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# INFOPOLITIC

## Romanian Politics

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### IMPORTANT DEVELOPMENTS

1. **FOREIGN POLICY.** Victor Ponta: The Romanian Government has done its duty in relation to the Republic of Moldova.
2. **GOVERNMENT.** Victor Ponta: The program of the new Government confirms the realistic and pragmatic governance measures taken insofar.
3. **PENSIONS.** Victor Ponta: Pensions will be indexed in 2014.
4. **FOREIGN POLICY.** PM Ponta, PSD President, made an official visit to Georgia.
5. **ECONOMY.** Favorable prospects for the evolution of Romania in 2014.
6. **ENERGY.** The government wants to support the economic sector amid gas price liberalization.



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## VICTOR PONTA: THE ROMANIAN GOVERNMENT HAS DONE ITS DUTY IN RELATION TO THE REPUBLIC OF MOLDOVA

Prime Minister Victor Ponta, PSD President, and his Moldovan counterpart, Iurie Leanca, discussed Friday, March 14, 2014, in Chisinau on the state of bilateral relations, implementation of new rules for the Moldovan citizens to travel without visas starting from May, 25 and the crisis in Ukraine.

**"We talked about what I think is the most important goal for Moldova – the new rules applying for Moldovans to travel without a visa and I wanted to make sure that all procedures are done on time, so starting from May, 25, Moldovan citizens will travel without visas in Europe",** said Victor Ponta, after a meeting of about 40 minutes with Iurie Leanca, on the airport in Chisinau.

**Prime Minister Victor Ponta said that Romania supports Ukraine's efforts on its pro-European way,** but that all efforts and strengths of our country should be directed to Moldova.

"Together with them (Europe and the transatlantic partners) we try and support Ukraine on its pro-European and pro-democracy way, but our concrete efforts and strengths, as many as they are, are directed to Moldova, because Moldova and Prime Minister Leancă had the courage in November to take a decision greeted by all in Vilnius, a decision regarding European integration and this courage and vision must be supported by all means", said Victor Ponta.



The two officials discussed also about the crisis in Ukraine, as the Romanian PM stated.

"We discussed together the situation in Ukraine because we are both so close to what is happening in Ukraine, especially because I always said that on the one hand, Romania as a member state of the European Union and NATO has perfectly consolidated and coordinated positions with our European and transatlantic partners", said Victor Ponta.

**The Romanian Government has done its duty in relation to the Republic of Moldova, said Wednesday, March 19, 2014, Prime Minister Victor Ponta, PSD President, who asked the relevant ministers to ensure that within the joint projects with Chisinau concrete things are done.**

**"As Head of the Government I made my duty to discuss with our main partners in the region. Firstly with the Moldovan Government, Georgia, I was also in Greece, which holds the EU Presidency, to make sure that the procedure for waiver of visas for Moldovan citizens enters into force and that all the other things that we must do, we do for Moldova. Fortunately, we do things. I am glad that this time, the words of which those in Moldova are tired and that they heard all the time for the past 10 years, but nothing happened, are replaced by facts", the Prime Minister stated in the opening session of the Government.**

Victor Ponta added that some 'strange' words are said regarding Moldova. **"In my opinion, anyone who currently attacks the Moldovan Government wants to do Voronin good. Therefore, I think that between Iurie Leanca and Voronin, I choose Leanca.** Those who attack Iurie Leanca are Voronin's friends. But, fortunately, words do not have much value and I believe that us, whether we talk about the pipeline, whether about the schools program, whether about all other assistance programs, especially for Moldova, we put them into practice. And thus we provide Moldova not with empty words, but with deeds, that will not be left alone in front of the storm and everything related to



Romania we do even before the EU. **I ask all ministers who have ongoing projects to check their implementation and to continue the development of concrete things'**, added the PM.

## **VICTOR PONTA: THE PROGRAM OF THE NEW GOVERNMENT CONFIRMS THE REALISTIC AND PRAGMATIC GOVERNANCE MEASURES TAKEN INSOFAR**

Prime Minister Victor Ponta, PSD President, said Tuesday, March 11, 2014, in the Parliament plenary, that the program of the new Government sets out the priorities to 2016 and confirms the realistic and pragmatic measures taken by the Government so far.

**'I felt it is necessary and appropriate to present the Government priorities to 2016 in front of you, the elected representatives of the Romanian people,** to whom the Parliament is directly responsible. It is an act of Parliament control over the Government and I wish, as I did in the past two years, for the Parliament to exercise this right and to give confidence or, of course, withdraw the confidence for the Government, according to its priorities', said Victor Ponta.

**The PM explained that, through the program made available to the Parliament, the Government confirms "the realistic, pragmatic governance measures,** measures that must not only have a center-left, center-right ideological touch, but mainly a very clear pragmatic, sustainable touch, and to realistically meet the expectations of the population that voted in 2012".



**"After two years of stable Government, we achieved in 2013 the largest economic growth since the Calin Popescu Tariceanu Government, the lowest inflation rate since 1989, a higher income, increased subsidies for agriculture, increasing revenues for retirees, employees, an increase in structural funds absorption from 7% to over 35%. And all these elements should be continued in the near future to really bear fruit on the medium and long term", the PM explained.**

**The PSD President added that the new Government will respect the principles underlying the budget passed in December 2013. "The 16% flat tax remains in force and the priorities are reducing social security contributions and tax exemption on reinvested profits", the PM also said.**

## **VICTOR PONTA: PENSIONS WILL BE INDEXED IN 2014**

The President of the Social Democratic Party, PM Victor Ponta, **assured that the pensions will be indexed, in 2014, in proportion to the inflation rate and the gross average wage growth.**

PSD President said on Monday evening, March 10, 2014, in a broadcast on Antena 3, **that the pension increase is provided in the fiscal budgetary strategy.**

'Things must be very clear. The money that we give for pensions come also from the people, because neither I nor Ms. Petrescu (Ioana Petrescu, Minister of Finance) have them. The Romanians worked more last year. This year, the first month has already seen an increase in orders in industry by 10%. People work more. Work more efficiently.



This means that we have economic growth ', said Victor Ponta.

**The Prime Minister hopes that the economic growth measures to be applied at the same time with those fighting tax evasion.**

## **PM PONTA, PSD PRESIDENT, MADE AN OFFICIAL VISIT TO GEORGIA**

**Prime Minister Victor Ponta, PSD President, began Friday, March 14, 2014, a two-day visit to Georgia.** The Head of the Romanian Government was received with military honors at the headquarters of the Georgian Government by his counterpart, Irakli Garibashvili. The Romanian delegation also included Foreign Minister Titus Corlăţean, PSD Vice-president, the Minister of Economy, Constantin Nita, PSD Vice-president, and the Minister for Youth and Sports, Gabriela Szabo.

Prime Minister Victor Ponta said in Tbilisi, in a joint press conference with his Georgian counterpart, that Romania and Georgia shared historical experiences and know very well what the lack of security means.

**"I want to reaffirm Romania's support for Georgia's rapprochement process to the North Atlantic Alliance. Romania has always supported this process.** Like Georgia, we have a common historical experience, we know very well what the lack of safety means, we know very well that we live in an extremely difficult and complicated region, with many crises, the last being the one in Ukraine, but probably it will not be the last, but actually there will be others", said Ponta in a joint press conference with Georgian Prime Minister Irakli Garibashvili.

**The Head of Government in Bucharest also reiterated Romania's support for Georgia's choice regarding the**



European course together with the Republic of Moldova and said that our country needs to do more for these countries to feel desired in the European Union. At the bilateral economic relations level, Victor Ponta insisted on resuming the activity of the Romanian-Georgian joint economic committee.

"We found that 12 years have passed since the last Georgia-Romania Joint Economic Commission, is unacceptably long time since. **Only the Black Sea is between us, we are not that far, we have a level of trade which obviously can be increased**, because Georgia is the main trading partner of Romania in the region, with a great potential in the area of transport, and a direct link between the ports of Georgia, Batumi in particular, and Constanta would benefit both countries", stated Victor Ponta.

In turn, **the Georgian Prime Minister thanked Romania for the firmness with which stands for Georgia's territorial integrity** and support for Georgia's integration into the European structures.

## **FAVORABLE PROSPECTS FOR THE EVOLUTION OF ROMANIA IN 2014**

**The consolidated budget revenues have began 2014 with an increase of over 10% in January.** Evolution today is mainly sustained by the 18% increase in revenues from VAT (a sign that the Romanian companies contribute to the state budget, and that the institutions responsible for collecting these amounts do their job!), and an approximately 13% increase of revenues from excises.

**In addition, Romania had last year a trade surplus of agricultural products of 324.9 million Euros**, in comparison with a 745.5 million Euros deficit in 2012, according to the official data of the Ministry of Agriculture. This is the first



time in 20 years when Romania has an agri-food trade surplus, Government leaders stressed.

**Government officials also stressed the positive signals in the economy and the progress achieved** in comparison to the same period in 2013: Foreign investment grew by 8%, Romania has a balance of payments surplus of 388 million Euros in January, 45% higher than the same month last year!

Industrial production has increased by more than 10% over the same period of last year – considering the fact that 2013 was a record year for the industry!

**Consumption increased by 6% in January 2014, which indicates that citizens have experienced growth last year.** Exports - another important driver of the Romanian economy - also rose by 6%, while imports rose only 4.6%. **The annual inflation rate fell to 1.06% in January, while February it reached a new historical low of 1.05%!**

## **THE GOVERNMENT WANTS TO SUPPORT THE ECONOMIC SECTOR AMID GAS PRICE LIBERALIZATION**

**Prime Minister Victor Ponta said in the beginning of Wednesday's Government meeting that next week a "stimulus package" for the industrial consumers of electricity and natural gas will be approved.** The stimulus package is linked to the power and gas prices. Next week, on March 24, the Government would submit to the Parliament the legislative acts for the stimulus package in energy. Wednesday, March 26, the Government will adopt the normative acts, which were initiated by the Minister of Economy.

**PSD leaders reiterated that the Government has announced a few weeks ago that it wants to approve a**





**support scheme** for the large industrial energy consumers, scheme that requires reducing by up to 85 % the number of green certificates, stating that it is good that, finally, Traian Basescu gave up and passed the law in question.

PSD leaders also criticized the fact that the Government of Traian Basescu, through Emil Boc, was the one who approved an inadequate calendar regarding gas price liberalization - a decision that amounted to a real social and economic bomb. "The effects of the gas price liberalization were limited by the measures taken by the Ponta Government measures", state the same voices.