



INFOPOLITIC

Romanian Politics

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Multimedia Foundation for Local
Democracy



IMPORTANT DEVELOPMENTS

1. **ECONOMY.** *The Economist* confirms the Government's growth measures are having an impact.
2. **FOREIGN POLICY.** Prime Minister Victor Ponta makes a visit to Spain.
3. **SME.** Prime Minister Victor Ponta takes part to the launch of the "White Book for SME's in Romania".
4. **FOREIGN POLICY.** The USL Government congratulated the state institutions for the return of convicted terrorist Omar Hayssam to Romania.
5. **MCV.** The European Commission outlined Romania's progress in regards to the MCV mechanism.



THE ECONOMIST CONFIRMS THAT THE ECONOMIC GROWTH MEASURES TAKEN BY THE GOVERNMENT SHOW THEIR EFFECTIVENESS

The analysis points out that the Romania Government's policies can achieve, at the same time, social repair and economic performance. Romania's economic growth rate in the first quarter was the third highest in EU, both to the previous quarter and to the same period last year.

The Economist Intelligence Unit forecasts a 2,4% growth in 2013, boosted by a strong harvest and increased exports to non-EU markets. It is also expected that the economic growth rate to increase further in the 2014-2017 period, up to an annual average of about 4%. Gross industrial production increased by 4% in April from the previous month and by 19% in the past year. The value in Euros of exports increased by 5,7% in the first 5 months, 15,5% in April compared to the same period last year.

Improving EU funds absorption will contribute to the infrastructure investments, which would enhance long-term export potential. **The Economist analysts forecast that inflation will decrease gradually next year, reaching 2,7% at the end of 2017.**

Since coming to power, **the USL executive has implemented its own model for emerging out of the crisis**, which requires harmonizing fiscal discipline with balanced economic growth and strengthening state welfare.



PRIME MINISTER VICTOR PONTA MAKES AN OFFICIAL VISIT TO SPAIN

After the USA or France, Romania will have a strategic partnership also with Spain. Government figures expressed their satisfaction that Romania is taken out of isolation and finds strategic partners both in Europe and in other parts of the world.

During his visit to Madrid, the Romanian delegation where he will meet **Prime Minister Mariano Rajoy, as well as King Juan Carlos I of Spain**, among the objectives of the visit being reconfirming Spain's support for Romania's accession to the Schengen area.

The Prime Minister will also address topics such as reconfirming Spanish authorities' position regarding the full liberalization of the labor market for Romanian workers from January 1, 2014, or intensifying bilateral political contacts, with an emphasis on **contacts at ministry level, in the fields of economy, transport, agriculture, the interior, justice and labor.**

Victor Ponta will also meet **Ignacio Gonzalez Gonzalez**, the President of the Madrid Community, home of the largest Romanian community in Spain, but also with Alfredo Perez Rubalcaba, Secretary General of the Spanish Socialist Workers Party (PSOE).

Some other topics on the agenda of the Prime Minister are identifying impact projects, with Spanish participation (in infrastructure, telecommunications, renewable energy), holding the grip on Spanish investors, given that Spain is the 8th top investor in Romania, as well as experience exchange in attracting and managing European funds.



THE USL GOVERNMENT SUPPORTS THE SME SECTOR

Prime Minister Victor Ponta attended the launch of the Romanian version of “The White Paper of SMEs in Romania”, XIth edition, co-published with the National Council of Private SMEs in Romania, in partnership with the Department for SMEs, Business Environment and Tourism. The event was also attended by Labor Minister, Mariana Câmpeanu, and the Minister delegate for SMEs, Business Environment and Tourism, Maria Grapini.

In his speech, Victor Ponta appreciated the importance of the SMEs sector. “I do not know of any positive potential economy to rely only on large companies. **I believe there is a proportion, a balance, between the two economic categories, of which Romania has great need**”, said the PM.

He added that the SMEs have proved great resistance, showing that they have encountered many difficulties, caused also by measures adopted by the state in the past. At the same time, the PM noted that the biggest problem, arising from the crisis and preventing the development of the economy, is the lack of credit.

Victor Ponta said that the Government is trying not to compete the SMEs on the credit market, but refer instead to the external market, stating that **“the Government’s policy is to try to get out on foreign markets and to leave as much of the national liquidity as it can for companies”**.

Also, the Prime Minister has expressed the wish that honest businesses to be controlled only once every three years. Victor Ponta indicated that the Anti-Fraud Department, established **after the reorganization of NAFA (ANAF), should check especially those companies that are guilty of tax evasion**, adding that the role of an Anti-Fraud



Department is not to chase every small business, but to see where the biggest losses are.

OMAR HAYSSAM IS RETURNED TO ROMANIA

The Prime Minister congratulated the intelligence service, as well as the Ministry of Defense, the Ministry of Foreign Affairs, the Ministry of Justice and the Ministry of the Interior for the return to Romania of convicted prisoner Omar Hayssam.

Government spokesmen emphasized that the Romanian authorities have managed to resolve a particular important case, which has dragged on for many years. The Prime Minister emphasized that the resolve of these institutions proves that Romania has the ability to solve such incidents and bring criminals, wherever they may be, to justice.

Government figures expressed their satisfaction at the news and underlined that the Omar Hayssam case was one of great interest to the public opinion in Romania, while its total resolution represents **a strong signal that no one is above the law.**

ROMANIA REGISTERS PROGRESS ACCORDING TO PRELIMINARY MCV EVALUATIONS

The European Commission made a stage presentation on Romania and Bulgaria's progress in the last six months, in light of the CVM report perspective for the end of this year, at a meeting of the EU Council working group. Romania has shown progress under all chapters of the CVM – rule of law, judicial system reform, judicial system accountability, judicial process efficiency and fighting



corruption. The focus was mainly on decisions regarding recent appointments in the judicial system and on the results of the fight against high-level corruption.

Also, the attention for the revision of the Constitution was highlighted and **the involvement in the Venice Commission in this process was welcomed**. The progress of Romania hence **proves the Government's firm commitment to continue the reform of Justice and to fulfill the objectives of the CVM**, in close cooperation with the European Commission and member states.

In this context, PSD spokesman argued that the EC presentation within the CVM shows that the technical report which **“speaks positively about Romania, for the first time”**. Moreover, USL figures emphasized “the positive results of the USL Government assessment by the European Commission in the field of Justice”.

“It is for the first time when it is spoken positively about Romania in a report. It is a technical report, but even so, it shows that USL keeps its word and what it keeps its promise about its governing”, added the PSD spokesman.