



INFOPOLITIC

Romanian Politics

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IMPORTANT DEVELOPMENTS

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2. **POLITICS.** The USL sets out its political priorities for the fall.
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THE GOVERNMENT LETS THE PARLIAMENT TAKE THE FINAL DECISION ON THE ROSIA MONTANA PROJECT

The Government's intention is to end the drawn-out and complicated process regarding this proposed mining project. If the government does not guide this process towards a conclusion – which can be either positive or negative – then the Romanian state will in the position of being penalized, facing a fine of 2 billion dollars for delaying this decision. **This situation has been made possible by the former governments' lack of decision** regarding this proposed project.

The Government has rejected the Rosia Montana project discussed under the former PDL government and initiated a negotiation with the investors, motivated by 2 equally important objectives: **obtaining advanced benefits and better conditions for the Romanian state, and imposing the highest possible level of environmental protection and environmental guarantees, according to current EU legislation and practice.**

The newly-negotiated project has been sent to the Romanian Parliament, where it will be discussed at length, openly and transparently, and then voted upon. **The project's future will be decided by parliamentary vote.** Only if the result of this vote is a positive one, the Government



will advance with the further steps of the authorization procedure.

USL representatives showed that the Government, as well as the parliamentary majority, also supports the idea of a national referendum on this issue, as a form of deepening the consultation with the society, in order for the final decision to better express the opinion of the Romanian society regarding this project. Government figures made it clear that **the Romanian Government supports only projects which respect all EU rules and regulations**, as well as principles of sustainable development, at the same time as creating jobs during a very difficult economic climate.

THE USL SETS OUT ITS POLITICAL PRIORITIES

The leadership structures of PSD and USL met at the Romanian seaside in order to determine the political coordinates of this following autumn. This occasion gathered PSD Women's Organization, the National Executive Committee, the parliamentary groups of the PSD, while the two co-chairmen, Victor Ponta and Crin Antonescu, have participated in a joint meeting with the united parliamentary groups of the USL, and in the event "Romania for the youth".

Prime Minister Victor Ponta commented on the party's political position. "**Our political situation is definitely one that we wanted**, namely: we won the local and parliamentary elections, we are in Government, we have, in the USL, the ministerial positions that work. In Parliament,



most of us worked flawlessly and I thank all those who lead our parliamentary work," said Victor Ponta.

On the same background, the PSD leader showed there are important things to do in the fall at governmental, parliamentary, but also at the political level. "From my point of view, the way in which the works of the Commission for amending the Constitution was completed is indeed a needed reform of the political system, of the constitutional system. Moreover, this fall we will receive all the points of view from the Venice Commission, **from the international partners, so that next year, at any moment, we can go to referendum to change the constitution.**

VICTOR PONTA MAKES A VISIT TO THE REPUBLIC OF MOLDOVA

Prime Minister Victor Ponta paid an official visit to the Republic of Moldova **to inaugurate, together with Prime Minister Iurie Leanca and the European Commissioner for Energy, Günther Oettinger, the construction of the Iasi - Ungheni gas pipeline**, which will connect Romania and Moldova. In addition, Prime Minister Victor Ponta congratulated the Moldovan citizens, on their Independence Day, which this year marks 22 years since independence from the Soviet Union.

At the inauguration ceremony of the Iasi-Ungheni gas pipeline, the journalists asked whether this investment will not bother the Kremlin, Victor Ponta replied that the Russian authorities will not mind. "**When we start a project, I do not think who will mind, I think about who benefits** (...) I do not think it will mind, there is no reason for anyone to mind (...) We are talking here about the right of every citizen of the Republic of Moldova and of Romania to have lower gas prices and about the economic interest," said Victor Ponta.



The Iasi-Ungheni pipeline aims to provide a higher level of energy security for the Republic of Moldova and the Eastern part of Romania, while diversifying the sources of gas supply. During the visit, the Prime Minister also said that it is necessary to improve and diversify the scholarships for young people from Moldova who want to study in Romania.

THE PSD AIMS TO OBTAIN 35% OF THE VOTES IN THE UPCOMING EP ELECTIONS

PSD President Victor Ponta said, in the beginning of the BPN, that the objective of the party in the European Parliament elections is to obtain more than 35% of the votes of the electorate.

"As we have established from the beginning and as it normally is, being part of various European groups, at the EP we will be going, PSD, UNPR, liberals go with the Liberal group, PC also. You know very well our objective, which is to be the first party in the country (...) the goal is to have over 35% of the votes," said the Chairman of the PSD. **The prime minister noted that the PSD is credited in the polls by more than 35%.**

Victor Ponta has also shown that it is important for the PSD to be in the socialist group, between the first 3-4 parties in Europe regarding the number of MEPs. **"That will give us a say when the European Commission will be formed, regarding our importance in Europe. It is about showing that the PSD returned as a strong party, with a stable electorate,** and then to think where we stand for 2016," said the President of the PSD.

THE VAT FOR BREAD PRODUCTS STARTS ON 1 SEPTEMBER



Starting September 1st, bread and bakery specialties will have a 9% VAT, according to a joint Order of the Ministry of Agriculture and Rural Development and the Ministry of Public Finance, published on August 28th in the Official Gazette. The regional directions of public finance, through their subordinate territorial structures, together with General Direction for Management of Large Taxpayers will take action for implementing the provisions of the order.

Along with the replenishment of the wages, increasing the minimum wage, pension indexation, illegally collected CASS returning and many more, reducing the VAT on bread is one of the measures promised in the election campaign that the USL Government is fulfilling. Since the first day of its implementation, the bread shelf prices have dropped considerably. Further, the reduction of the VAT on bakery products will result also in the decrease of tax evasion in the field.

THE ROMANIAN GOVERNMENT CONDEMNS THE SYRIAN GOVERNMENT'S ACTIONS

The Romanian Government strongly condemns and without any hesitation the criminal acts in Syria and it is its duty to be entirely sympathetic with the states which requested and impose the respect of the international law, said Prime Minister Victor Ponta, after U.S. Secretary of State, John Kerry announced that the U.S. know that the Syrian government used chemical weapons several times this year.

"Together with Foreign Minister Titus Corlatean, I was informed regarding the U.S. Secretary of State Kerry's statements on the situation in Syria. I just want to say that I took note of the evidence presented, the crimes committed



against humanity in Syria by or with the knowing of Government authorities, that under these conditions the Romanian Government strongly condemns absolutely without any hesitation such acts – I repeat, crimes against humanity committed against the civilian population, against a significant number of children, innocent people, and that the Romanian Government has to be entirely sympathetic with the states that requested and imposed the respect of the international law," said the PM.

According to Prime Minister Victor Ponta, it was imperative that, in front of obvious and unacceptable facts, the Government to have an unequivocal position of solidarity and coordination with the partners of our country. **"Regarding the decision or if you want further actions, again, we will be solidary, coordinated and together with our partners,"** said the chief of the Executive.

THE USL SUPPORTS THE SME SECTOR

The USL Government adopted a new law that comes in support of SMEs, considered the engine of the economy. According to an ordinance adopted by the Government during a meeting, **the tax audit for SMEs will be made only once in a period of three years, the normative act willing to transpose the strategic document "Small Business Act" for Europe** adopted by the European Commission in 2008 and revised in 2011 into Romanian legislation.

The document adopted by the European Commission sets forth ten principles to guide the conception and implementation, both at EU and at Member State level, of policies which stimulate the SMEs.

The enactment adapts the principles of the European act to Romanian realities through: establishing the obligatory ex-ante evaluation of the economic impact of legislation



on SMEs, evaluation which shall be accompanied by proposals for alternative solutions, and by supporting the development of the educational system to promote entrepreneurial culture and skills.

The ordinance also requires support and training for adults, in order to enhance the quality of human resources for SMEs, but also providing tax incentives to SMEs for the first fiscal year since registration in the Commercial Registry.

Supporting the financing needs of the SMEs through various investment tools, financial vehicles and national programs, but also limiting the introduction of new administrative burdens or reporting requirements for SMEs in order to ensure a business friendly environment is also mentioned in the act.