

INVESTING IN ROMANIA



INTRODUCTION

The Romanian economy witnessed significant changes during 2009 as compared to the previous years, as at macro level the contraction of the Romanian economy reached approximately 7%, while certain economy sectors witnessed even more dramatic changes. While keen to promote a return to a growth path, Romania's Government has been limited in its options, with only few maneuver alternatives when drafting the 2010 budget, as the main objective was to comply with the concerns of IMF and the EU regarding the excessive spending. Under such circumstances, through the budget passed by the Parliament in January 2010, the Government committed to tough measures such as to meet IMF and EU requirements for the release of loan funding. The implementation of these measures will definitely represent a challenge for the government to the same extent as the repositioning of Romania back on the growing track will represent for the entire society.

2010 brings numerous expectations and, despite significant challenges, signs exist that some affected industries will start to pick up, although there is a long way to go before they return to pre-crisis levels. Other industries

which were not part of the boom of the previous years are still waiting their turn. Uncertainty remains the key word, despite last year's lesson. The previous year experience taught us to acknowledge our most valuable resources, to use them wisely and efficiently and to focus on high performance. Everyone seems to recognize that today the conditions for doing business in Romania have changed and this requires continuous adapting.

Romania remains a country with great potential, considering the need for extensive development of the infrastructure, the diverse renewable energy resources and the need to comply with the EU environmental requirements continuing to attract investors, both local and foreign. Finding competitive alternatives and new segments in which to expand your business or simply maintain the positions reached in the past most likely remain some of the most important objectives for this year.

This guide's purpose is to provide support to foreign and local investors seeking to enter or to further extend their business on the Romanian market. It is aimed as a useful tool for investors, however it is not intended to represent basis for your future business

decisions. Whenever specific legal guidance is needed, please do not hesitate to contact Voicu Filipescu's lawyers.

