



INFOPOLITIC

Romanian Politics

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IMPORTANT DEVELOPMENTS

1. **GOVERNMENT.** The Government takes a broad set of social measures.
2. **POLLS. SOCIOPOL:** Victor Ponta is the favorite candidate in the race for the presidency of Romania.
3. **EUROPEAN FUNDS.** The MPF will temporarily allocate 340 million lei for prepayments on European projects.
4. **FOREIGN POLICY.** Victor Ponta: In August, the Prime Minister of Moldova and I will release the first cubic meter of gas on the gas pipeline.
5. **ROMANIAN POLITICS.** Victor Ponta will announce on Tuesday, July 29, his candidacy to the presidential elections.
6. **FINANCE.** The Government approved the rectification of the state budget and the social insurance budget in 2014.



THE GOVERNMENT TAKES A BROAD SET OF SOCIAL MEASURES

The Government has decided that, together with the pensioners, also the 12,000 mothers put in the situation to return to the state the money received in the past five years due to the mistakes of civil servants, **will be annested**. Government officials stressed that it is important to understand that we are talking about tax amnesty, not criminal amnesty, warning that the civil servants found responsible for the mistakes will be punished according to the law.

Government officials stressed that taking measures to block the future occurrence of such cases of fraud has high priority, but criticized the approach of the governments led by Traian Basescu as one against pensioners.

From the social measures taken by the Ponta Government benefit over 9 million Romanians. **Last month, the Government approved a plan of restructuring and rescheduling bank rates**, from which would benefit about one million Romanians who have loans. The eligible persons, namely those with the average gross income below 2,200 lei per month, will be able to ask the bank to reduce rates by 35%, but not more than 900 lei for a period of two years. After this period they will receive a tax deduction which will help compensating for the additional costs that will incur as a result of the extension of the loaning period.

Another approach from which 804,000 beneficiaries will benefit is increasing the minimum wage. The minimum wage has been increased in two installments, from 800 to 850 lei since January 1, 2014 and to 900 from July 1, 2014. From this growth benefited approximately 804,000 employees, both from the state and from the private sector.

In the summer of 2013, **the Government increased welfare for families who have financial problems as a result of the rising of energy prices**. Thus, the guaranteed minimum income increased by 13 percent, while



allowances to support families have increased by 30 percent. In March 2013, social benefits were granted for about 222,000 people, their value being of 43.3 million lei. This March, over 245,000 people received welfare, the value of the rights granted being 56.6 million lei. The amounts granted to people with very low incomes increased in 2014 by 30%, compared to 2013.

The Government also announced that it is considering increasing the child allowance by 10 percentage points, namely the allowance to return to 85% of the parent's income, compared to 75% in the past.

The Government prepares a program to guarantee loans for the purchase of new cars. "The First Car" will address young people under 30 years who want to buy a new car.

Another Government initiative is the indexation of the pension point in 2013 by 4%, and by 3.7% this year. The average pension increased as a result of this indexing by 6% in the first quarter of this year, at 844 lei. From the indexation benefit about 5,4 million retirees. Also, two years ago, the Government returned 1.5 billion lei to those retired in the account of the CASS improperly collected during the period January 2011 - April 2012, from which 2.1 million pensioners benefited. The measure was taken following a decision of the Constitutional Court.

Other 23,000 pensioners benefited from reducing the retirement age and from increasing the contribution period for I group of work. Other 200,000 pensioners received treatment tickets in 2013 and 2014.

The Government has also increased the revenue for resident doctors and junior teachers in 2013. This way, the residents received a special scholarship amounting 670 lei, and for beginning teachers was granted a wage increases of up to 10%. Approximately 15,000 medical residents and 14,000 junior teachers have enjoyed increased salaries in 2014, following that other 125,000 physicians, nurses and social workers to benefit from a 10% salary increase this fall.



SOCIOPOL POLL: VICTOR PONTA IS THE FAVORITE CANDIDATE IN THE RACE FOR THE PRESIDENCY OF ROMANIA!

The most recent Sociopol survey data confirms that **Victor Ponta has the best chance to be the next President of Romania!** In the second round, Victor Ponta would defeat Klaus Iohannis by 20%, the score between the two being 60% - Ponta and 40% - Iohannis.

In terms of trust in politicians, Victor Ponta enjoys the trust of 42% of respondents, followed by Sorin Oprescu with 40%, Calin Popescu Tariceanu - 37%, George Becali - 35%, Crin Antonescu - 32% and Traian Basescu - 25%.

These data show a high level of appreciation for the work of Victor Ponta and that the Romanians consider that the Romanian Prime Minister is the best political actor for the presidential office. Survey data reveals also that Victor Ponta would definitely win the vote against the other possible candidates of ACL, whether we refer to MRU or to Crin Antonescu. Regarding the intention to vote in the parliamentary elections, the PSD is supported by 43% of voters, while PNL is supported by 20% of voters, and PDL by 15% of voters.

THE MPF WILL TEMPORARILY ALLOCATE 340 MILLION LEI FOR PREPAYMENTS ON EUROPEAN PROJECTS

The Ministry of Public Finance (MFP) will temporarily allocate the amount of 340 million lei, representing privatization revenues, **for prepayments on European funded projects,** according to a decision taken on Thursday by the Government.

'In order to ensure the financing needs of the Management Authority for the operational programs financed from structural instruments under the Convergence Objective - Increase of



Economic Competitiveness Operational Program (SOP) and the Regional Operational Program (ROP) for the month of August 2014, for payments for the reimbursement of eligible expenses to beneficiaries and for payments for reimbursement of eligible expenses from payment claims related to structural instruments, temporary allocation of privatization revenues have been approved by the Ministry of Finance, **in the amount of 340 million lei, in the equivalent euro amount', according to an information transmitted by the Executive.**

The amounts allocated to the management authorities from privatization and used revenues will be refunded by the MPF in Euros, from the amounts refunded for this purpose by the European Commission, until November 30, 2014.

VICTOR PONTA: IN AUGUST, THE PRIME MINISTER OF MOLDOVA AND I WILL RELEASE THE FIRST CUBIC METER OF GAS ON THE GAS PIPELINE.

"The objective of Romania is the EU integration of Moldova. The Government in Chisinau led by Iurie Leanca, the pro-European parliamentary parties, the parliamentary majority have taken some clear, unambiguous and no going back decisions, have signed the Association Agreement, have ratified it in Parliament, are going in one direction, have already assumed the economic sanctions, thus they are one a road of no return, a single road, the road to Europe passing through Romania, because it is the only way. This road may be closed in November if the Communist Party of Moldova wins the elections and forms the Government. (...) **Next month, in August, I want to go with PM Leancă to release the first cubic meter of gas on the gas pipeline,** I am going to see the kindergartens that are ready for completion from the donation of the Romanian Government made last year in December, I am going to inaugurate the SMURD in Balti, I spoke with Mr. Arafat, today we approved the last necessary resources", said the Prime Minister on Digi 24.



He added that he also goes in Moldova to discuss the project status of the high-voltage line.

"I mean things that mean more than beautiful words, mean a very important sign for the population of the Republic of Moldova, that Romania and the EU do specific things for their life. Thus, the pro-European forces in Chisinau have a chance to say that we are with them not only through words, but also through very concrete things", said Ponta.

THE GOVERNMENT APPROVED THE RECTIFICATION OF THE STATE BUDGET AND THE SOCIAL INSURANCE BUDGET IN 2014

The Government approved Thursday, July 31, 2014, the draft ordinance to rectify the state budget and the social insurance budget in 2014, according to information transmitted by the Executive.

At the beginning of the Government meeting, Prime Minister Victor Ponta said that this first budget rectification in 2014 is positive and that the Ministry of Environment, which was to lose 25 million lei, will receive 50 million lei in commitment loans for works targeting the planning area and flood alleviation.

Moreover, the Head of the Executive has stated that the Red Code flooding counties - Gorj, Valcea, Arges, Olt, Teleorman and Prahova - receive 50 million lei, the Ministry of Health receives 500 million lei and the Health Insurance Office - 165 million lei, Education - 150 million lei for enforcement securities and 20 million for kindergartens and two universities, the Ministry of Transportation - 350 million lei, mainly for CFR, the Ministry of Economy - 300 million lei for minimis aid and revamping, the Ministry of Justice - 43 million lei for staff costs, administration and completion of courts and prosecutors' offices, for the Culture



and Cults 10 million lei, and also 600 million lei for local arrears, and the MIA receives 200 million lei for the Permanent Electoral Authority - money for elections and commitment loans amounting 136 million lei for revamping of intervention vans and cars.

According to the draft budget rectification, published two days ago on the MPF website, an economic growth of 2.8% to 2.2% was considered, as it was considered in drafting the state budget for 2014, an increase in the estimated nominal gross domestic product, from 658.6 billion lei to 662.3 billion lei, and an increase of the consolidated budget revenues by 1.07 billion lei and of spending by 1.34 billion lei was provided, with a deficit of the general consolidated budget increased by 270.7 million lei, from 14.489 billion lei to 14.76 billion lei, but maintained as a percentage of the GDP at 2.2%.