector can be restructured, resourced and regenerated in order to compete effectively in the global marketplace.

In conjunction with the implementation of the National Tourism Development Master Plan, AmCham Romania sees as a priority **the need to raise the profile of tourism among Government bodies** through a stable team of professionals designing and implementing tourism policies and projects, endowed with the necessary authority to carry out such duties, as well as the need to raise the profile of tourism among stakeholders, from citizens, to local authorities and government members. National awareness campaigns such as “pack-it-in pack-it-out” to reduce littering, enforcement of the legislation sanctioning pollution, enforcement of the legislation governing the quality of the tourism services, as well as campaigns to professionalize tourism personnel are just some of the priorities we see in the tourism sector.

ABOUT THE AMERICAN CHAMBER OF COMMERCE IN ROMANIA

The American Chamber of Commerce in Romania (AmCham Romania) is a non-profit and non-political organization that promotes the commercial and economic interests of U.S., international and local business community in Romania. Established in 1993 by American investors in the country, it is now one of the 105 international AmChams in 91 countries affiliated to the U.S. Chamber of Commerce, based in Washington D.C., and a member of the European Council of the American Chambers of Commerce (ECACC).

AmCham Romania has over 300 member companies, representing a total investment of more than 10 billion USD which generated over 200.000 jobs. The organisation is firmly committed to assist its members to collectively communicate their important business concerns to the highest levels of the Government of Romania in a manner that facilitates understanding, identification of common interests, practical and transparent solutions, which largely benefit the long-term interests of both the international business community and the Government of Romania. All members are invited to share their views and ideas on important issues for all AmCham affiliates by taking a pro-active participation in the various Committees and Task Forces, created to better serve members' interests: Tax, Competition and State Aid, Corporate Governance, Energy and Environment, Infrastructure and PPP, Healthcare, ICT, Labor Market and Education, Public Procurement and Structural Funds, Tourism.

AmCham Romania will continue to advocate for improving ROMANIA'S ATTRACTIVENESS AND COMPETITIVENESS through coherent and synergic policies which should be a permanent preoccupation for the political leaders requiring decisiveness to implement, versatility to adapt to ever changing national and international conditions, and vision to find the best mix of measures, policies and implementation mechanisms which will position Romania in a leading position.

AMERICAN CHAMBER OF COMMERCE IN ROMANIA

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PRIORITIES FOR ROMANIA