



FOREIGN INVESTORS COUNCIL

CONSILIUL INVESTITORILOR STRAINI

“FIC Members Business Sentiment Index” SURVEY

October 2014

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Revenue growth	December 2013	June 2014
Grow significantly	0.0	3.85%
Grow somewhat	51,5%	57.69%
Will remain substantially the same	39,39	19.23%
Contract somewhat	6,06%	19.23%
Contract significantly	3,03%	

Business growth	Domestic market		Export market	
	December 2013	June 2014	December 2013	June 2014
Grow significantly	3.03 %	3.33%	6.66%	4.76%
Grow somewhat	48.48 %	40%	40%	61.90%
Will remain substantially the same	33.33 %	30%	40%	28.57%
Contract somewhat	12.12 %	20%	6.66%	4.76%
Contract significantly	3.03 %	6.67%	6.66%	

Results	December 2013	June 2014
Grow significantly	5.88%	6.90%
Grow somewhat	55.88%	62.07%
Will remain substantially the same	29.41%	20.69%
Contract somewhat	5.88%	10.34%
Contract significantly	2.94%	

Other comments

We believe that the economic environment in Romania presents opportunities for growth, but the predictability of the fiscal and regulatory framework needs to be improved.

Unfortunately the current condition is most likely to perpetuate after elections.

We don't see reasons for a more optimistic view; foreign investors will probably wait for better period to come in Romania.

We see little progress being made in the last three years. The key issues are basically the same but the spirit of optimism has disappeared as corporate stakeholders grow impatient.

There is still much more to do in developing Romania. This is a long process and we should remain realistic what can be delivered in which timeframe. The FIC is certainly a place where Foreign Companies can participate in this development.

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Capital investments plan	December 2013	June 2014
Significantly higher	3.03 %	10.34%
Somewhat higher	15.15 %	24.14%
Similar as in prior periods	51.51 %	48.28%
Somewhat lower	18.18 %	10.34%
Significantly lower	12.12 %	6.90%

Attractiveness of Romanian projects compared to peer locations	December 2013	June 2014
Significantly more attractive and easier to win corporate support	8.82%	10.34 %
Moderately more attractive and easier to win corporate support	38.24%	27.59 %
Does not really matter	11.76%	20.69 %
Moderately less attractive and difficult to win corporate support	26.47%	27.59 %
Significantly less attractive and difficult to win corporate support	14.71%	13.79 %

Other comments

The public sector needs stability related to personnel (human resources). The often changes of the staff does not help the interactions public-private and jeopardize the continuity of the ongoing projects.

Very weak preoccupation for investments (regulations, facilities, exclusions, support, bureaucracy).

No or poor support or co-operation in common projects to facilitate lowering the unemployment or development in various domains: technology, infrastructure, research, etc.

Preoccupation for conflict leaves no time for elaborating on development of the country based on co-operation and preoccupation for foreign investment in Romania.

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Workforce	December 2013	June 2014
Significantly higher		
Somewhat higher	29.41%	24.14%
Similar as in prior periods	52.94%	55.17 %
Somewhat lower	14.71%	20.69 %
Significantly lower	2.94%	

Legislative environment	December 2013	June 2014
Significantly more predictable		
Moderately more predictable	2.86%	6.90%
Remain same as prior periods	28.57%	27.59%
Moderately worsened	42.86%	44.83%
Significantly worsened	25.71%	20.69%

Communication and dealing with government agencies	December 2013	June 2014
Significantly more predictable		
Moderately more predictable	22.86%	28.57%
Remain same as prior periods	37.14%	50.00%
Moderately worsened	37.14%	17.86%
Significantly worsened	2.86%	3.57%

Other comments

Lack of proper consultation with business sector within the law making process.

Lack of transparency, stability & predictability.

Situation is worrying with a total lack of visibility on public programs, drop in transparency. More and more court cases and a more than ever authoritarian management on projects, while competencies still scarce.

As Romania is missing a major Country project subordinating all the other actions/initiatives of the parliament, government, juridical bodies, or state and private sectors, the legislative unpredictability, the extremely poor tax collection rate, the dropdown of state investments, the EU funds weak absorption rate, the indifference toward lack of infrastructure (roads and services), the high and costly bureaucracy, authorities' lack of transparency and associated corruption, as well as government lack of planning capabilities become explainable.

By consequence investors are extremely cautious when deciding to enter/invest in such environment or not.