

## KEYNOTE SPEECH

Delivered by Mr. Nicolae Blîndu, Minister-counselor, on behalf of  
H.E. Mrs. Carmen Liliana BURLACU, Ambassador of Romania to the Czech Republic  
- 4 September 2018, Prague -

Dear Ambassador Vladimír Valký,  
Dear Director Karel Machotka,  
Distinguished guests,  
Ladies and Gentlemen,

- First of all, I would like to apologize Mrs. Carmen Burlacu, the Romanian Ambassador, who was unable to come today here, due to some health issues.
- At the same time, I warmly thank the International Chamber of Commerce in the Czech Republic for organizing such a timely and a dynamic event.

I'm honored to meet you this afternoon in order to present the main recent economic developments in Romania and to emphasize some of the best business and investments opportunities offered by the Romanian market.

- Briefly, the main reasons to consider Romania as a good opportunity for trade and investments are:
  - Significant market potential;
  - Fully functional, recognized, market economy;
  - Benefits of a highly skilled labor force;
  - Overall favorable economic development;
  - Competitive fiscal policy.
- Romania is the 7th main market within the EU and the largest in the South-Eastern Europe. Romania is strategically located at the crossroads between East and West, North and South, on the Black Sea coast, within a fast growing European region.

It is an emerging economy with excellent long-term perspectives. From Romania, an investor can easily have access to a wide market of about hundreds million consumers, including Turkey, Ukraine and Russia.

- Last year, Romania recorded its most important economic growth since 2008: +7.0% (in 2008, GDP increased by 7.1%), above the EU28 average (+2.4%), occupying the second place after Ireland (+7.8%) and having a similar performance as China's growth rate (+6.9%).
- The National Bank of Romania forecasts around 5.5% GDP growth for this year, based on the increase in domestic demand and more stable labor market. Due to its evolution, the Romanian economy could be considered as one of the most dynamic among all EU Member States.

• According to the National Institute of Statistics, the inflation rate amounted to 3.3% in 2017, the highest level in the last four years. For this year, the National Bank of Romania estimates an inflation rate of 3.2% and for the end of the fourth quarter of 2019 an inflation rate of 3.1% is expected.

- I would like to present you, also, some facts about the external trade of Romania in 2017:

- ✓ The turnover of trade was 138.2 billion Euro (+ 10.8% compared to 2016), from which the exports have amounted to 62.6 billion Euro (+ 9.1%), and imports to 75.6 billion Euro (+ 12.2%);
- ✓ Intra-EU28 accounts for around 76% of both exports and imports.
- ✓ In 2017, the main countries of destination for Romanian exports were: Germany (with a share in Romania's total exports of around 23%), Italy (11.2%) and France (6.8%).
- ✓ Regarding the imports, in 2017 the first 3 partners countries of Romania (countries of origin for extra-community imports and expedition for intra-community imports) were Germany (20 %), Italy (10 %) and Hungary (7.5%).

- We notice with satisfaction that Czech Republic is one of Romania's main economic partners in European Union, your country becoming the ninth largest market in EU for our exports, with a share of 2.9%.

- We are strongly interested in the enhancement of the Romanian–Czech bilateral trade relations, according to the common interests and real possibilities of our economies. We encourage the bilateral cooperation between Romania and Czech Republic to move forward on a fast track, boosting the two-way trade, business and investment.

- At the same time, it is important for the Romanian side to increase and diversify its exports to the Czech market, in order to reduce the trade deficit.

*In terms of commercial exchange, the turnover of the bilateral trade reached 4 billion EURO at the end of 2017, out of which 1.8 billion euro represents Romanian exports to the Czech Republic and 2.2 billion EURO were the Romanian imports from the Czech market. The trade balance was unfavorable for Romania (-400 million EURO). At the same time, we reckon that in next 2-3 years our total bilateral trade could reach 5 billion EURO.*

- According to the National Bank of Romania, Foreign Direct Investment increased by 1.5% in 2017 compared to previous year, arriving to 4.6 billion EURO. The main foreign investors in Romania are the Netherlands, with 12.2 billion USD and over 5.000 companies, followed by Austria with 7.1 billion USD and 7,391 firms and Germany with 6.6 billion USD and 22,105 companies.

- As it was mentioned before, one of the main arguments in favor of our competitiveness is the highly skilled workforce. Romania's workforce, with strong multilingual abilities, is one of the most educated in the region.

Investors can access highly skilled, innovative specialists, for very competitive wages. Romania is above EU 28 average, with 74% of working-age people speaking a foreign language. The most spoken language is English, but French, Spanish and German are quite spread, as well.

- Romania makes it easy to do business in one of South-Eastern Europe's most dynamic and transparent business environments. Romania has a cost-competitive business climate enjoying a 16% flat tax, as one of the lowest in the EU 28.

- Romania is welcoming Czech investors and ensures equal treatment to all registered companies, regardless of the origin of the capital.

- Speaking about Czech investment in Romania, the real potential of the Czech investors is not fully expressed.

*From the bilateral investments point of view, at the end of last June, according to the National Romanian Trade Register, 1.008 companies with Czech participation of capital*

*were registered in Romania, with a share capital of around 1,4 billion euro invested directly. Czech Republic was ranked on the 10th place among the foreign investors in my country, with 3.1% of the total foreign investments.*

- I believe that there is a good opportunity of increasing the cooperation between our business communities within projects on specific sectors as: energy, agriculture, information and communication technology, R&D or any other sector of mutual interest. We encourage Romanian and Czech companies to expand their business by investing in innovation, creating and promoting new services and products, highly competitive.

Thank you for your attention and I hope that you will have today a very fruitful workshop.