

## Conference Touts Benefits of the Slovak Republic

By Michael Rogers

Slovakia is an often-overlooked location for U.S. commercial activity. However, this market in the heart of Europe offers many advantages and opportunities for U.S. firms. Hoping to generate greater interest in Slovakia and to attract more U.S. investors to the country, the U.S. embassy in Bratislava organized a commercial conference, *Business in Slovakia: 2002 and Beyond*, on June 19-21. Three key U.S. investors in Slovakia—Pfizer, U.S. Steel, and Whirlpool—and the American Chamber of Commerce in Slovakia co-sponsored the event.

U.S. Ambassador to Slovakia Ronald Weiser hosted the three-day conference, which featured remarks from Slovak Prime Minister Mikulas Dzurinda and Deputy Prime Minister for Economic Affairs Ivan Miklos, two of the chief architects of Slovak economic and commercial reform.

The three corporate sponsors, and the U.S. firms Molex, Kimberly-Clark, ON Semiconductor, and Delphi Automotive, all shared their successful experiences with an audience of more than 150 U.S. and Slovak firms. Consistently, the U.S. companies' representatives agreed that Slovakia offered a number of advantages that made it an attractive destination for U.S. investment. These advantages include 1) a central location that allows for easy movement of goods throughout Europe; 2) preferential agreements that allow for duty-free shipment of Slovak products to the European Union (EU); 3) harmonization of legislation with the EU; and

4) a highly educated and skilled work force.

The conference also featured presentations by officials from the Irish investment promotion agency, Investment and Development Agency, and the state of Michigan on the "best practices" that have made them successful in attracting new investment. Both encouraged Slovakia to expand its science and

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### Just the Facts: Slovakia

Capital:	Bratislava
Population:	5.4 million
Currency:	Koruna
GDP:	\$20.3 billion (2001 est.)
GDP per capita:	\$3,748 (2001 est.)
Inflation rate:	7.7% (2001 est.)
Exports:	\$12 billion
Imports:	\$12.8 billion
Value-Added Tax:	23%
Corporate Income Tax:	25%

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# Eye on Southeast Europe

## **Agribusiness Opportunities in FYR Macedonia**

By Jennifer Gothard

The food and beverage industry is one of Macedonia's most promising sectors. Most food processing facilities are privately owned. The industry nearly doubled between 1989 and 1995 relative to the rest of the economy. Agribusiness in Macedonia, including agriculture and food processing, accounts for almost 19 percent of GDP. Macedonia exports approximately 20 percent of its agricultural products.

### **Food Processing**

Companies in Macedonia produce wine, as well as canned and bottled fruits and vegetables, for export. There are about 30 food processing companies in Macedonia. Ten of these have facilities for canning, 10 have fruit juice production and bottling equipment, and 14 have facilities for drying. Most food processing companies have storage and cooling facilities, and 11 have deep-freezing equipment, which more than meet the country's domestic demand.

Processed foods are dominated by two major sectors: semi-finished products (frozen, dried, and concentrated) and finished products (canned and preserved). Processed frozen foods are mostly exported to Germany, the Netherlands, and other European countries. Processed dried foods are mainly exported to France, Germany, Austria, and Switzerland. Preserved fruits and vegetables are sold to neighboring countries, Australia, and Western Europe.

### **Agribusiness Opportunities**

Macedonia needs agricultural machinery and equipment, meat and dairy equipment, and veterinary equipment and supplies to expand the

quality and quantity of its production. The Agency for the Development of Agriculture in Macedonia promotes the introduction of new agricultural technologies and products. Domestic production of agricultural machinery is minimal, and the market relies on imports. There are substantial opportunities for U.S. companies for equipment that can add value to the Macedonian food processing sector, such as bottling, packaging, and refining equipment.

Macedonia produces approximately 1 million hectoliters of beer annually, mostly for domestic consumption, as well as 1.3 to 1.4 hectoliters of wine. The wine sector needs investment if it is to remain competitive and reach its full potential. Currently, Macedonia exports its wine in bulk to be bottled in other countries and then sold. Export opportunities exist for U.S. companies for equipment to increase the volume of bottled wine, as well as for technology and supplies to stimulate grape production.

### **American Catalog Show**

U.S. companies have an opportunity to enter this market via the American catalog show on October 1-5, 2002. The catalog show is a cost-effective method for U.S. companies to advertise their products to companies in Macedonia, by sending company materials that will be displayed at a booth run by U.S. embassy personnel. The catalog show will focus on three sectors: agricultural machinery and equipment, meat and dairy equipment, and veterinary equipment and supplies. The catalog show is funded by the U.S. State Department, and there is no cost to participating companies other than expenses associated with mailing catalogs to Macedonia. Materials should be received by the U.S. Embassy Skopje by September 20, 2002.

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## Around the Region

### **Albania: EBRD Strategy for Private Sector, Infrastructure, and FDI**

The European Bank for Reconstruction and Development (EBRD) prepared a new country strategy for Albania. First, the EBRD will develop the private sector, corporate management, and infrastructure to improve the investment climate. The second priority will be privatization of the last state-owned bank, the Savings Bank, and the national telecommunications company, Albtelecom. Third, the EBRD will seek reform in the energy sector to overcome the serious power crisis that also hampers the private sector. The EBRD will remain involved in privatized enterprises and will enhance available credit and trade. To date, the EBRD had committed 124 million euros (\$123 million) to 14 investment projects in industry and telecommunications, 271 million euros (\$269 million) in co-investment with other sources, and 17 million euros (\$16.8 million) from donors. The new country strategy comes with 60 million euros (\$59.5 million) to improve existing project implementation, improve fund distributions, and foster foreign direct investment in the targeted areas. Source: *Balkan Times*.

### **Albania: IMF Approves Three-Year Loan**

The executive board of the International Monetary Fund approved a three-year, \$36 million loan for Albania under the Poverty Reduction and Growth Facility (PRGF). Albania will be able to draw \$5 million immediately. The PRGF arrangement includes, among other things, measures to improve tax administration and limit unproductive spending, promote private sector activity through privatization, and provide a sustainable amount of electricity, among other areas. Albanian officials plan to boost spending on primary education and health care, while stabilizing expenditure at 28.5 percent of GDP. Source: International Monetary Fund.

### **Bulgaria: Over 1,000 Companies Offered on Stock Exchange**

The Bulgarian government has approved a list of 1,070 companies to be sold during the second wave

of mass privatization. The Council of Ministers approved minority stakes of the Bulgarian Telecommunications Company (20 percent), the State Insurance Institute (20 percent), and others for listing on the Bulgarian Stock Exchange. Privatization Agency Director Apostol Apostolov said he expected these companies to be listed in September. Deputy Prime Minister and Minister of the Economy Nikolay Vassilev said the approval of the list marked a new era in the development of the capital markets, allowing Bulgaria to fulfill the European Commission requirement for a functioning market economy. Minister Vassilev added that his ministry would soon announce a list of companies that exhibit good corporate culture. Source: Novinite.

### **Bulgaria: Pollution Reduction Project for Black Sea Basin**

The World Bank approved a Wetlands Restoration and Pollution Reduction Project in June to help Bulgarian Black Sea and Danube basin communities manage resources and to demonstrate how environmentally responsible agriculture can improve their livelihoods. The project will target the Persina Nature Park and the Kalimok/Brushlen protected site. With \$7.5 million from the Global Environment Facility, along with funding from government, local communities, and bilateral agencies, the venture is the first wetlands restoration project under the facility's Strategic Partnership for Nutrient Reduction in the Black Sea and Danube Basin. It is to focus on reducing nutrient loading and other agricultural pollution that flows from the Danube into the Black Sea. Studies have indicated degradation in the Black Sea is largely due to excessive nutrient loads, mostly nitrogen and phosphorus, caused by untreated wastewater discharges, poorly managed agriculture, and livestock production and loss of wetlands. The bank will provide financing to restore important wetlands in the Danube basin and experiment with their use as nutrient traps, establish a system for monitoring water quality and ecosystem

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## **Around the Region** (Continued from page 3)

health, maintain sustainable management of selected areas, strengthen capacity to protect and manage biodiversity and natural resources, and promote public awareness of biodiversity conservation.

Source: World Bank.

### **Croatia: Contest for 25-Percent Stake in State-Owned INA**

INA, a large Croatian oil and gas company, has 10 bidders on the list for the 25-percent privatization of its company. Successful privatization of INA is critical for European Union accession and Croatia's future growth, according to Deputy Prime Minister Slavko Linic. Sell-off advisors Deutsche Bank and PricewaterhouseCoopers, which have valued INA at 1.2 to 1.8 billion euros (\$1.19 billion to \$1.78 billion), will review the proposals. The government expects the investor to inject fresh capital into INA's two oil refineries, and the investor will not be allowed to lay off any of INA's 17,000 workers or close oil fields for the next three years. The government plans to eventually float 15 percent of INA on the local market. Source: Bluebull.

### **FR Yugoslavia/Kosovo: Steiner Signs Privatization Regulation**

On June 13, a regulation was signed establishing the Kosovo Trust Agency, which will be the successor to the Department of Trade and Industry of the United Nations Mission in Kosovo (UNMIK), and the vehicle for privatizing Kosovo's approximately 350 state-owned enterprises (SOEs). One of Michael Steiner's first acts as special representative of the UNMIK secretary general was to break the gridlock on privatization among UN lawyers. Since then the regulation has been approved by the government (which pressed successfully for a trade union representative on the board), the Economic and Fiscal Council, and the Assembly. The organization will have four primary areas of responsibility: 1) either spin-off or liquidation proceedings for SOEs; 2) public utility oversight; 3) rural/agricultural privatization; and 4) management of the Trepca mining conglomerate (which would

provide mining licenses, but not privatize).

### **Romania: New Stage in Petrom's Sell-off Process**

Seven international investment bank groups have been short-listed to advise the government on the privatization of the national oil company, SNP Petrom. According to the Ministry of Industry and Resources (MIR), the short-list includes: HSBC Investment bank, BNP Paribas Corporate Finance, J.P. Morgan, ABN AMRO Rothschild, Societe Generale Conseil Pays Emergents, Bank of America, and Credit Suisse First Boston in consortium with ING Barings. The MIR will announce the winning advisor by mid-July. The privatization of Petrom is one of the key issues under a \$383 million loan agreement Romania signed with the International Monetary Fund in 2001. The foreign advisor will draft Petrom's strategy prior to its privatization scheduled for 2003. Source: Reuters.

### **Romania: World Bank Funds for SME Development**

The employment agency AJOFM Bacau (in northeastern Romania) is launching a \$20.2 million project to cut unemployment and promote small- and medium-sized enterprises. The World Bank will provide \$17 million for the implementation of the project, and AJOFM Bacau will provide the rest of the funds. The project will be implemented in the towns of Bacau and Onesti, where there are around 10,000 registered unemployed people. Source: Romanian press.

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## Central and Eastern Europe Commercial Opportunities

### Lithuania

The city of Vilnius intends to use the proceeds of a loan from the European Bank for Reconstruction and Development (EBRD) to improve traffic conditions. The proposed project, which has a total estimated cost of about 10 million euros (\$9.8 million), will require public procurement for the following works and services: 1) construction of a bypass of the old town from P. Visinskio St. to Auoros Varto St.; 2) reconstruction of Ukmerges Street between Kalvarijo and Gelepinio Vilko streets; 3) construction of a link road from Ukmerges St. to Upes St.; and 4) consulting services related to project design and implementation. Tendering for contracts is expected to begin in the third quarter of 2002. Contracts to be financed with the proceeds of the EBRD's loan will be subject to EBRD procurement policies and rules and will be open to firms from any country. The proceeds of the EBRD loan will not be used to pay any persons or entities or for the import of any goods, if such payment or import is prohibited by decision of the UN Security Council taken under Chapter VII of the Charter of the United Nations, or under a law of official regulation of the purchaser's country.

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### FYR Macedonia

Protect M, a large, privately owned company in existence since 2001, produces polyethylene and polypropylene packing materials, printed plastic bags for retail stores, freezer storage bags, and garbage bags. Production is located on the outskirts of Skopje and includes a large plastic waste recycling component. Protect M employs 80 people and has an organized distribution network throughout FYR Macedonia. Protect M exports its finished products to Serbia, Kosovo, and Albania, and imports its raw materials from Hungary, Taiwan, and Turkey. Protect M's annual revenue exceeds \$4.15 million. Protect M is interested in importing U.S. equipment for plastic wrap production, because such production currently does not exist in FYR Macedonia. FYR Macedonia imports approximately \$1.5 million worth of plastic wrap monthly from Turkey. Protect M is confident that the company's experience with polyethylene and polypropylene production will allow it to successfully enter the plastic wrap market in FYR Macedonia.

Contact:  
Mr. Edmond Krlju  
Protect M  
ul. 8 br. 12 Vizbegovo  
1000 Skopje  
FYR Macedonia  
Tel: +389 (2) 600-408 or +389 (2) 600-409  
Fax: +389 (2) 600-413  
E-mail: [protectm@mol.com.mk](mailto:protectm@mol.com.mk)

Interested U.S. companies are also urged to contact the CEEBIC specialist at the U.S. embassy in Skopje:

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## Opportunities (Continued from page 5)

Arben Gega  
U.S. Embassy Skopje  
Mailing address:  
Department of State  
Washington, DC 20521-7120  
Street address:  
Bul. Ilinden  
9100, Skopje  
FYR Macedonia  
Tel: +389 (2) 116-180  
Fax: +389 (2) 117-103

### Croatia

Hrvatska Autoceste d.o.o. (HAC) intends to apply for a loan from the EBRD and from the European Investment Bank for a project to repair three sections of the roadway between Macelj and Lipovac via Zagreb. The three sections include Macelj-Zagreb (25 km/15 miles), Zagreb Bypass (30 km/18 miles), and Ivana Reka-Brodski Stupnik (154 km/95 miles). The proposed project, which totals approximately 120 million euros (\$119 million), will require the procurement of the following works and services: works for the repair of the aforementioned roadway sections, consulting services to assist HAC with development of its financial systems/reporting, and development of a strategy for improving the efficiency of its operations. HAC intends to pre-qualify contractors/suppliers for the contracts in the third quarter of 2002. Tendering for the consulting contracts is expected to begin in the first quarter of 2003. Interested suppliers, contractors, and consultants should contact:

Josip Sapanur  
Member of the Executive Board  
Hrvatska Autoceste d.o.o.  
Voncina 2  
10 000 Zagreb  
Croatia  
Tel: +385 (1) 46 94 405  
Fax: +385 (1) 46 94 505

### FR Yugoslavia/Serbia

The city of Belgrade has secured a loan from the EBRD and is using the proceeds to implement a program for the improvement of urban transportation, water supply, wastewater treatment, and district heating services. The overall project, estimated at about 60 million euros (\$59 million), requires the procurement of the following goods, works, and services: urban transportation—supply of buses and tram track repair; water supply—construction of water treatment plant; district heating—rehabilitation and automation of distribution network. Tendering for the elements of the above sub-projects has begun and will continue through 2002. Interested suppliers and contractors should contact:

Ms. Tamara Stojcevic  
Deputy Secretary  
City Assembly of Belgrade  
Dragoslava Jovanovica 2  
Belgrade  
Yugoslavia  
Tel: +381 (11) 324-2278  
Fax: +381 (11) 322-9772

### Sources of Finance Southeast Europe

CEEBIC's Southeast Europe Task Force has compiled informational resources for financing, funding, and insuring business activities in Southeast Europe. Visit [www.export.gov/ceebic/sourcesSE](http://www.export.gov/ceebic/sourcesSE).

## **FYR Macedonia** (Continued from page 2)

Interested companies should send one or two product catalogs and, if possible, a video to the following address:

Arben Gega  
Commercial Specialist  
FYR Macedonia Catalog Show  
U.S. Department of State  
7120 Skopje Place  
Washington, DC 20521-7120  
(Please allow 2-3 weeks for delivery)

or to:

Arben Gega  
Commercial Specialist  
FYR Macedonia Catalog Show  
U.S. Embassy Skopje  
Bul. Ilinden  
1000 Skopje  
FYR Macedonia  
(For regular postal service, please allow 1-2 weeks for delivery. For express delivery service, please allow 3-5 days.)

For additional information about the catalog show as well as general information about exporting to Macedonia, visit the Central and Eastern Europe Business Information Center at [www.export.gov/ceebic](http://www.export.gov/ceebic), or call (202) 482-2645 to speak with Jennifer Gothard.

### ***Central and Eastern Europe Commercial Update***

The *Central and Eastern Europe Commercial Update* is produced by the Central and Eastern Europe Business Information Center (CEEBC). For more information or to subscribe, contact CEEBC at tel. (202) 482-2645, fax (202) 482-3898, or e-mail [ceebic@ita.doc.gov](mailto:ceebic@ita.doc.gov).

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## **NEW! Coming Soon! EU Accession Extras**

In line with CEEBC's aim (as part of the Department of Commerce's EU accession task force), to keep the U.S. business community abreast of the latest EU accession developments, *Commercial Update* will soon begin offering a new section, EU Accession Extras. EU Accession Extras will provide updates and general information necessary to do business in the accession candidate countries of Central and Eastern Europe.

## Calendar of Events

### August

#### 8/27-8/31

Dobrich Fair: Agriculture, Dobrich, Bulgaria  
Main product groups: machines and equipment, stock breeding, seeds and sowing seeds, plant protection.

Further information:

Tel: +359 (58) 30 152

Fax: +359 (58) 46 283

E-mail: [dobrich\\_fair@abv.bg](mailto:dobrich_fair@abv.bg)

### September

#### 9/16-9/22

Zagreb International Autumn Fair, Zagreb, Croatia  
This is the seventy-eighth autumn fair in Zagreb, where U.S. companies can present product and services to an expected 150,000 trade and consumer visitors.

For more information:

Jay Brown, President, Atlantic Trade Pavilions, Inc.

Tel: (301) 229-0065

Fax: (301) 229-0089

E-mail: [atpi@erols.com](mailto:atpi@erols.com)

#### 9/30-10/5

International Technical Fair, Plovdiv, Bulgaria  
Special exhibitions:

Infotech: information technology; PC World: software, machine building; Eneco: power engineering and ecology; chemical industry; Stroytech—The City: construction and architecture; Autotech: transportation and auto service equipment; Eltech: electronics and electrical engineering.

Further information:

Tel: +359 (32) 902 346

Fax: +359 (32) 902 432

E-mail: [e.marinova@fair-plovdiv.com](mailto:e.marinova@fair-plovdiv.com)

Web site: [www.fair-plovdiv.com](http://www.fair-plovdiv.com)

### October

#### 10/1-10/5

American Catalog Show, FYR Macedonia  
Main product groups: agricultural machinery and equipment, meat and dairy equipment, and veterinary equipment and supplies.

Further information:

Jennifer Gothard, CEEBIC

Tel: (202) 482-2645

Fax: (202) 482-3898

E-mail: [ceebic@ita.doc.gov](mailto:ceebic@ita.doc.gov)

#### 10/2-10/6

International Fair, Kosovo

Further information:

Tel: +377 (44) 12 95 95, +377 (44) 233 156,  
+377 (44) 233 157

E-mail: [panairi@yahoo.com](mailto:panairi@yahoo.com)

Web site: [www.panairi.com](http://www.panairi.com)

#### 10/22-10/27

American Catalog Show, FYR Macedonia  
Main product groups: electronic equipment and supplies, construction equipment, and metal production equipment.

Further information:

Jennifer Gothard, CEEBIC

Tel: (202) 482-2645

Fax: (202) 482-3898

E-mail: [ceebic@ita.doc.gov](mailto:ceebic@ita.doc.gov)

For a more complete list of events, go to CEEBICnet, [www.export.gov/ceebic](http://www.export.gov/ceebic).

*This notice is provided solely as an informational resource and does not constitute U.S. Department of Commerce endorsement of these events. All information published in the Commercial Update regarding trade events is subject to change without notice by the organizers of those events.*

## **Around the Region** (Continued from page 4)

### **Slovenia: Major Wastewater Purification Plant Opens in Maribor**

On June 17, a major wastewater purifying plant opened in Maribor. The facility is one of this year's largest ecological investments in Slovenia. The first phase of construction of the facility has been finished; the second phase is under way and is expected to be completed by 2004. The European Union granted 6.5 million euros (\$6.4 million) for the purifying plant, although private companies have provided the majority of the funds from the EU. The city of Maribor issued a 20-year license through a tender, which was awarded to Aquasystems, Ltd., a Maribor-based company, for construction of wastewater treatment plants. Source: *Slovenia Business Week*.

### **FYR Macedonia: WTO Negotiations Near Completion**

According to Besnik Fetaj, Macedonia's minister of economic affairs, negotiations between FYR Macedonia and the World Trade Organization (WTO) on the country's accession to the WTO are near completion. The related bilateral negotiations with the United States, European Union, Canada, Australia, and Japan successfully closed on June 24. FYR Macedonia hopes to become a WTO member in September. Source: *Balkan Times*.

For the latest information on European Union accession, subscribe to CEEBIC's biweekly e-mail publication, the *Central Europe and Northern Tier Business Brief* (CENT). To subscribe, please send an e-mail request to:  
*ceebic@ita.doc.gov*.

## **Slovakia** (Continued from page 1)

technology resources to make itself more attractive for investors.

Finally, conference attendees were briefed on the various resources that they can tap when doing business in Slovakia, including units of the U.S. Department of Commerce (DOC). The DOC's U.S. and Foreign Commercial Service can provide assistance in exporting to Slovakia, and the DOC's Central and Eastern Europe Business Information Center (CEEbic) can help U.S. firms looking for investment opportunities or joint ventures. In addition, several U.S. and international law firms, accounting firms, and consulting companies are active in Slovakia, including White & Case; Squire, Sanders & Dempsey; and Pricewaterhouse Coopers. U.S. companies can also utilize the American Chamber of Commerce in Slovakia, which provides a forum for U.S. companies to directly lobby the Slovak government on commercial issues.

To learn more about commercial opportunities in Slovakia, visit [www.export.gov/ceebic](http://www.export.gov/ceebic).

**Do you have a question about the EU accession process currently under way in Central and Eastern Europe?**



**Call the International Trade Administration's  
EU  
Accession Hotline:**

## Special Feature: Romania

### An Overview of Romania's Software Industry

By Cristina Marine

Despite severe market volatility in the global information technology (IT) sector, Romania's software producers have continued to expand their production and sales over the last few years. The Romanian government has made the software sector a priority and established tax incentives to encourage investment in the IT industry. According to estimates of the Romanian Association of Software Industry (ANIS), the total value of the Romanian IT market in 2002 was 481 million euros (\$463 million), of which software products equaled 49 million euros (\$47 million) and IT services 55 million euros (\$53 million). The private sector produces more than 99 percent of Romania's software.

The hardware products market has an estimated value of 191 million euros (\$184 million). Market analysts and practitioners anticipate that the software market, which has already grown 10 to 12 percent this year, will continue to expand. In the highly competitive global IT market, Romania's IT sector strives to compete both internationally (for instance, in anti-virus products) and regionally (with Slovakia, the Czech Republic, Hungary, and the Baltic nations).

#### CRM and ERP Solutions

Romanian software companies are especially competitive in the development and production of management software solutions, such as enterprise resource planning (ERP) and customer relationship management (CRM). However, compared with the 85- to 90-percent penetration rate of such programs in Western Europe and the United States, the Romanian market absorbs ERP solutions only at a rate of 10 to 15 percent.

The number of Romanian software companies offering ERP solutions has increased steadily since they first appeared on the market in 1994. Integrating the business operations of a company under a single software product offers clear advantages in terms of

cost reduction, streamlined reporting, and information access. The recent SunSystems solution for Zapp Mobile in Romania demonstrates that a substantial investment (300,000 euros, or \$289 million) can be recovered in one year, by increasing the efficiency of sales and distribution.

As a result of increased customers' needs, the CRM market has also been developing. CRM software ensures the efficient administration of a company's customer portfolio. As the Romanian market comes to focus more on customer satisfaction and finding the best solutions to clients' problems, the penetration rate of CRM technologies in the Romanian market will certainly rise. The first national software and services showroom, *soft21.ro*, organized in April 2002, brought together both software industry players as well as their clients. "It was high time that the Romanian software industry followed the global trend of making a priority of customers' needs," noted Florin Talpes, president of ANIS.

#### Government Initiatives

Pirated business software represents approximately 75 percent of the business-software market in Romania (the piracy rate for entertainment software is approximately 95 percent). Obviously, piracy negatively affects the Romanian economy. With millions of dollars lost in unpaid taxes and the inducement of widespread international and domestic criticism, the Romanian government has been making concerted efforts to pass adequate laws to help stop piracy proliferation.<sup>1</sup> In a study analyzing the impact of the software sector on East European economies, Datamonitor indicates that a 10-percent decrease in the current Romanian piracy rate would create about 1,500 jobs and contribute \$37 million to gross domestic product (GDP).<sup>2</sup>

The Ministry of Communications and Information Technology (MCTI) has been instrumental in coordinating efforts to develop an attractive IT market. MCTI has launched an e-government program that will be implemented over the next decade.

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## Romania (Continued from page 10)

The program focuses on improved quality of services offered to the population, increased transparency, and elimination of corruption. With greater access to information, the efficiency of public employees will grow, costs will decrease, and the relationship between the public and the private sectors will improve, says Communications Minister Dan Nica. MCTI has promoted legislation that allows the public equal access to information and government services, reduces bureaucracy, and ensures cost-effective acquisition of public assets.

### Significant Projects

Romania is now participating in the eEurope + Plan and has launched 20 new projects as a part of the European Union accession process. Five of these projects directly target the IT and telecommunications market: 1) IT solutions for the management of privatized companies; 2) e-signature and smart cards; 3) cash-flow management; 4) e-tax payment; and 5) multimedia centers for citizens. Such projects make Romania an attractive market for U.S. investors planning to expand their portfolios of IT infrastructure investments. According to Datamonitor, the impact of the software sector on the Romanian economy will continue to grow from the \$45 million contributed to GDP in 2000 to an estimated \$82 million in 2004, of which \$35 million should be remitted in tax revenues.

As Romanian IT companies have expanded their operations, many have sought partnerships with U.S. firms. In a project sponsored by the United States Agency for International Development and implemented jointly by George Mason University and James Madison University, both in Virginia, a number of Romanian software firms have joined the Technological Incubator for the Growth of Romanian Enterprises in the United States, or TIGREUS. This project creates greater linkages between American and Romanian companies active in the IT sector.

### Useful Links to the Romanian IT Market

[www.anis.ro](http://www.anis.ro)  
[www.aries.ro](http://www.aries.ro)  
[www.gecadsoftware.com](http://www.gecadsoftware.com)  
[www.ipdevel.net](http://www.ipdevel.net)  
[www.siatel.com](http://www.siatel.com)  
[www.siveco.ro](http://www.siveco.ro)  
[www.softwin.ro](http://www.softwin.ro)

<sup>1</sup> Law regarding the Electronic Signature; Law on Electronic Commerce (see [www.export.gov/ceebic/Romania/Commercial Resources](http://www.export.gov/ceebic/Romania/Commercial_Resources)).

<sup>2</sup> See [www.datamonitor.com](http://www.datamonitor.com).



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bow](http://www.forbes.com/bow) for other top picks.



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