



INFOPOLITIC

Romanian Politics

14 July

Multimedia Foundation for Local
Democracy



IMPORTANT DEVELOPMENTS

1. **EUROPEAN PARLIAMENT.** Victor Ponta: I welcome the reelection of Martin Schulz as President of the EP.
2. **FOREIGN POLICY.** Victor Ponta asks the Parliament to support the Republic of Moldova, Georgia and Ukraine.
3. **ECONOMY.** Prime Minister Victor Ponta, PSD President, opened the meeting of the London Stock Exchange.
4. **EUROPEAN FUNDS.** The guidelines for social enterprises were released. A new proof of the Government's approach to supporting social inclusion.
5. **FINANCE.** The Government insists on reducing the CAS.
6. **ECONOMY.** The Romanian economy shows new signs of recovery.



VICTOR PONTA: I WELCOME THE REELECTION OF MARTIN SCHULZ AS PRESIDENT OF THE EP

Prime Minister Victor Ponta, PSD President, welcomed Tuesday, July 1, 2014, the reelection of Martin Schulz as President of the European Parliament and said that he trusts him because he has supported Romania in the EU.

"I join all members and supporters of PES to greet the reelection of Martin Schulz as President of the European Parliament! **He is a man I trust, who always fought for the interests of the European citizens and strongly supported Romania** in the European Union! Congratulations and good luck in all activities!" said the Prime Minister.

VICTOR PONTA ASKS THE PARLIAMENT TO SUPPORT THE REPUBLIC OF MOLDOVA, GEORGIA AND UKRAINE

Prime Minister Victor Ponta, PSD President, **asked the Parliament to support the Republic of Moldova, Georgia and Ukraine**, stressing that in the near future there will be "retaliatory repercussions, negative effects" from other neighbors to the east.

"I address a request, as Prime Minister, to the Parliament to support together, you, the Parliament, the Government, all institutions in Romania, the Republic of Moldova, Georgia, Ukraine. In the next period there will certainly be retaliation, repercussions, negative effects from other neighbors to the east. **As we did together with your assistance to support school infrastructure, energy infrastructure, building democratic and EU**



institutions in the Republic of Moldova, especially in the coming period we need to send a clear message that the brave historic step that the Leancă Government made will draw, primarily from Romania and then from the whole of Europe, all the support that Moldova needs", said Ponta in plenary of the Chamber of Deputies, during the debates on the projects for the ratification of the Association Agreements between the EU - Republic of Moldova, Ukraine and Georgia.

The PSD President thanked the MPs who have agreed to meet in special session to give an important message at the European level. **"I want to thank today all MPs, tomorrow the senators, who agreed to come to the meeting** to give a very important message at the European level, the Romanian Parliament is the first Parliament ratifying the Association Agreements. First, for us, obviously, the most important agreement is the one with Moldova, but equally are the agreements with Ukraine and Georgia", the PM explained.

PRIME MINISTER VICTOR PONTA, PSD PRESIDENT, OPENED THE MEETING OF THE LONDON STOCK EXCHANGE

Prime Minister Victor Ponta, PSD President, attended Friday, July 4, 2014, together with the Minister for Energy, Răzvan Nicolescu, the first listing of Electrica shares on the London stock exchange. Between June 16 and 25, Romania has offered 177 million new Electrica shares following that, after the sale, state holding to be reduced to approximately 48.8%.

Prime Minister Victor Ponta **said Friday, in an intervention at CNN International, that the Romanian economy has stability and predictability for business**, being important for Romania to maintain this positive economic trend.

"Over the past two years since I took over as Prime Minister, I took measures for developing the economy of Romania. We have stability and predictability for the business environment, and we



have not only a good economic growth, but the fastest in the EU. **The investors trust us and it is important that Romania keeps this positive economic trend**”, said the Head of the Romanian Government in the The Business View show, aired by CNN International.

EU FUNDS. THE GUIDELINES FOR SOCIAL ENTERPRISES WERE RELEASED. A NEW PROOF OF THE GOVERNMENT'S APPROACH TO SUPPORTING SOCIAL INCLUSION

Government officials announced the launching of this program with European funds at a time when Romania’s performances in recent years has been reconfirmed, in terms of improving the absorption rate. Romania set a new record in terms of European funds: **Romania has attracted 1.7 billion euros from the EU as reimbursements in the first six months of 2014** - the largest amount that it has managed to absorb in the economy in the first six months of a year since it joined the EU, they stressed. The amount is 2.4 times higher than that attracted in the same period last year (700 million euros). Currently, the absorption rate reached nearly 40%.

The launch of this project demonstrates that the current Government has a vision that prioritizes social inclusion at the expense of marginalization, government leaders emphasized. We are talking about a program in which the Government offers co-financing and that will give the chance to disadvantaged people to integrate on the labor market. Social enterprises are a win both for society and for the economy. Now, they receive support from the European Union and the Government, so that they do not bear the costs alone of what may be considered a service to society. **Approximately 1.000 social enterprises can benefit from this scheme.**



THE GOVERNMENT INSISTS ON REDUCING THE CAS

Despite his hostility of Traian Basescu towards this endeavor, **Prime Minister Victor Ponta stressed on the need to reduce the CAS.** Government officials have indicated multiple economic arguments in favor of this approach: In order to pay 1 euro net to an employee, now the employer has to take out of his pocket 1.8 euro.

Romania has one of the highest tax burdens on labor and has a high percentage of black market labor. The real economy, the private sector, employers must be encouraged. If the gross average wage in April was 2400 lei, so a company pays 500 lei for an employee with an average salary, but through a decrease of 5 points of the CAS the company will pay 380 lei. **Basically, 120 lei per month per employee will remain at the company's discretion.**

The Prime Minister clearly stated that regardless of Traian Basescu's chicanes, reducing the CAS will take effect from October, 1, as has been assumed by the Government. Victor Ponta also pointed out that there will be no new taxes!

THE ROMANIAN ECONOMY SHOWS NEW SIGNS OF RECOVERY

Government officials were delighted by recent statistics showing that inflation is at a historically low - 0.66%. This means, government officials shown, that the effects of the excise duty and pole tax have not been observed in prices, also prices fell in May. Moreover, according to the NSI, **the average monthly net earnings increased by 4.4% in the period May 2014 - May 2013.** Government officials said that, considering the inflation of 0.7%, this data means an increase of 3.7% in the purchasing power for Romanian employees!



According to the NSI, also the average pension had an important increase. It was higher by 6.2% in the first quarter of 2014, compared to the same quarter of the previous year.

Last but not least, in the first 5 months of this year the industrial output increased by 10%, compared to the same period in 2013 (according to NSI). Industry brought last year three quarters of the economic growth, and industry growth means a very good indicator for Romania's growth in 2014!

Also, during the first 5 months of 2014, exports increased by 10.5%, compared to the same period in 2013 (according to NSI).