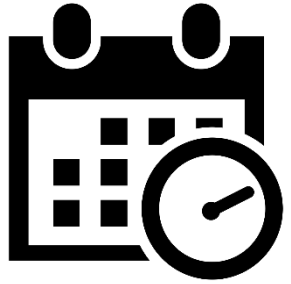


# Board of Directors Retreat

working paper

October 10<sup>th</sup>, 2017





# Timetable

*13:00 - 13:45*     *Light lunch*

13:45 - 15:45     Formal discussions - Part I

*15:45 - 16:00*     *Coffee break*

16:00 - 17:45     Formal discussions – Part II

17:45 - 18:00     Conclusions

*18:00 - 19:30*     *Dinner*

# Part I

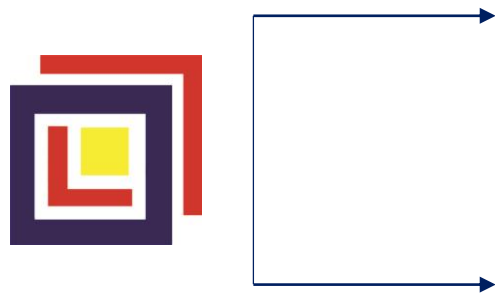
Decisions by the  
Board of  
Directors

# Part II

Shape FIC  
activities in the  
current economic  
and political  
context



# About FIC



## **Mission:**

- The dialogue between policy makers and the business community lies at the very heart of successfully improving the climate for investment.

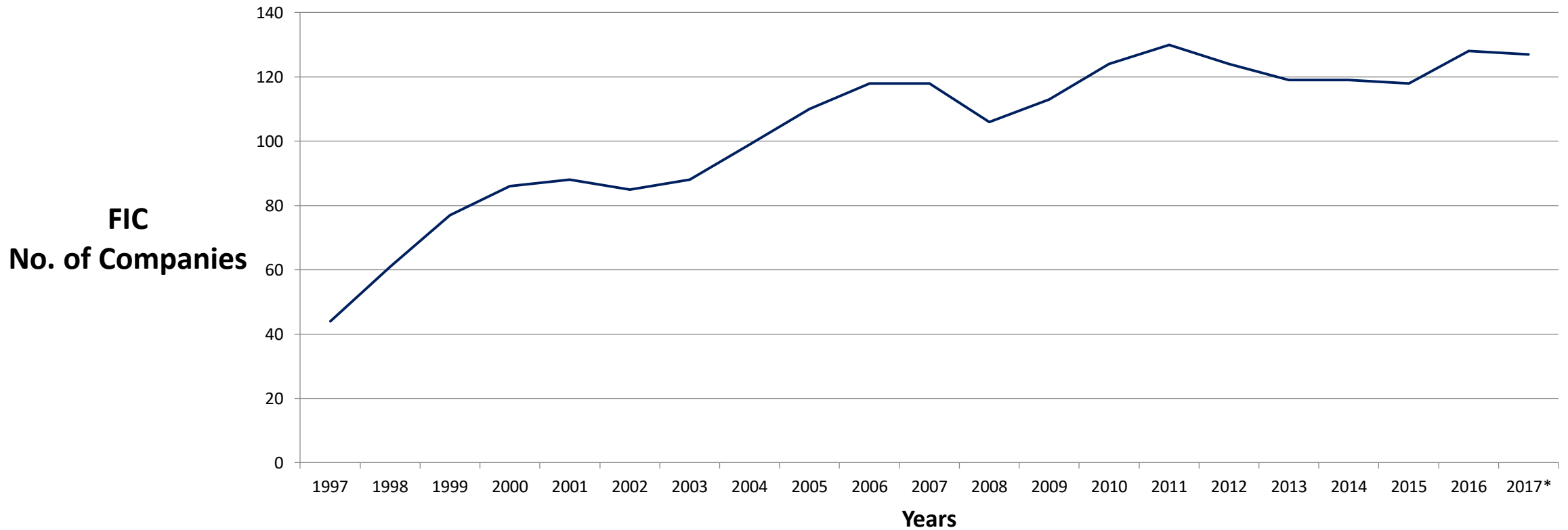
## **Objectives:**

- To promote a sustainable economic growth, by improving the investment environment in Romania;
- To represent, express and advance the shared opinions of its members to promote a common interest;
- To cooperate with the authorities in Romania, in overcoming difficulties and obstacles which may exist in relations with foreign investors and in economic relations with other countries;
- To promote the interests of the international business community in Romania;
- To inform its members and other interested persons to the extent possible regarding the investment climate in general in Romania.



# FIC tripled its membership in 20 years of activity

FIC Members' evolution



# Part I

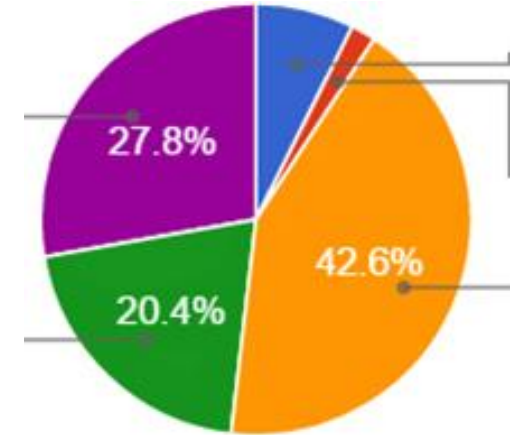
## Decision for the FIC Board

1. Business Sentiment Index-results of September
2. Amending the FIC statutes
3. Dedicated person for the Parliament
4. View point on shifting CAS and CASS from employer to employee

# 1. *Business Sentiment Index\**

There are two major conclusions:

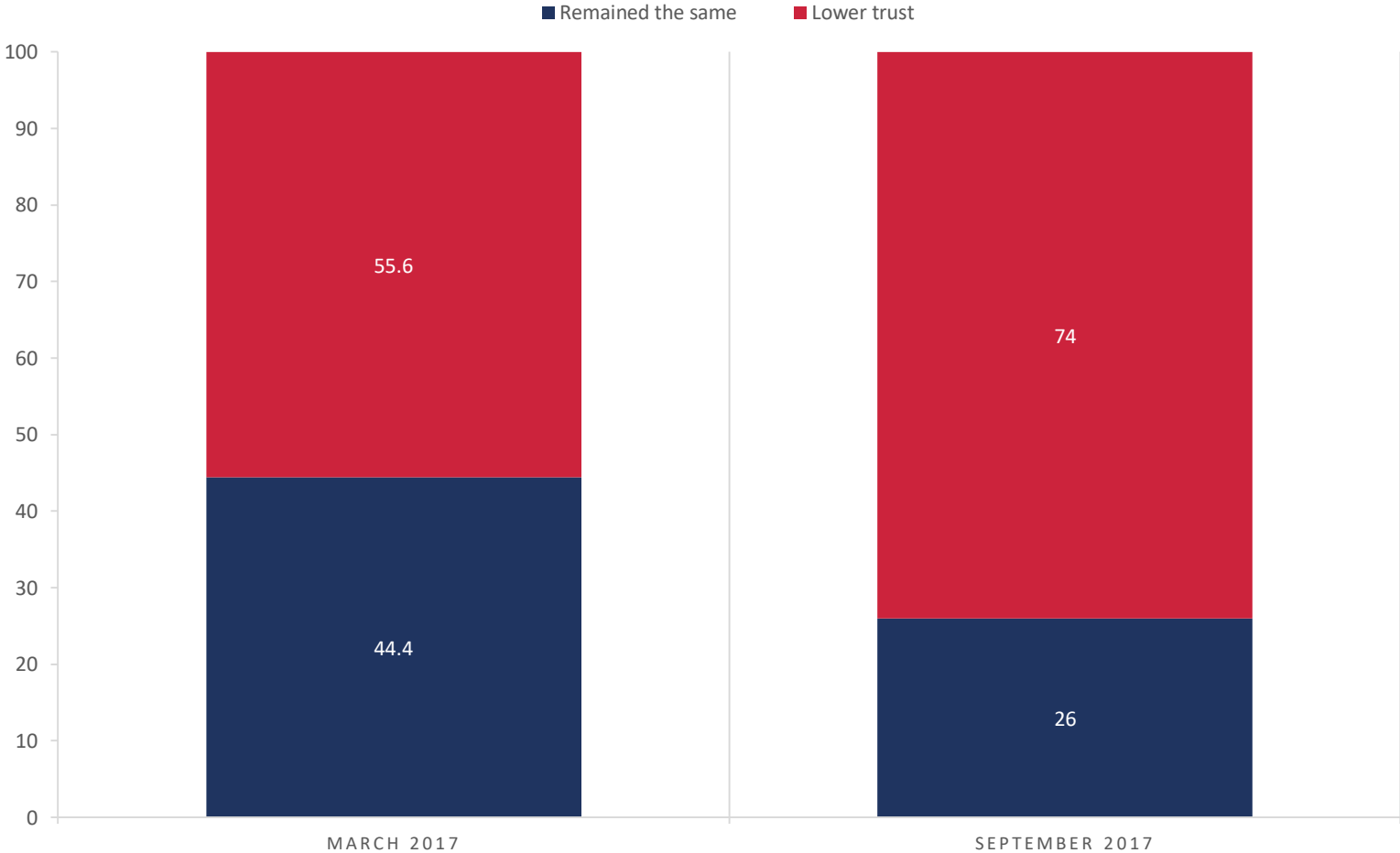
- Our members continue to expect growth of revenues in the following period (short term);
- The sentiment regarding the business environment has continued to deteriorate since March 2017.



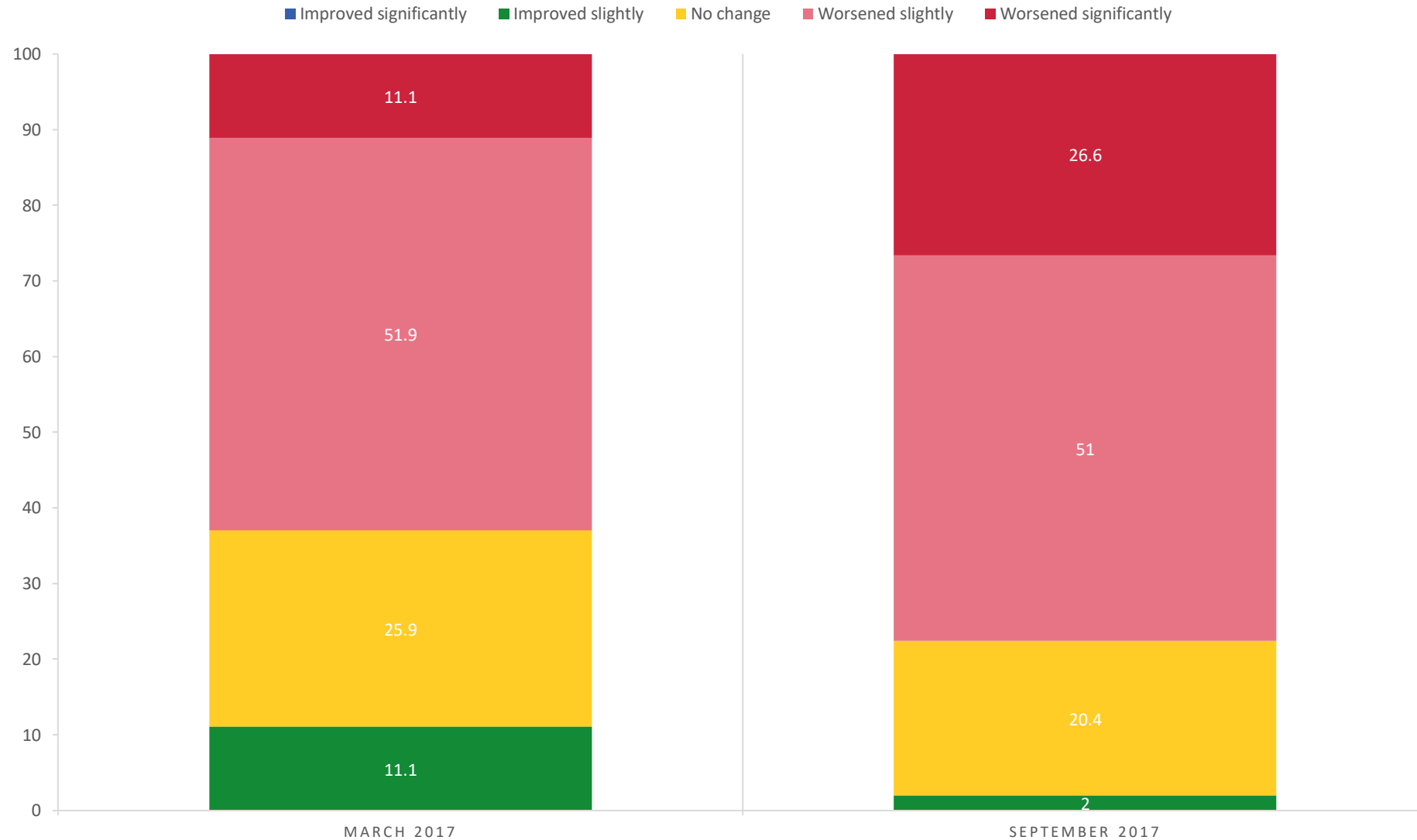
**Shall we communicate the results (with the FIC members and) with the public?**

- **How**
- **When**
- **Which should be the main message**

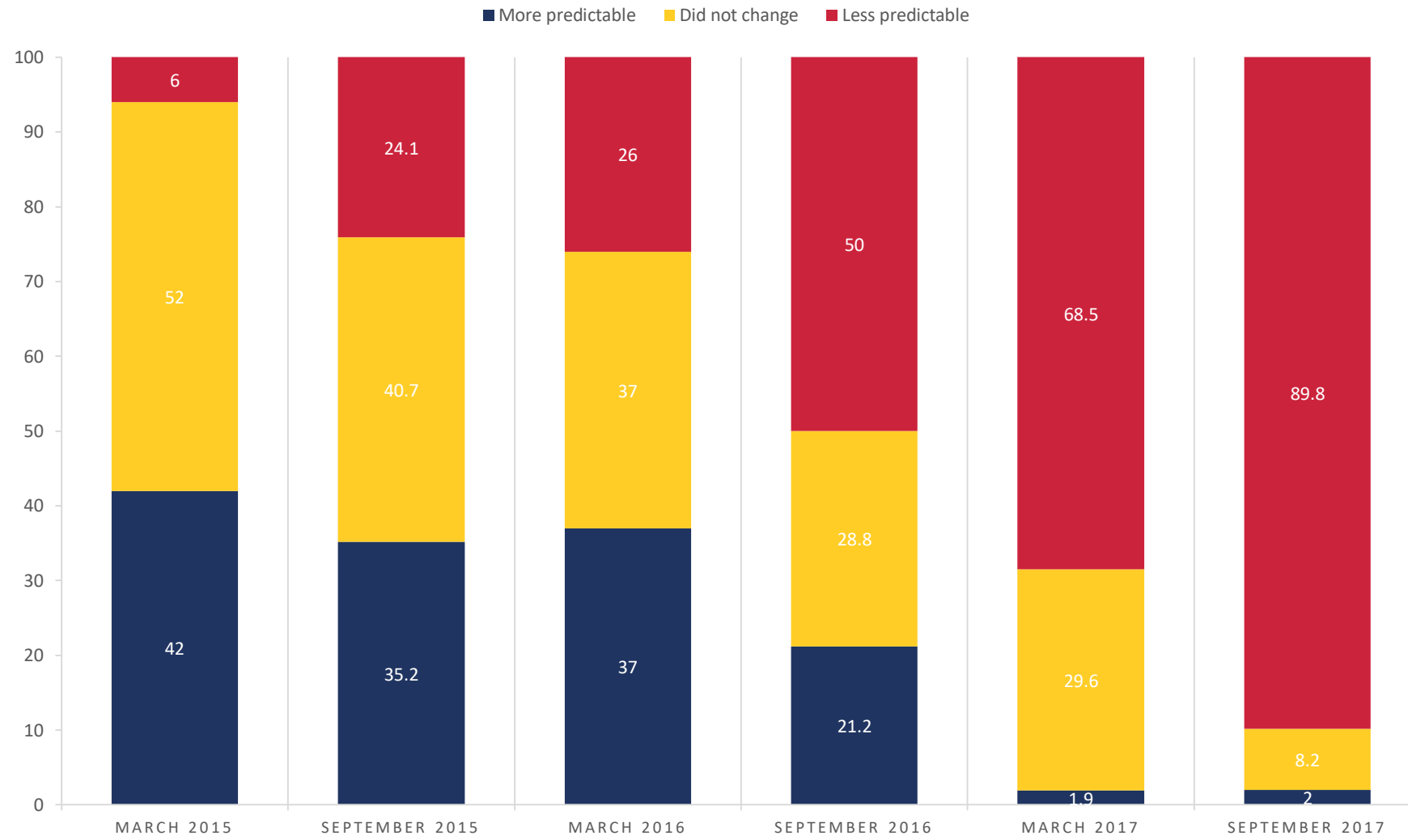
# How have the recent events affected your trust in the Romanian business environment?



# How would you describe the business environment in Romania, recently?



# The legislative environment effecting the business planning process has become



## ***2. Amending the FIC statutes***

The issue was raised during the summer about having a formalized procedure on how to fill-in a vacant seat in the Board.

In all similar cases the Board observed the stipulation of the FIC bylaws

22.1 If an official should leave his/her post or if a post should remain vacant because of illness of the official or for some other reason, the vacancy shall be filled until the end of the mandate by persons elected by the Board of Directors.

And which was completed with a Board rule ratified AGA:

FIC REGULATIONS: Approved by the Board of Directors and Ratified by the General Assembly revised according to the FIC Statute April 29, 2004:

- Whenever a vacancy occurs during the course of the year following the annual General Meeting, the Board of Directors shall use its best endeavors to maintain this number of directors by electing substitute Directors in accordance with the FIC Statute, Art. 22.



### ***3. Engaging the Parliament (dedicated person)***

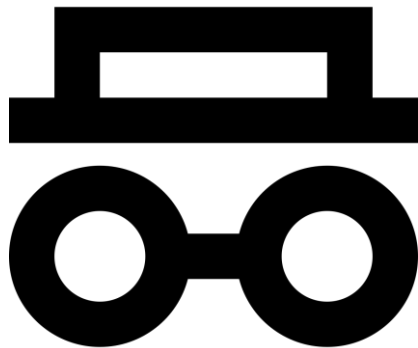
The legislative process became more prominent in Parliament; more draft laws are initiated directly by MPs.

FIC members are contributing with observations on draft legislation therefore FIC has increased its interaction with the commission of the Parliament and we are attending more debates.

However we are limited by the availability of our members.

A person dedicated to this job could increase our awareness and ability to express FIC's observations to draft legislation.

#### **FIC is looking for someone who could:**



- Spend half a day in the Parliament attending various commissions;
- Get to know the MPs; and the technical staff of the Parliament;
- Do the talking when accompanying a FIC member to debate for specialized support (FIC members are reluctant to go to debates for fear of exposing their company – a dedicated FIC person could alleviate this);
- Offer more insight so that FIC could know in advance what laws the Parliament is considering and could react much better, at the start of the process.

#### ***4. Shifting contributions from employer to employee***

- Is FIC entitled to have a public position? Could FIC represent all its members? How we calibrate the tone?
- How should FIC position itself on the proposed modification?
- Is it really a detrimental measure? Is there any value in such modification?



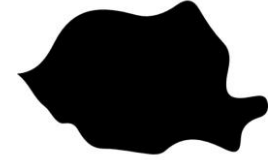
# Part II

Shape FIC activities  
in the current  
economic and  
political context





## Global trends



Growing public distrust in large companies

Less and less visibility on the opinion leaders coming from the business community

Political opinions on vital themes cannot be always avoided

Do these trends have an impact on Romania?

## Local flavours



- The Government is not open for dialogue and does not see the business environment as a partner; consultation is more formal;
- The public administration is de-professionalizing quickly;
- The Governing program is not open for debate; priorities are set based on political reasoning not on economic grounds;
- Less visibility on the economic decisions made at party level;
- The press continues to focus on sensationalism and a part of the press is politically controlled.

How should FIC adapt its activities to the environment?

# *Several ways forward*

1. Fortify the organization and continue to grow membership;
2. Create own content consistent with FIC members' issues and with topics on the public agenda;
3. Strengthen FIC's messages, widen channels and adapt tone;
4. Continue the discussion on FDI- there is no antagonism between local and foreign capital (SMEs fair);
5. Widen public awareness regarding FIC – first step, engage the employees of FIC companies and then a larger online community.



# 1. Grow membership

Company	Revenue (RON mil.) 2016	No of employees
ORACLE	908.0	3,635
IBM ROMANIA	814.5	2,653
MICROSOFT	277.7	470
SAP	255.9	401

ICT  
BPO&SSC



Company	Revenue (RON mil.) 2016	No of employees
REGINA MARIA	406.0	3,500
ABBVIE	1,441.0	N/A
SANOFI	831.0	N/A

Company	Revenue (RON mil.) 2016	No of employees
CONTINENTAL ROMANIA	12,000.0	18,200
AUTOLIV ROMANIA	3,543.7	8,961
BOSCH ROMANIA	1,500.0	4,800

Automotive



**PLUS**  
**Total revenue (RON mil.): 23,254.8 (3% of RO's GDP)**  
**Total no of employees: 44,075 (1% of RO's average no. of employees)**

Healthcare & pharma



Agribusiness

Company	Revenue (RON mil.) 2016	No of employees
IPSO AGRICULTURA	676.0	361
ALBALACT	528.0	677
DANONE ROMANIA	479.0	417

***Should other sector/company be on this list?  
How should FIC approach them?***



## ***2. Continue on the current path of creating professional content White Book; FDI report; BSI; TF position papers; macro analysis***

- Continue structuring the FIC work on “projects”: White Book, Va Urma, Coalitia, FDI, other;
- Distribute position papers more widely (on LinkedIn the professional ones and on Facebook the more accessible ones);
- Create own interviews with business leaders and opinion articles and distribute on classic and social media channels (maybe collaborate with an ex-journalist);
- Produce more research papers regarding FDI or linked to Va Urma.



### 3.1 Amplifying messages



Concordia

**Employers' confederation** – best positioned to handle comments on legislative initiatives

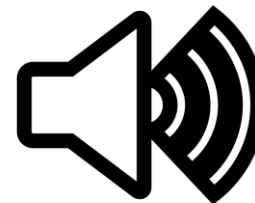
**Coalitia going forward.** Use it as a tool to tackle strategic decisions about the Romanian economy



Think-tank

**Long-term:** Support the setting up of a think-tank dedicated to free trade and applied public policy

Support NGOs with an agenda of good governance, rule of law and free trade. Create coalitions on important topics



NGOs

### 3.2 Effectiveness of messages

For the past 15 years, governments have recognized FIC as a partner for dialogue, to varying degrees

Currently decision makers are only focusing on implementing the governing program; FIC is not perceived as supporting the goals of this program

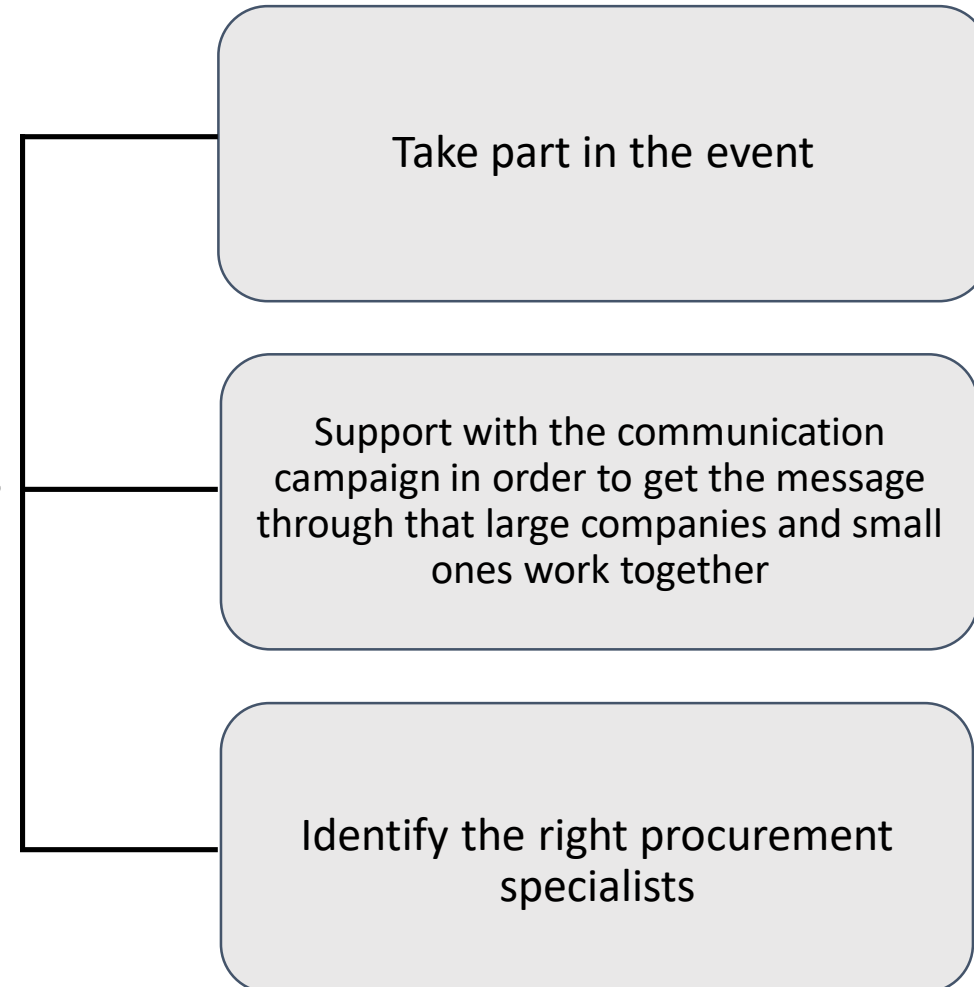
There is very little formal interaction with the private sector and civil society

**How to have the ear of policy makers under these circumstances?**



## 4. Continue the discuss FDI- *SMEs fair\** (half day event)

***The Board Members expected contribution***



## 5. Engage employees and a larger online community

*Below, the recommendations of the FIC working group on communication, with specialists from members companies*



- This is the first platform where employees should be engaged; first, grow FIC on the platform;
- Board members should associate with FIC on LinkedIn;
- Board members should post tailored messages or position papers from the TFs they are coordinating;
- FIC should share its content on LinkedIn and target people who would be interested in the respective topics (LinkedIn is better than FB at this);
- Get a paid account and put more resources here than on Facebook.



- Grow the FIC FB page naturally without too many adds;
- Use it to engage larger audiences for FIC's general messages;
- Use it as a vehicle for transparency;
- Use FB for the interviews with business leaders;
- Instead of a traditional conference, try a live Facebook - one that has been well prepared in advance.



# Going forward with



- Build up Concordia representativity;
- Contribute with content, case by case, in areas of common interest;
- Participation at CES (Plenum and Commissions) an effective way to adjust draft legislation;
- Define FIC/PIA future contribution to the employers movement:
  - Is there a need for a direct line of communication with the Board?
  - Is there a need for formal joint structures (task forces)? - other than Labour which already exists
  - Other resources that could strengthen Concordia.

# The limits and objectives of **ALITIA** \* PENTRU DEZVOLTAREA ROMÂNIEI

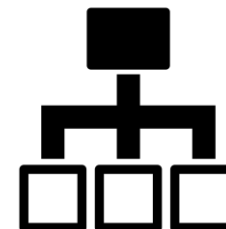
- Coalitia has reached a turning point in its existence. In the past four years the activity and agenda have expanded increasingly while the governance weakened;
- The dialogue with the Government has been more difficult since the beginning of the year;
- The quality and the professionalism of Coalitia documents is decreasing therefore meetings have very few end results;
- There are an increasing number of organisations and people publicly contesting Coalitia.

# Two options forward for



## Focus on the strategic topics

- Coalitia becomes very high level and focuses only on the major issues of general interest;
- Each organisation contributes with one key issue to be discussed at the highest level (No more task forces);
- The organisation is responsible to prepare documents, positions and research to the highest professional level possible;
- Heavier focus on Steering and associations.



## Become a full fledged organisation

- Take on the task to create the largest business organisation of Romania;
- Register as a legal entity; hire people; own budget;
- Use the experience of the past years in the new entity.

## Coalitia – task force leaders in 2018

No.	Task Force	Leader Name	Organization	Rapporteur Name	Organization
1	Agriculture	Calin Matei, Director General, Groupama	CCIFER	Andrei Carnu	AOAR
2	Education	Ana Bobircă, Partner, CEFS	AOAR	Maria Serban	AHK
3	<b>Energy</b>	Valeriu Binig, Partner, EY	AmCham	Radu Burnete	<b>FIC</b>
4	Entrepreneurship	Dragos Petrescu, CEO, City Grill	RBL	Radu Burnete	<b>FIC</b>
5	<b>Environment</b>	Jean Valvis, CEO, Valvis Holding	AOAR	Ana-Maria Dorobat	AmCham
6	EU Funds	Radu Kubinski, Deloitte	AOAR	Andreea Toroiman	CCIFER
7	<b>Financial Services</b>	Mihai Bogza, Bancpost	<b>FIC</b>	Andrei Carnu	AOAR
8	Healthcare	Anda Todor, CEO, Dentons	AmCham	Sebastian Hubati	RBL
9	<b>Infrastructure</b>	Ion Lixandru, General Manger, Romtrailer	RBL	Bianca Ungureanu	AOAR
10	<b>IT&amp;C</b>	Liudmila Climoc, CEO, Orange	<b>FIC</b>	Camelia Stanciu	AmCham
11	<b>Labour</b>	Anca Grigorescu, Grigorescu & Asociații	AmCham	Alexandra Irimiea	<b>FIC</b>
12	<b>Taxation</b>	Daniel Anghel, Tax Partner, PwC Romania	<b>FIC</b>	Sebastian Hubati	RBL
13	Tourism	Dragos Anastasiu, CEO, Eurolines	AHK	Ana-Maria Dorobat	AmCham

Currently FIC has the lead of 3 task forces

Potentially FIC could have the lead of 3 task forces in 2018: **suggestion**

