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# INFOPOLITIC

## Romanian Politics

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### IMPORTANT DEVELOPMENTS

1. **PARLIAMENT.** The law concerning the Rosia Montana mining exploitation will not pass the parliamentary vote.
2. **ENERGY.** Delaying green certificates reduced energy bills by 5%.
3. **ECONOMY.** "The Economist" analysts forecast larger than expected economic growth for Romania in 2013.
4. **EUROPEAN FUNDS.** The Government will submit reimbursement requests worth 1bn RON to the EC.
5. **AGRICULTURE.** Romanian farmers will receive subsidies worth 300 million Euros from EU funds.



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## THE GOVERNMENT LETS THE PARLIAMENT TAKE THE FINAL DECISION ON THE ROSIA MONTANA PROJECT

Government representatives underlined the reason why the Rosia Montana project was subjected to parliamentary approval in the first place: **the USL and the Romanian Government wanted to show transparency and openness to debate on this controversial project**, as the Parliament was the only forum, which allowed for extended debates on this project of national interest. The decision is to be taken by the lawful representatives of the citizens.

Following the decision of the PNL President and Co-chairman of the USL, Crin Antonescu, not to support the bill on mining at Rosia Montana, **Prime Minister Victor Ponta asked the Senate to speed up the procedures, so the decision to be formalized soon.**

The decision on the Rosia Montana project will be taken by the Senate. **The outcome of the parliamentary proceedings is clear - given the public positioning of the main political actors, during the last few days, the project cannot pass the Parliament.**

**Leading PSD figures emphasized that the party will act together with PNL on this issue, because, the unity of the USL and the stability of the governing formula are paramount for the Romanian economy.** Government figures underlined that Romania needs now, more than ever, stability to build the economic recovery in order to increase the living standards of its citizens.

Government spokesmen also emphasized that the actions of the Romanian Government and of Prime Minister Victor



Ponta **tried to promote a policy based on public debate.** Government representatives declared that the Cabinet will look for other solutions for the people of Rosia Montana, **so that unemployment in the region will be reduced.**

## **DELAYING GREEN CERTIFICATES REDUCED ENERGY BILLS BY 5%**

**Deferring the agreement of a quota for green certificates for renewable energy producers led to a reduction of 5% of the bill for the population.** Government figures touted the measure as proof that the policies taken by the USL produce the desired effects.

Leading USL figures declared that through this reduction, **the Union is supporting disadvantaged groups, who may feel constrained by the effect of the energy market liberalization, agreed by former Prime Minister Boc.** This reduction is not the only measure adopted by the USL in this regard: the Government has already taken steps to support electrical heating bills for low-income earners and has increased the amount of aid for gas heating.

## **"THE ECONOMIST" ANALYSTS ESTIMATED THAT ROMANIA WILL REGISTER ECONOMIC GROWTH THIS YEAR!**

The Romanian economy increased more than forecasted: **exports and high industrial production, increase of the average, increased absorption of EU funds, a very good agricultural year, the coming of potential investors from China all contributed to this rewarding picture.**



**The number of employees in economy has reached, at the end of June, 4.38 million people, after companies have created more than 70,000 new jobs, since the beginning of the year (INS). The estimated GDP for the first half of 2013 was up by 1.8% compared to the first half of 2012 (compared to the initial estimation of 1.7%).**

Government figures expressed their belief that these news show that the government's measures are putting Romania back on the right track, that the economy, helped by the positive contribution of exports and industrial production, is developing. **The prestigious British magazine "The Economist" reports for the second time this year that Romania will register economic growth in 2013. British analysts believe that in 2013 the GDP will grow by 2.5%, and during the period 2014-2017, our country's economy will grow by 4% per year.**

Government figures also declared that they are aware that the values for domestic consumption and investment are more modest, but expressed their intention to work on the matter. Regarding consumption, it should be known that **the average net wage, in relation to the whole economy, increased by 5% in July 2013 compared to July 2012.** The largest wage increases have been in education and health, where there have been increases of over 8%!

At the same time, the Government continued its policy of attracting international investors. The Minister of Economy met last week with the investors willing to buy Oltchim, whereas Minister Dan Sova was in China, where he had several meetings with Chinese companies and banks representatives, to whom he presented the priority projects for Romania for the near future. **Chinese banks are reportedly interested to finance projects in Romania worth over 3 billion Euros.**



## THE GOVERNMENT WILL SUBMIT REIMBURSEMENT REQUESTS WORTH 1BN RON TO THE EC.

The Government adopted another measure supporting the European funds area. The Executive will forward 850 million lei for the payment of bills to the beneficiaries of EU funds. **Next week, the USL Government will send to Brussels refund requests amounting 1 billion lei for SOPDHR.**

The Government has also approved, a loan of approximately 850 million lei from the State Treasury, the sum being made available to the Managing Authorities to pay the beneficiaries of EU funds.

Earlier this month, after the European Commission's assessment, we are confident that we will unlock also the last pre-suspended program, POSCCE. The loan granted for bill payments to beneficiaries joins several other measures taken by the USL, **which allowed the tripling of the absorption rate in a single year**, resuming payments on blocked operational by the PDL and reaching a record in the field: about 730 million euros attracted only in July.

## ROMANIAN FARMERS WILL RECEIVE SUBSIDIES WORTH 300 MILLION EUROS FROM EU FUNDS

The Government allocated 2.9bn RON to the Ministry of Agriculture for direct payments to farmers. The Paying Agency is to give, starting Thursday, an advance of 75% to the beneficiaries of the Improving the environment and the rural area Axis of NRDP, a program financed through EU funds.

Over the following days about 300 million euros will be issued as subsidies. The measure supports farmers, in order



to cover the necessary expenditures for establishing the autumn crops.

**The amount of 300 million lei will be made available to banks and non-bank financial institutions**, which will be selected following a bid, which we hope to increase the following year, **for micro-credits with a lower interest rate** than that which currently exists on the market.

Through the guarantee fund, a 50% guarantee of the loan will be granted to farmers for purchasing agricultural land. Government figures expressed their belief that through such measures, **Romanian farmers have at their disposal advantageous conditions to extend their land properties.**