

The Goods Transportation and Logistics Market in Romania

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DEMO REPORT

by

**FRD CENTER MARKET ENTRY SERVICES
ROMANIA**

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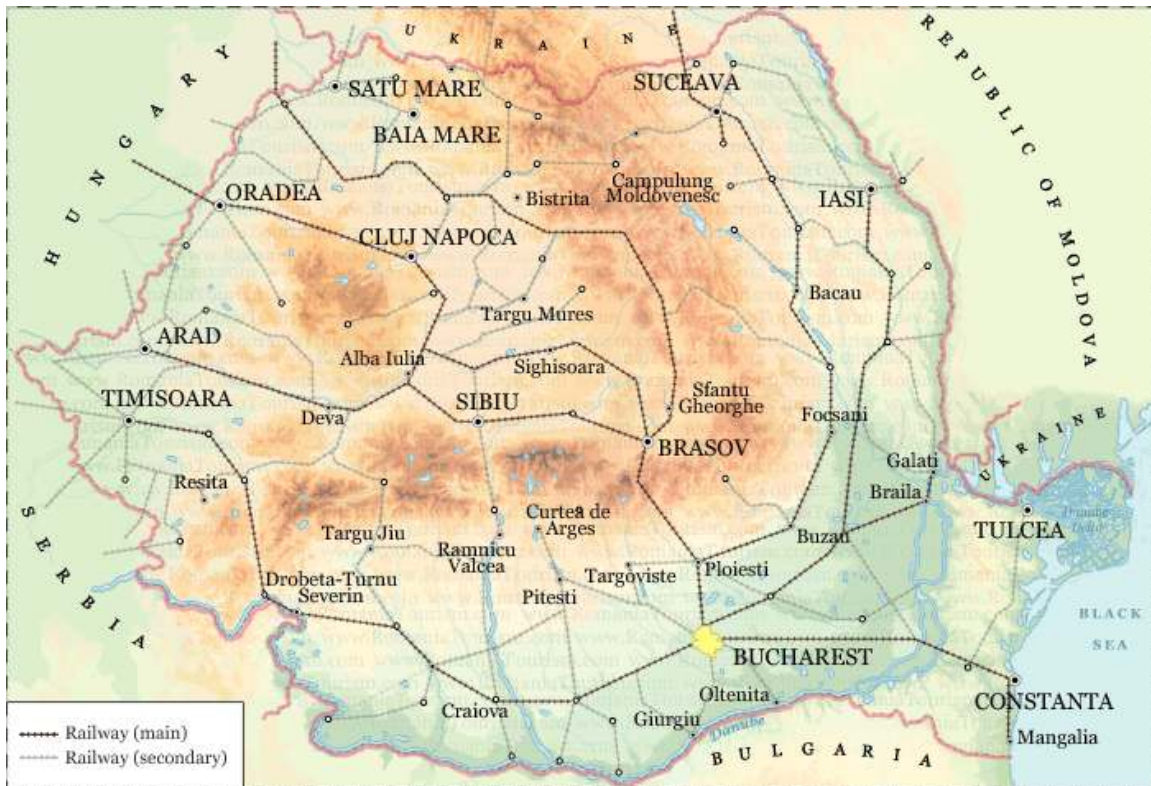
1. Goods transportation sector in Romania

1.1 Transportation infrastructure in Romania

1.1.1 Railway infrastructure

Romania is ranked seventh in the European Union by the length of its railway network, with some 17,000 km, but only some 10,500 km are currently in use.

The railway infrastructure in Romania map is presented below.



Source: Romanian National Tourist Office

According to market experts, the railway network in Romania, which has a key role for the country's economic development, needs new investments, at a consistent rate, for a period of around 15 years to reach a level similar to the European average and to develop adequate links with the European transport corridors.

CFR Infrastructure, the state-owned rail maintenance company, allocated some 208 million USD for repair and maintenance of the rail network in 2009, but the market experts consider that the amount needed was of some 830 million USD.

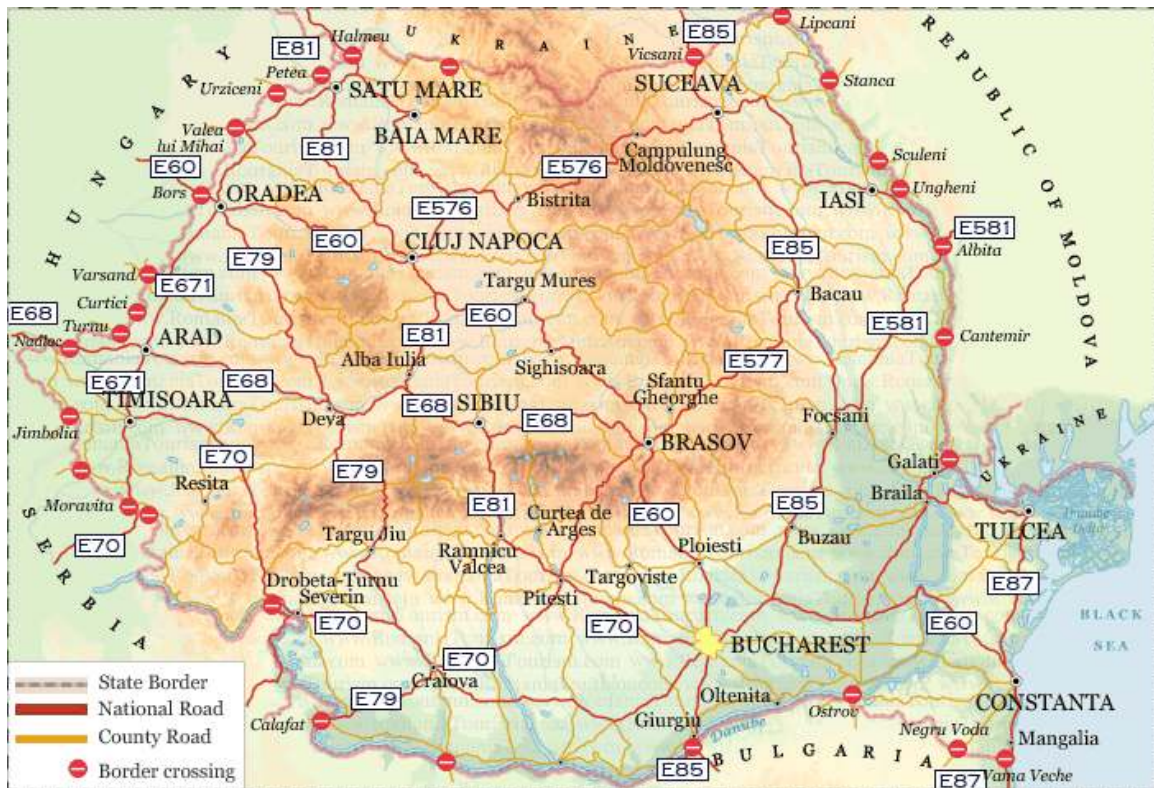
Most infrastructure EU funds were used into the Romanian road network, despite the fact that the country's rail network is in poor condition.

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1.1.2 Road infrastructure

Romania has an infrastructure network of 303 km of highways: A1 (Bucharest – Pitesti) highway, A2 (Bucharest – Cernavoda) highway and Turda – Gilau highway. The Turda – Gilau highway of 42 km, constructed by Bechtel, was launched in December 2009. This is part of the Transilvania highway that will have 415 km and will include three sections. Brasov - Targu Mures (161 km), Targu Mures - Cluj (90 km) and Cluj - Bors (164 km).

The road infrastructure in Romania map is presented below.



Source: Romanian National Tourist Office

According to the National Company of Highways and National Roads, Romania has a road infrastructure including 16,062 km of national roads, 34,668 km of county roads, 27,781 km of communal roads, 22,328 km of streets in towns and 97,660 km of streets in rural localities.

The lack of the road infrastructure kept major investment projects away from Romania. According to the National Agency for Foreign Investments, the investments in the road infrastructure would be a major driver in order to attract significant projects in regions of the country which lack foreign direct investments. Also, the development of the road infrastructure projects would bring inflows of capital, technology and know-how.

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In 2008, the A1 and A2 highways attracted investments of over 290 million EUR. The A1 highway attracted in recent years investments worth over one billion EUR in shopping centres, logistic spaces, filling stations, warehouses or production facilities.

According to market sources, a Romanian highway network inter-connected to the European transport corridors could increase the efficiency of the local freight road transporters by up to 20%. Also, the Transilvania highway, that will link the Centre and the Western regions of the country, could lead to an expenditure decrease by 10 - 12% for the local freight transporters that perform international expeditions.

The Ministry of Transport needs some 535 million EUR for the road maintenance in 2010, out of which some 300 million EUR are expected to come from the state budget, some 221 million EUR from the ministry's own funds and some 14 million EUR from foreign loans.

1.1.3 Maritime and inland waterways infrastructure

The inland waterway infrastructure in Romania includes the Danube river, the secondary arms of Danube, navigable channels which links Danube with the Black Sea. The Romanian inland waterway infrastructure is composed of some 1,730 km, out of which 1,075 km on the Danube river.

The inland waterway infrastructure in Romania map is presented below.



Regarding the fairway, there are a lot of sectors with navigation bottlenecks in Romania, generated by insufficient water depths during dry seasons, locks size or clearance under bridges. Concerning the ports in Romania, in many situations there are insufficient links with other transport modes, not enough storing places, old hydro-technical constructions and port facilities.

Regarding the new infrastructures in Romania, it is necessary to create new links between the existing inland waterways and between the maritime ports and inland waterways.

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The strategy of the Ministry of Transport targets: the navigation bottlenecks removal, the possibility to attract new types of cargo than those traditionally transported by the inland waterway, the development of the container transport and the oil products transport, the establishment of new links with other modes of transport in order to develop inter-modal transport, the building of new multifunctional storage places etc.

The main port in Romania is the **Constanta Port**, located on the Western coast of the Black Sea. The Constanta Port is both a maritime and a river port. It covers 3,926 ha, out of which 1,313 ha is land and 2,613 ha is water.

The Maritime Danube Ports in Romania (**Galati, Braila, Tulcea Ports**) have a long tradition as inland ports. They are located at the intersection of the maritime and fluvial Danube and they offer access to both the Black Sea and the North Sea, through the Rhine-Main-Danube waterway.

The Galati Port covers the total area of 864,131 sqm. The port's quay length is of 4,675 m (vertical) and 2,390 m (sloped). The port has 56 operating berths.

The Braila Port has the total surface of 389,630 sqm. The port's quay length is of 797 m (vertical) and 2,506 m (sloped). The port has 25 operating berths.

The Tulcea Port covers the total area of 82,762 sqm. The port's quay length is of 330 m (vertical) and 2,225 m (sloped). The port has 41 operating berths.

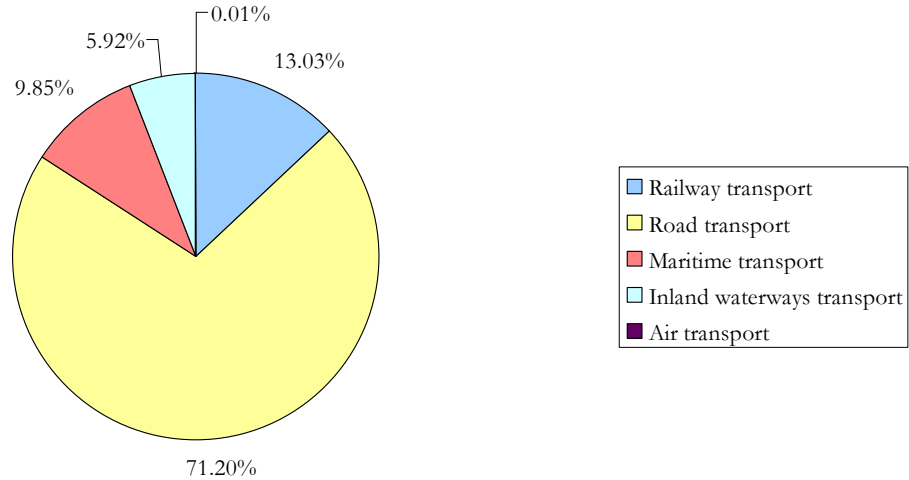
Other ports in Romania are: at the Black Sea (Mangalia, Sulina, Navodari Ports), on the Danube river (Giurgiu, Drobeta Turnu Severin, Oltenita Ports), on the Danube-Black Sea Canal (Cernavoda, Agigea Ports).

1.2 Current situation and mid-term expected evolution of the goods transportation sector in Romania

According to the National Institute of Statistics, the goods transportation sector in Romania (including railway, road, maritime, inland waterways and air transportation segments) registered 512,096 thousand tonnes of transported goods in 2008. The biggest percentage of the goods transportation sector in 2008 was represented by the road freight transport (71.2%), being followed by the railway freight transport (approx 13%). The lowest percentage was recorded by the air goods transport segment.

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Goods transport, by mode of transport in 2008



Source: National Institute of Statistics

According to the National Union of Road Hauliers in Romania, the total volume of the goods carried by the transport operators was of 192,605 thousand tonnes in the first semester of 2009. The road transport (71.6%) and the railway transport (11.9%) continue to be the dominant transport modes. The better flexibility of the road transport led to its highest share in the total transport of goods. Out of the total quantity of goods transported in the first semester of 2009, 159,358 thousand tonnes were carried in the national transport and 33,247 thousand tonnes in the international and transit transport of goods.

All the transport modules in Romania are affected by the economic crisis. The crisis causes severe liquidity problems for the Romanian road haulage companies and some of them are expected to go bankrupt during this period.

At the same time, the transport sector in Romania presents considerable business opportunities and attracts numerous trade visits by foreign companies interested to get involved in the rail modernisation programs in Romania, especially from the UK and the Netherlands. As a recent example, in December 2009, representatives of four Dutch companies - Mitron, TKF, Pintsch Aben and BMC/Transforma - have visited Romania to set up partnerships.

1.2.1 Railway goods transport

The freight railway transportation in Romania was liberalized in 2007. At present, there are various Romanian private operators on the domestic market, the most important player

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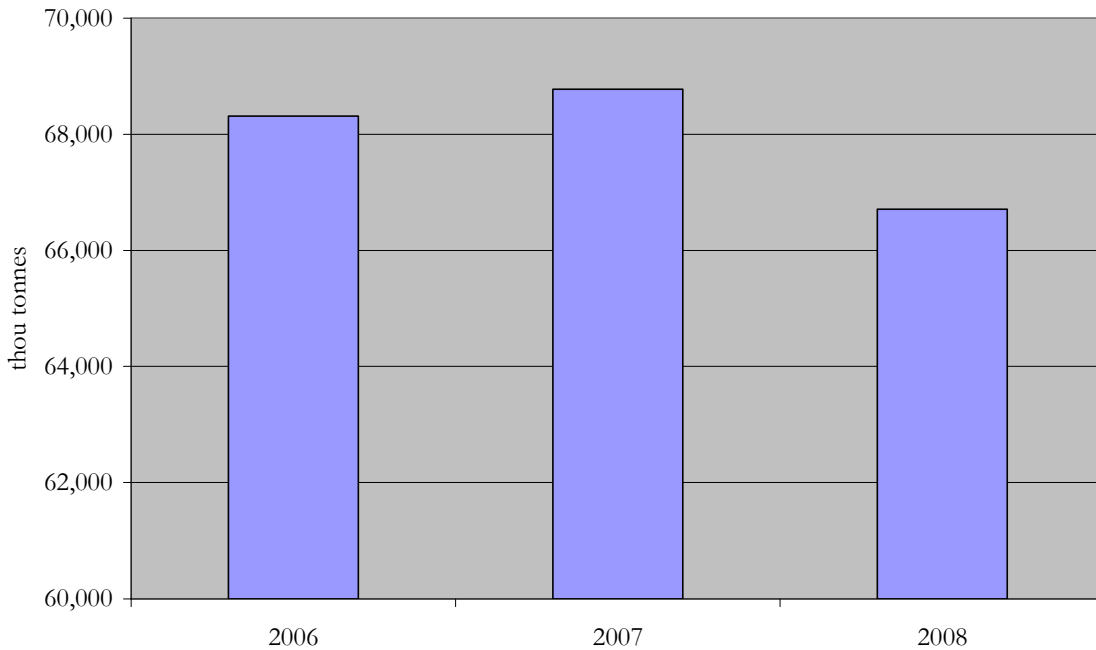
being the State-owned CFR Marfa (the National Railway Freight Company), with a market share of 75%.

According to the Ministry of Transport, CFR Marfa will be privatized by the end of 2010. According to the Romanian Railway Industry Association (a non-governmental, non-profit organization which aims to promote the railway transport), CFR Marfa will be sold for a maximum of 500 million EUR.

According to the National Institute of Statistics, 22,935 thousand tones of goods were transported in the first half of 2009 in the Romanian railway sector, out of which 20,613 thousand tones represented national transport and 2,322 thousand tones represented international transport (including the transit).

The evolution of the railway goods transport sector in Romania during the period 2006 – 2008 is presented below.

Railway goods transport during 2006 - 2008



Source: National Institute of Statistics

The expected annual growth rate of the railway freight traffic in Romania is estimated at 0.8% during 2010 - 2013.

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1.2.2 Road goods transport

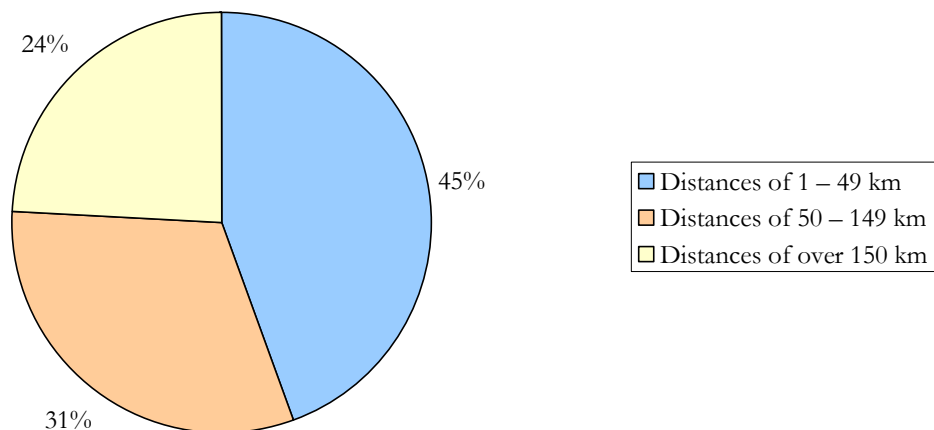
According to the National Union of Road Hauliers, the road freight transport market in Romania recorded 1.9 billion EUR in 2009.

According to the National Institute of Statistics, 137,897 thousand tones of goods were transported in the first half of 2009 in the Romanian road transportation sector, out of which 132,555 thousand tones represented national transport and 5,342 thousand tones represented international transport.

According to the National Union of Road Hauliers, the volume of goods carried in the national road transport decreased by 25.5% in the first half of 2009 compared to the similar period of the previous year. The average load of a vehicle in the first half of 2009 was of 15.3 tonnes. Taking into account the total road transport, the goods path decreased by 49.9% in the first half of 2009 compared to the similar period of the previous year. In national transport, the goods path decreased by 27.7% in the first semester of 2009 compared to the similar period of 2008.

As shown in the below chart, in the national road transport sector in the first half of 2009, 44.4% of the goods were transported on distances of 1 – 49 km, 31.3% on distances of 50 – 149 km and 24.3% on distances of over 150 km, according to the National Union of Road Hauliers.

Transport distances of goods in the national road transport sector, in the first half of 2009



Source: National Union of Road Hauliers

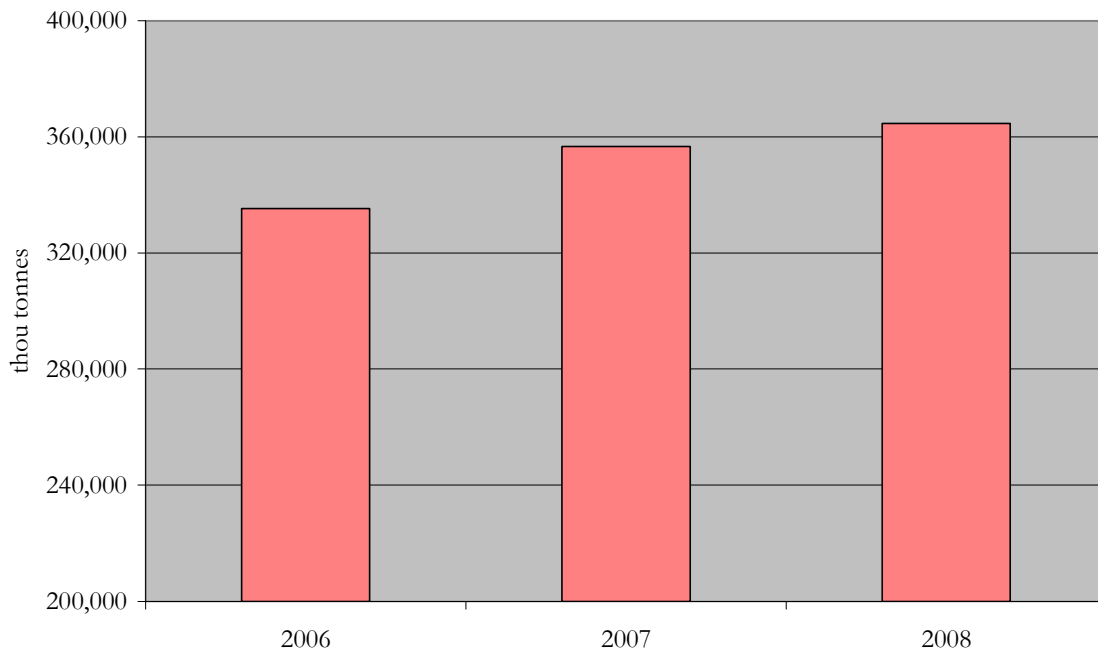
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Despite the drop of the road freight transport market in Romania in 2009, some companies recorded profit in the respective year (e.g. Ro-Holland, the local subsidiary of the Dutch Group De Greef). According to the company's representatives, Ro-Holland recorded in 2009 a y/y turnover decrease by 15% to some 7 million EUR but registered a y/y profit increase. This profit growth was recorded as a result of various decisions, such as expanding activities on the most effective routes or ceasing the loading activities in Romania. Ro-Holland operates a fleet of 40 auto trucks and has clients mainly in the food, hi-tech, pharma or furniture sectors. According to Ro-Holland representatives, the Romanian market of road freight transport recorded a y/y decrease by some 30% in 2009.

According to the National Union of Road Hauliers, the difference of the productiveness between the Western European transporters and the local ones is of up to 20%.

The evolution of road goods transport sector in Romania during the period 2006 – 2008 is presented below.

Road goods transport during 2006 - 2008



Source: National Institute of Statistics

The expected annual average growth for the road haulage is forecasted at 1.2% during 2010 – 2013, as a result of the expected investment in new roads.

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1.2.3 Maritime and inland waterways goods transport

According to the National Institute of Statistics, 17,102 thousand tones of goods were transported in the first half of 2009 in the Romanian maritime transportation sector, out of which 117 thousand tones represented national transport and 16,985 thousand tones represented international transport. Also, 9,860 thousand tones of goods were transported in the first half of 2009 in the Romanian inland waterways transportation sector, out of which 4,021 thousand tones represented national transport, 3,084 thousand tones represented international transport and 2,755 represented the transit. These statistical data were collected according to European legislation in force and include the activity of all the transport operators which load/embark or unload/land on the territory of Romania.

According to the National Union of Road Hauliers, in the national inland waterways transport in the first half of 2009, 54% of the goods were transported on distances of 150 - 299 km.

The total traffic in the Constanta Port was of 61,838 thousand tonnes in 2008, out of which 6,670 thousand tonnes of cereals, 7,109 thousand tonnes of solid mineral fuels, 8,814 thousand tonnes of crude oil, 4,135 thousand tonnes of oil products, 11,379 thousand tonnes of iron ores and scrap, 2,133 thousand tonnes of metal products, 1,896 thousand tonnes of natural and chemical fertilizers etc. In 2008, some 5,950 maritime vessels and some 8,030 river vessels arrived in the Constanta Port.

The total traffic in the Galati Port was of 8,871 thousand tonnes in 2008, out of which 7,096 thousand tonnes of fluvial traffic and 1,775 thousand tonnes of maritime traffic. 4,325 vessels arrived in the Galati Port in 2008.

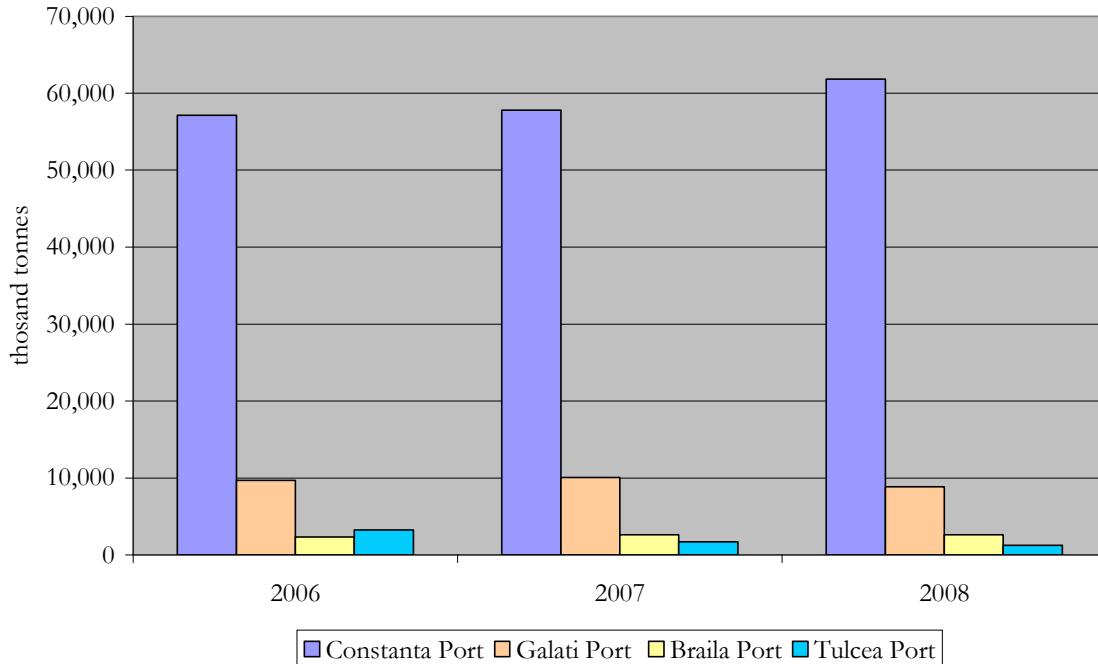
The total traffic in the Braila Port was of 2,600 thousand tonnes in 2008, out of which 2,330 thousand tonnes of fluvial traffic and 271 thousand tonnes of maritime traffic. 2,088 vessels arrived in the Braila Port in 2008.

The total traffic in the Tulcea Port was of 1,248 thousand tonnes in 2008, out of which 1,209 thousand tonnes of fluvial traffic and 40 thousand tonnes of maritime traffic. 914 vessels arrived in the Tulcea Port in 2008.

The evolution of the freight traffic in these four main ports in Romania during the period 2006 – 2008 is presented below.

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Freight traffic in the main ports in Romania



Source: Ports' statements

During 2010 – 2013, the inland waterway traffic is estimated to rise by an annual average of 1.1%, as bottlenecks are removed from the Danube, although 2009 recorded a drop in freight traffic linked to the falling commercial activity. The maritime freight is estimated to contract by an annual average of 3.6% during the next years.

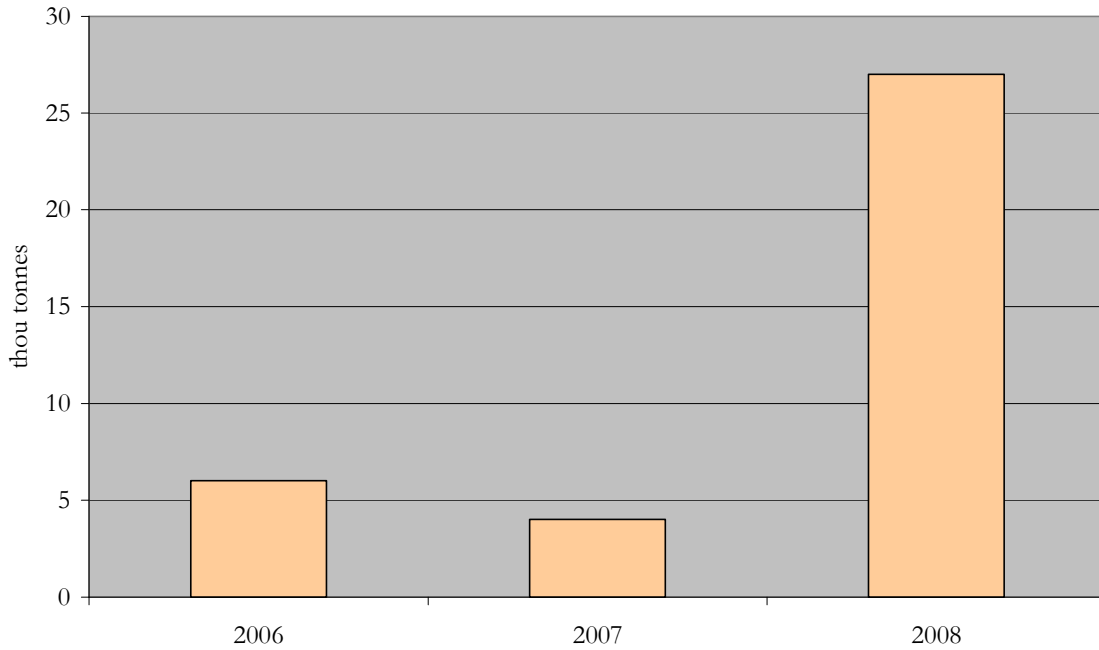
1.2.4 Air transport of goods

According to the National Institute of Statistics, 11 thousand tones of goods were transported in the first half of 2009 in the Romanian air transportation sector, the entire quantity representing international transport. These statistical data were collected according to European legislation in force and include the activity of all the transport operators which load/embark or unload/land on the territory of Romania.

The evolution of the air goods transport sector in Romania during the period 2006 – 2008 is presented below.

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Air goods transport during 2006 - 2008



Note: The data in 2008 were collected according to European legislation in force (including the activity of all the transport operators which load/embarck or unload/land on the territory of Romania. The previously issued data represent only the activity of the national operators.

Source: National Institute of Statistics

The airfreight transport sector in Romania is expected to record an annual growth rate of 2.2%, during 2010 – 2013.

1.3 Main players in the transportation sector in Romania

1.3.1 Railway transport players

1.3.1.1 CFR Marfa



CFR Marfa SA (the National Railway Freight Company) was set up in 1998, after the reorganization through the splitting of the Romanian Railways National Company. The company, owned by the Romanian State, operates as a national railway operator. Some of the company's main clients are: ArcelorMittal Galati, Oltchim, Doljchim or Azomures.

In the first semester in 2009, CFR Marfa recorded a revenue decrease by 41.2% compared to the similar period of the previous year, to 122 million EUR. At the end of the first semester

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in 2009, CFR Marfa had 253 million EUR debt to the state budget, suppliers and credit institutions.

According to the Federation of the Locomotive Mechanics, 6,380 employees of CFR Marfa will be laid off by March 2010. They will not receive compensatory salaries.

The company's biggest disadvantage in the context of a liberalized European railway freight market is that it does not have the capacity for long distance transportation.

CFR Marfa's financial data for 2008:

- Turnover: 467.9 million EUR
- Net loss: 46.0 million EUR
- No of employees: 18,246

1.3.1.2 Grup Feroviar Roman



Grup Feroviar Roman (GFR) is part of the Grampet Group, controlled by Mr. Gruia Stoica. Some of the company's clients are: the National Hard Coal Company, Conpet, Holcim Romania, Mittal Steel Galati, Petrom, RAFO etc.

The company signed collaboration agreements with railway companies in Hungary, Bulgaria, Serbia and Ukraine.

In the first trimester of 2009, GFR recorded a net profit of 2.4 million EUR from the freight railway transportation.

GFR's financial data for 2008:

- Turnover: 100.3 million EUR
- Net profit: 7.1 million EUR
- No of employees: 1,437

1.3.1.3 Unicom Tranzit



Unicom Tranzit is part of the Unicom Group, together with another railway freight company, Unifertrans. The Group was set up in 1993 by Mr. Constantin Iavorski.

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Some of the company's clients are: Carpatcement Holding, Tenaris Silcotub, Termoelectrica, Lukoil, Fibrocim, Congips etc.

Unicom Tranzit's financial data for 2008:

- Turnover: 82.7 million EUR
- Net profit: 1.1 million EUR
- No of employees: 111

1.3.1.4 Servtrans Invest



Servtrans Invest is part of the International Railway Systems (IRS) Group, owned by Mr. Cristian Burci. In 2010, the company intends to enter the markets in the Republic of Moldova and Ukraine through the coal transportation.

Servtrans Invest estimates a turnover of 38 million EUR in 2009.

Some of the company's clients are: ArcelorMittal Galati, CET Govora, Oltchim, Remat Iasi, Lafarge, ALRO Slatina, Holcim Romania.

Servtrans Invest's financial data for 2008:

- Turnover: 49.8 million EUR
- Net loss: 9.1 million EUR
- No of employees: 966

1.3.1.5 Unifertrans



Unifertrans is part of the Unicom Group, together with Unicom Tranzit. Some of the company's clients are: Lukoil, Lafarge or Conpet.

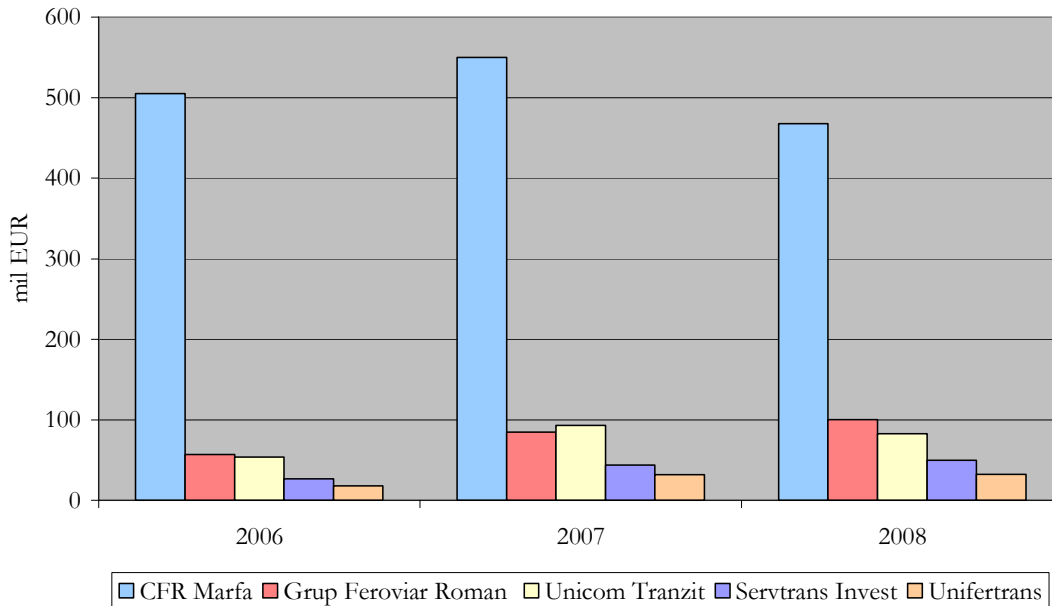
Unifertrans's financial data for 2008:

- Turnover: 32.1 million EUR
- Net profit: 4.1 million EUR
- No of employees: 858

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The turnover dynamics of these five main railway freight companies in Romania, during the period 2006 - 2008, is presented below

The turnover dynamics of five main railway freight companies in Romania



Source: Ministry of Public Finances

1.3.2 Road transport players

1.3.2.1 Aquila Part Prod Com



Aquila Part Prod Com is part of the Aquila Group. The Group is active in the field of international and domestic road transport, distribution and logistics.

Aquila Part Prod Com has clients such as: Unilever, TNT, Delta Romania etc.

Aquila Part Prod Com's financial data for 2008:

- Turnover: 92.9 million EUR
- Net profit: 0.1 million EUR
- No of employees: 1,427

1.3.2.2 Edy International Spedition



Edy International Spedition is part of the Edy Group, controlled by Mr. Alin Popa and Balkan Accession Fund.

Edy International Spedition has clients from various fields (automotive, beverages, tobacco, wood, furniture, construction materials, chemical or home appliances industries). Some of the company's most significant clients are: Coca Cola, Ursus Breweries, Ikea Balkan. Edy has been the road freight operator of the Coca Cola company since 1994.

Edy International Spedition invested some 100 million EUR in its fleet. At present, the company has a fleet of some 1,000 trucks.

Edy International Spedition's financial data for 2008:

- Turnover: 74.6 million EUR
- Net loss: 9.0 million EUR
- No of employees: 1,428

1.3.2.3 Dumagas Transport



Dumagas Transport is part of the Dumagas Group, controlled by the Dugaesescu family. The company has a fleet of some 700 trucks, out of which 400 trucks are own fleet. In 2008, the company rented a space of 10,240 sqm in the Mercury Logistics Park near Bucharest.

In 2009, Dumagas Transport signed a transport contract with the Ford plant in Craiova.

Dumagas Transport's financial data for 2008:

- Turnover: 39.0 million EUR
- Net loss: 1.1 million EUR
- No of employees: 517

1.3.2.4 International Lazar Company



International Lazar Company is part of the Lazar Group, controlled by Mr. Ioan Lazar. One of the company's main clients is Dacia-Renault.

The company administrates a warehouse with the surface of 9,000 sqm in Bascov, Arges county and plans to construct another two logistic centers, in Bucharest and Pitesti.

The company estimates a turnover of some 32 million EUR in 2009.

International Lazar Company's financial data for 2008:

- Turnover: 35.9 million EUR
- Net loss: 1.4 million EUR
- No of employees: 362

1.3.2.5 Dunca Expeditii



Dunca Expeditii is owned by Mr. Romeo Dunca. Some of the company's clients are: Linde Gaz Romania, Procter & Gamble, Dacia-Renault, Frigoglass, Arctic.

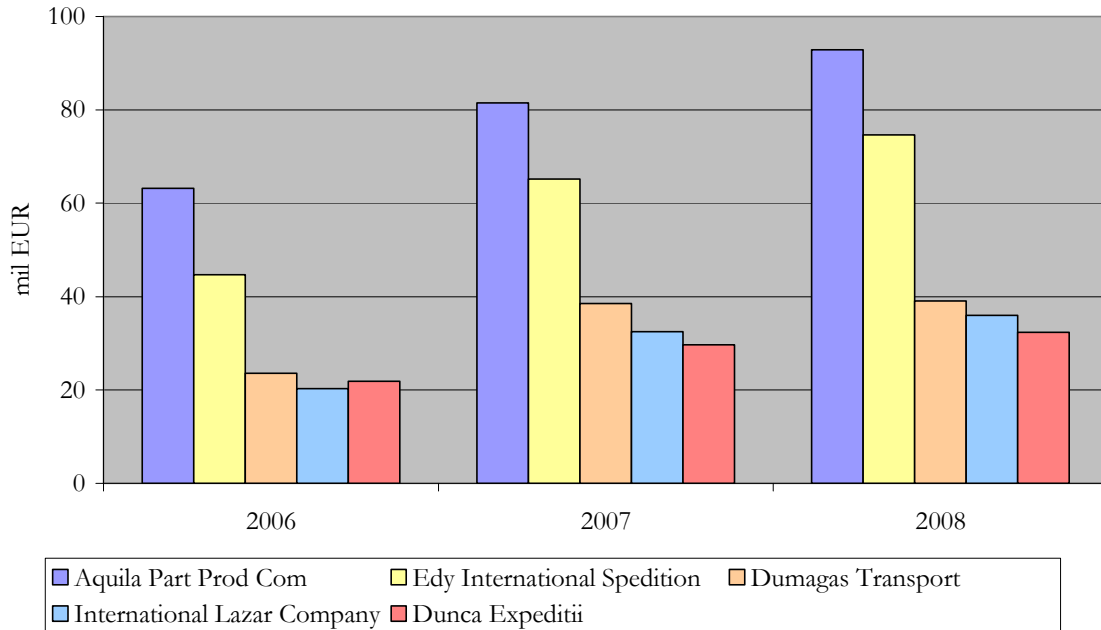
Dunca Expeditii's financial data for 2008:

- Turnover: 32.4 million EUR
- Net loss: 3.7 million EUR
- No of employees: 588

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The turnover dynamics of these five main road freight companies in Romania, during the period 2006 - 2008, is presented below.

The turnover dynamics of five main road freight companies in Romania



Source: Ministry of Public Finances

1.3.3 Maritime and inland waterways transport players

1.3.3.1 Compania de Navigatie Fluviala Romana Navrom

NAVROM

The company was set up in 1890 by the Romanian Government, under the name of Romanian River Navigation. At present, the company's main shareholder is TTS (Transport Trade Services) with 81.0130%. TTS operates as freight forwarder in domestic and international traffic, by inland waterways, sea and ports.

Navarom transports over ten million tons of various goods (minerals, coal, cement, limestone, cereals, fertilizers etc) per year, both on internal routes (Galati, Constanta, Cernavoda, Medgidia, Mahmudia etc) and external routes towards Ukraine, Serbia, Hungary, Austria, Germany.

In 2005, Navrom obtained a loan from the International Finance Corporation (World Bank) in order to modernize its fleet and compete efficiently. Navrom is listed on the Bucharest Stock Exchange.

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Navrom's financial data for 2008:

- Turnover: 54.3 million EUR
- Net profit: 2.6 million EUR
- No of employees: 270

1.3.3.2 MSC Romania Shipping



MEDITERRANEAN SHIPPING COMPANY

The company is a subsidiary of the Mediterranean Shipping Company Switzerland.

MSC Romania Shipping's financial data for 2008:

- Turnover: 51.8 million EUR
- Net profit: 5.9 million EUR
- No of employees: 55

1.3.3.3 North Star Shipping



North Star Shipping is a private Romanian company. In 2009, the company's river transport traffic recorded over 500,000 tones. Also, the company provides road transport services from various Romanian inland silos to the Constanta port.

North Star Shipping is the majority shareholder of Minmetal Constanta - specialised in the unloading and loading of the river and sea ships that transport iron ore, coal, other commodities in bulk specific for metallurgical, chemical, agricultural industries etc.

North Star Shipping's financial data for 2008:

- Turnover: 17.3 million EUR
- Net profit: 2.9 million EUR
- No of employees: 219

1.3.3.4 Romnav



The company was set up in 1903. At present, Romnav has 100% Romanian private capital, with Mr. Gheorghe Antistescu as the majority shareholder. Romnav is listed on the Bucharest Stock Exchange.

The company is active on the entire Danube, including the inner channels, to the Constanta harbour.

Romnav's financial data for 2008:

- Turnover: 8.3 million EUR
- Net profit: 0.6 million EUR
- No of employees: 188

1.3.3.5 Maersk Romania



Maersk Romania is the subsidiary of the Danish A.P. Moller – Maersk Group. In May 2007, Maersk Romania launched the maritime transport line from the Constanta port to Asian ports.

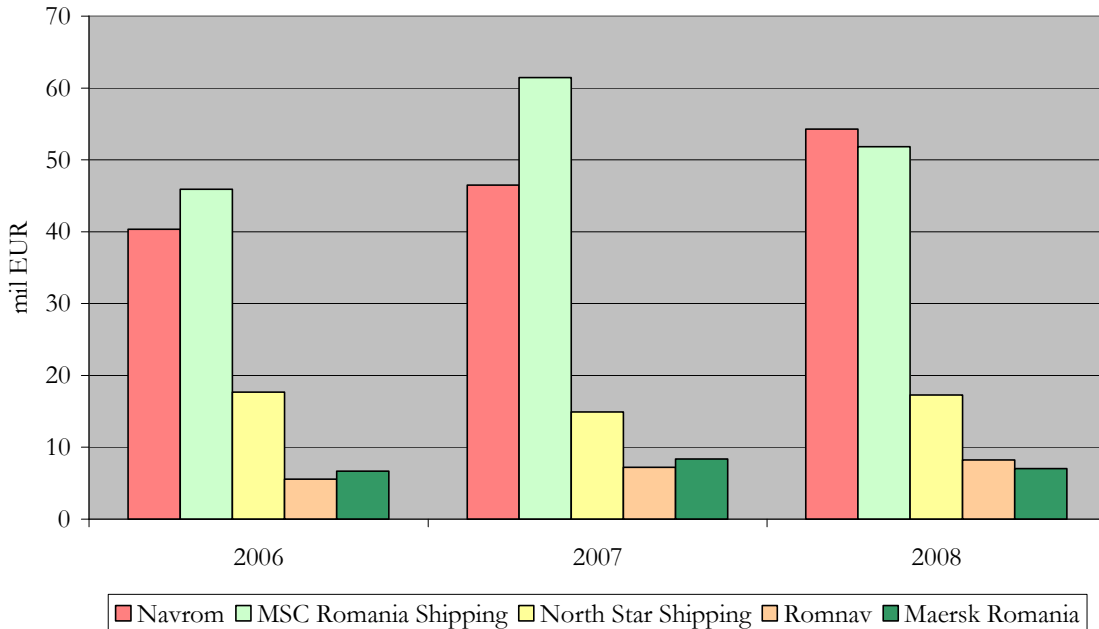
Maersk Romania's financial data for 2008:

- Turnover: 7.1 million EUR
- Net profit: 0.4 million EUR
- No of employees: 84

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The turnover dynamics of these five main maritime and naval freight companies in Romania, during the period 2006 - 2008, is presented below.

The turnover dynamics of five main maritime and naval freight companies in Romania



Source: Ministry of Public Finances

2. Logistic parks in Romania

Compared to other European countries where most warehouse spaces are located in logistics parks and where this market is mature, Romania has only begun its development. Due to its strategic position, Romania offers a lot of potential on the logistics market.

At present, there are some ten new logistics parks under construction in Romania. Even if this trend maintains its rhythm, Romania records ever growing demand on this segment (one of the highest in the CEE region) that needs to be covered.

Some of the most attractive locations for the logistic centres in Romania are the two highways: A1 (Bucharest - Pitesti) and A2 (Bucharest – Cernavoda). According to Colliers International, the A1 highway concentrates around 80% of the entire volume of the modern logistic space of the capital, put at 920,000 sqm. In figures, this means around 400 million EUR invested in buildings and infrastructure alone, not including the amount invested by each tenant.

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Logistic projects were developed on both sides of the A1 highway to km 23, this being one of the most active areas in the country.

Some of the main logistic parks in Romania are: the Olympian Logistic Parks, the Ploiesti West Park, the Transylvania Logistic Park, the Transylvania Logistics Park, the NordEst Logistic Park.

The **Olympian Logistic Parks** are the largest network of logistics parks in Romania. The business is developed by GE Real Estate and Helios Phoenix. The first two warehouses of the Olympian Logistic Park were launched in September 2009 in Brasov county. The logistic park in Brasov covers 9.3 hectares and has a storage area of 16,300 sqm and an office area of 18,100 sqm. The next two parks in the Olympian network will be located in Chiajna (near Bucharest) and Timisoara.

The **Ploiesti West Park** is developed by Alinso Group and Mr. Petrica Usurelu (the owner of Piritex Group). The park covers 220 hectares and is located on the route of the future Bucharest – Budapest highway. In October 2009, Unilever became the first tenant of the Ploiesti West Park, signing a renting contract for the surface of 30,400 sqm. The consultant of the transaction was Colliers.

The Ploiesti West Park is composed of two major zones. The first area (the business park) includes spaces for logistics activities, light production, restaurants, hotels, offices and a research park. The second area (the retail park) includes spaces for shopping and relaxing activities. The parks' owners announced total investments of over 750 million EUR in the Ploiesti West Park by 2015.

The **Transylvania Logistic Park**, located near Cluj Napoca, has the total capacity of some 15 hectares. At present, over 90 companies carry out their activities in this location. The park was developed by Transilvania Constructii, a construction company specialized in the civil and industrial constructions, set up in 1950 and privatised in 1999.

The **Transylvania Logistics Park** is located in Bacia commune, near Deva in Hunedoara county. The park is developed by Deva Logistics Center, a Romanian company whose majority shareholder colabotares with partners in Belgium and the UK. The investment in this park is estimated at over 17 million EUR.

The **NordEst Logistic Park**, located on the North Eastern segment of the Bucharest ring road, is developed by European Future Group and majority owned by Immoeast. The first phase of the project has been completed and is partially leased to local and international companies. DTZ Echinox is the exclusive letting agent for phase one. The Park will offer at

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completion 95,000 sqm of warehouse space with related office and social areas comprised in six distribution centers.

One logistic park that is expected to be constructed during the next period is the **Railway Logistic Park** in Brasov. The project for this logistic park was included in the SEETAC Programme of the railway Pan European corridors. The study for this project was started in 2009 and is expected to be finalized at the end of 2010. The study received a budget of three million EUR. This park will represent one of the biggest investments in the Brasov county and will generate new jobs and infrastructure network.

Through the construction of the Railway Logistic Park, the Brasov area (located on the IV Pan European Corridor) will link the Western and Central Europe with the South – Eastern Europe and Romania will become an important spot on the European railway map.

One significant logistic integrator on the domestic market is the local subsidiary of the French Group **FM Logistic**, which entered the local market in 2003. FM Logistic Romania operates over 60,000 sqm of logistic platforms on the domestic market. The company announced investments of 100 million EUR in the next 4 - 5 years in order to develop its logistic network in Romania.

In 2009, FM Logistic Romania finalised the project in Dudesti, Timis county that includes two logistic modules, with investments of some 20 million EUR (including the costs with the land and the adapting of the access roads). The company's next project that will have four logistic modules will be built in 2010 in Petresti, Ilfov county.

FM Logistic Romania focuses mainly on the FMCG and retail logistic businesses. Some of the company's clients are: Nestlé, Cora, Procter & Gamble, Henkel, L'Oréal, Yves Rocher, Sanofi Aventis - Zentiva.

A FRD Market Entry Services Romania Report

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