

Romanian Infrastructure and Construction Report

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Summary:

A: Overview of the construction sector in Romania

B: Road construction and infrastructure development in Romania

C: Industrial construction development in Romania

D: Construction equipment in Romania

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A: Overview of the construction sector in Romania:

The construction business in 2005 brought profit for almost all the main players on this market, trade generated the highest business growth. Turnover derived by the top players in construction business last year reached 1.81 billion euros, up 17.8 percent year-on-year. Of these, only one company ended 2005 with losses, with the general profitability rate of the players in the ranking standing at 6.

The largest number of construction projects in Romania are financed from private sources.

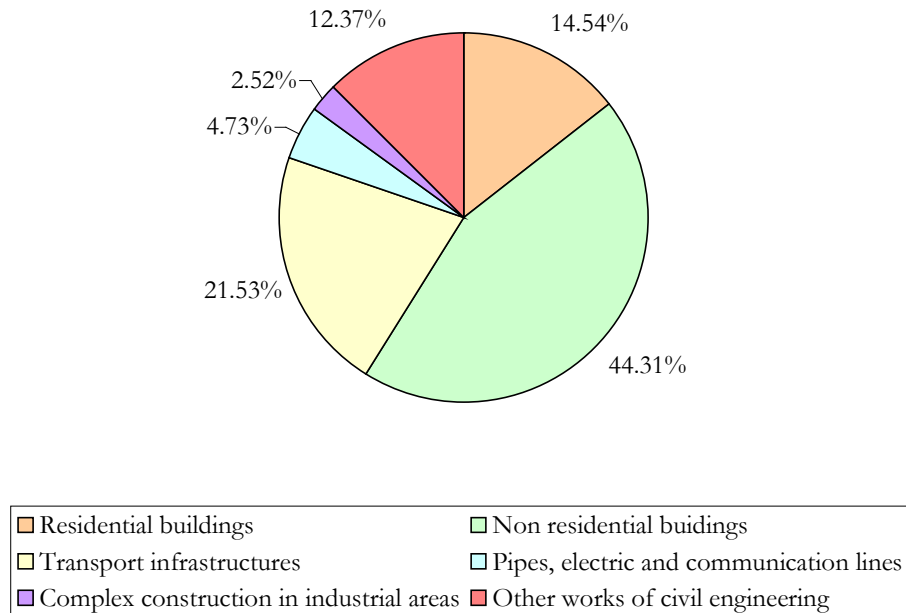


Source: National Institute of Statistics

In 2004, the largest number of construction works was of non-residential buildings (e.g. office buildings, commercial centers) followed by transport infrastructure (e.g. motorways, national roads, bridges, ring roads) and residential buildings.

The chart below details the percentage of types of construction works in Romania in 2004.

Construction works in 2004, by categories



Source: National Institute of Statistics

B: Road construction and infrastructure development in Romania:

Current situation:

According to the Romanian National Company of Motorways and National Roads, in January 2006, Romania has a national road network of 15,934 km, out of which motorways of 229 km. According to unofficial figures, the county roads have the length of 35,212 km and the communal roads of 28,379 km.

In the first nine months of 2006, the main building sector projects in Romania were those in the infrastructure development, commercial and industrial space construction – with a year to year growth of 22.5%. In comparison, the residential construction sector growth was of 11%, while the office space construction sector growth was of only 9% compared to the same period of 2005.

In 2004, the Ministry of Transportation signed several agreements for the Bucharest - Brasov motorway with Strabag (Bucharest - Ploiesti), Vinci (Comarnic - Predeal) and Ashtrom-Roichman (Predeal - Brasov).

Several projects under development for the Bucharest - Brasov route, including the Otopeni overpass, widening the DN1 to six lanes and the city ring around Ploiesti to four lanes are expected to improve traffic flow.

A1 (Bucuresti – Pitesti) Motorway:

A1 motorway is 113 kms long connecting Bucharest, the capital of Romania, with Pitesti, the capital of Arges county. A1 was the first motorway constructed in Romania, having been designed in the 60s. In 2000, underwent major up-grades and repairs.

In the summer of 2006, a modernising and up-grading program of the A1 motorway took place over a length of 23 km (between the km 23 and 46) amounting to 30 million Euro.

In order to complete the European Corridor IV, the A1 motorway will be extended towards the West, connecting M5 / M43 in Hungary with A2 motorway in Romania (Bucharest-Constanta).

A2 (Bucuresti – Constanta) Motorway:

The initial works for the A2 motorway have started in 1991 but have been interrupted many times since then. The works have been restarted in 2001 after four years of pause. The entire A2 motorway, linking Bucharest to Constanta, is planned to be completed in 2008 - 2009. The A2 project was made in 1990 and by September 2006, 106 kms have been finalised.

The total value of this project is estimated at approx. 600,000 million Euro, according sources in the market. The A2 motorway has two lanes per traffic direction separated by a 3 meter-wide centre crush barrier.

The first segment of the motorway was made by Romis SRL - the JV between Italstrade and CCCF. The second segment of the A2 motorway was constructed by the Turkish company Yuksel Makimsan Ener, which has since set up a subsidiary in Romania. The third segment has been constructed by the French company Colas, member of the Bouygues group.

The value of the first three segments is estimated to over 218 million Euro and is 20% funded by the Romanian Government and 80% by the European Investment Bank.

In 2004, there started the works for the segments number 4 (Drajna to Fetesti 36.8 km) and number 5 (Fetesti to Cernavoda 17.5 km). The contractor is a JV formed by Astaldi, Max Bogl and CCCF. The estimated deadline is the end of 2006.

The value of these two segments is over 80 million EUR and the financing is ensured 75% by ISPA and 25% by the Romanian Government.

Transylvania Motorway:

The Transylvania Motorway (Brasov – Bors) project started in 2004, based on a contract of 2.2 billion Euro signed with the American company Bechtel. In April 2005, the construction works were stopped due to the fact that the Romanian authorities started the re-analysing of the contracts signed by the precedent government. Recently, the Romanian State has lent 100 million Euro in order to made the payments to Bechtel and the construction works will restart.

The Ministry of Transport, Constructions and Tourism intends to give money compensations estimated at about 15 million Euro for the expropriation of some private buildings, located in Cluj county (the section 2B of the motorway) and Bihor county (the section 3C of the motorway). The funds are from external credits contacted during 2004.

According to the Romanian authorities the finalising year for the Transylvania Motorway is 2013.

The Bucharest-Brasov Motorway:

The Bucharest-Brasov highway, 173.3 kilometres long, will have three lanes for each direction and a width ranging from 23.5 metres in rugged areas to 26 metres in flat ones. 14 car parking spaces for limited-duration parking and service spaces will be set up on both sides of the road.

The consortium made up of Romanian companies won in September 2006 the competition with the Austrian company Strabag, the French company Vinci and the Hungarian company Vegyepszer. In order to design and construct the first section of the motorway Bucharest - Brasov, Vinci required 273 million Euro, Strabag - 251 million Euro and Vegyepszer - 231 million Euro. The tender was won by the Romanian consortium that obtained the highest score, among the reasons being also the low required price of about 200 million Euro.

The consortium made up of the companies Euroconstruct, Spedition UMB and PA&CO International will construct one of the five sections of the motorway Bucharest - Brasov. Starting with March 2007, the three companies will start the works at 60 km of the motorway, between Bucharest and Ploiesti.

The motorway Bucharest - Brasov will be split in five sections and four of these will be tendered in 2006. The works are estimated at 1.6 billion Euro, this amount being allocated from the budgetary funds.

Since this road will cross the Carpathian mountains, the total length of the bridges, passages, viaducts will be of 29,100 m. The total length of tunnels on the Bucharest - Brasov motorway will be of 2,650 m.

Short term objectives:

With Romania's EU accession on 1st January 2007, the development of the Romanian infrastructure is one of the priorities of the Romanian Government in the period 2006 – 2010. The most important project is the construction of the motorways which are part of the European Corridor IV - Nadlac - Arad - Timisoara - Lugoj - Deva - Orastie - Sibiu – Pitesti with a total length of 824 km, leading into A1 motorway (Pitesti – Bucuresti) and A2 motorway (Bucuresti – Constanta).

According to information released by the Ministry of Transport, some 75 km of motorways will be commissioned in 2007.

According to the recently approved state budget for 2007, the sum of over 2.5 billion EUR will be allocated to infrastructure development, schools and hospitals. This budget is a strong impulse for the construction firms operating in Romania, building materials importers and producers, designers etc.

In 2007, Romania will benefit its largest budget in history: entries of 38 billion EUR and projected expenditure of over 41 billion EUR. The Government has allocated to investment projects 6.6% of the GDP (7.1 billion EUR). Out of this sum, over 2.5 billion EUR will be spent in the construction sector, for road infrastructure, building of new schools and hospitals. This money contributes to the already big development of this sector, with a projected growth year to year of cca 15% in 2007.

Local producers – Romanians and multinationals producing in Romania – as well as strong importers will be directly affected in a positive way.

The Ministry of Transport has for 2007 an allocated budget of 3.1 billion EUR, out of which only for motorways the Government will allocate 400 million EUR.

For the modernisation of the railway network in Romania, the Government has allocated in 2007 480 million EUR and for the modernisation and up-grading of the existing road network, another 680 million EUR.

The Ministry of Transport, Constructions and Tourism will recommend to the Government a programme that includes the construction, starting with 2008, of 250 - 300 km of motorways per year. According to the Ministry's sources, this programme will facilitate the construction of 2,500 – 3,000 km of motorways in ten years, a length compared to the one in the other European countries. The programme was inspired by the Portugal's programme.

All these budgetary funds for constructions will increase the number of the contracts on the market and the State will strengthen its position among the main clients of the contractors in constructions. The market value is estimated by the main players at 8.6 - 9 billion Euro in 2007, this representing an increase by 15%.

In the next years there will be significant pressures for the construction of the big infrastructure projects. But the private sector will continue to be the main source for the growth of the construction market.

For the constructors the biggest problem at this moment is the migration of the labour force. There are no specific professional schools and the qualified workers are "hunted" by the companies on the market. The lack of the labour force will significantly affect the quality of the works that will be developed in the future and the capacity to use the structural funds.

According to the Romanian Ministry of Transport, about 6.5 billion Euro will be invested between 2006 - 2008 in motorway network development projects.

The Romanian Government considers necessary the acceleration of the expansion of Romanian infrastructure, estimating that the new regulations would reduce the time of project development by at least one year - the usual duration of a tender.

Romania could receive more than 30 billion EUR after EU accession (1st January 2007), but the actual value of the funds depends on the inter-institutional budget agreement, which is to be decided by the European Commission, along with the European Council and the European Parliament.

According to the Government, the pace of constructions must accelerate so that by 2008 approximately 840 km of new motorways will be under construction in various stages of completion.

The Comarnic - Brasov motorway section will be constructed through a public-private partnership based on provisions compliant with European legislation. The Ministry of Transport is holding discussions with international financial institutions to implement a pilot project on roads infrastructure. The zone of the pilot project will have priority, due to the traffic conditions on the section. The works could begin in 2007 and the international financing and the public-private partnership will ensure total transparency when setting costs and analysing construction works.

Regarding the last segment of the A2 motorway (Cernavoda to Constanta, of approx. 68 km) the feasibility study has been completed under European Investment Bank financing. A timeframe of approx. 36 months for the works is estimated which means that the whole A2 motorway should be completed by 2009.

Total Ring Roads planned to be constructed between 2006 and 2008 will amount to 416.55 km. Some of these are:

- A1-DN7-DN2-A2 Bucharest Ring Road: 19.90 km
- DN1A-DN1-DN2 Bucharest Ring Road, Section 5: 15.50 km
- DN 1A Bucharest Ring Road, Section 6: 2.56 km
- DN1A-DN7 Bucharest Ring Road, Section 7: 3.10 km

Motorways in Romania planned to be constructed in years 2006 – 2013

1	A2	Bucharest - Constanta (sector Drajna - Fetesti)	2006 - 2008	36.80 km
2	A2	Bucharest - Constanta (sector Fetesti - Cernavoda)	2006 - 2008	17.50 km
3	A2	Bucharest - Constanta (sector Cernavoda - Constanta)	2006 - 2008	68.00 km
4	n/a	Bucharest - Ploiesti	2006 - 2008	62.00 km
5	n/a	Ploiesti - Comarnic	2006 - 2008	49.60 km
6	n/a	Comarnic - Brasov	2006 - 2008	57.90 km
7	n/a	Brasov - Bors	2006 - 2012	415.00 km
8	n/a	Timisoara - Lugoj	2006 - 2008	31.00 km
9	n/a	Nadlac - Arad	2006 - 2008	38.00 km
10	n/a	Orastie - Sibiu and Sebes Ring Road	2006 - 2008	77.82 km
11	n/a	Lugoj - Deva	2006 - 2008	91.00 km
12	n/a	Bucharest N Ring Road	2006 - 2008	45.00 km
Total				989.62 km

Source: ANDR

EU financial investment in infrastructure in Romania:

According to the EU Delegation in Bucharest, Romania is the second largest recipient after Poland with a grant of over 250 million EUR per year, roughly equally divided between transport and environment projects.

Romania has 46 major projects in the infrastructure field (railroad and roads), that will connect the country with the Trans-European Corridors.

The UE investments in railroad system for the period 2000 - 2006, through ISPA and Phare programmes, exceed 450 million Euro, of which 112,260 million Euro are allocated for 2006.

Till Q1 2006, Romania has committed 85% of the ISPA funds. EU allocated to Romania, during this period, total ISPA funds of 1.8 billion EUR, of which 348 million EUR in 2005 and 375 million EUR in 2006. Until now, Romania spent about 400 million EUR of the entire amount.

Until now, Romania signed a number of 62 Financing Memoranda with a total value of 2.7 billion EUR, of which the amount of 2 billion EUR represents ISPA financing.

C: Industrial construction development in Romania:**Current situation:**

The industrial space market in Bucharest area started to develop in 2005, when a surface of over 60,000 sqm was delivered.

This year, the construction market is estimated at 7.5 billion Euro, this representing an increase by 25% compared to the amount of 6 billion Euro in 2005. Compared to 2004, the construction market increased by about 60%. Also, the market growth reached this year the highest rate in real terms (over the increase rate of the construction prices) of about 13%. The inflation in constructions reached this year the level of about 10%, much above the increase of the consumption prices.

For 2007 a market level of 9 billion Euro is anticipated. The infrastructure works have in 2006 a percentage of about 30% from the construction works, the difference being represented by the projects in the residential and industrial segments. The Romanian construction market reached in 2005 the level of about 6 billion Euro. The Romanian construction market includes, according to the Ownership of Romanian Contractors, 15 very big companies, thousands of big companies, 1,000 medium-sized companies and over 30,000 small companies.

According to a report developed by CBRE Romania, the industrial real estate segment in Bucharest and the metropolitan area is still an emerging market with limited modern schemes, most of them developed on a built-to-suit basis. The current industrial stock in Bucharest is estimated at roughly 520,000 sq m, of which total modern industrial stock is approximately 270,000 sq m.

The majority of the completed and ongoing projects are concentrated in the industrial clusters located in the western (along A1 Highway) and northern (along the Ring Road) outskirts of the city. The other areas of Bucharest are characterized by a low supply of modern industrial premises, mainly suitable for manufacturing activities.

According to data published by CBRE, new industrial projects in the pipeline for 2006-beginning of 2007 are expected to exceed last year's supply of approximately 150,000 sq m. The newly built industrial premises provide medium to large areas ranging between 10,000 sq m and 25,000 sq m, most of them being located in the western area of the city.

The considerable amount of active and latent demand has been foreseen by developers which are planning to deliver new schemes or to expand their pre-existent facilities. Among the most active developers on the industrial market are Cefin Real Estate, Grontmij/Rynart, Mega Company, Parkridge, Phoenix Real Estate, Portland Trust, Prologis, Liebrecht & Wood.

Most industrial projects finalised or in construction are located in the West peripheral areas, on the length of the motorway Bucharest – Pitesti and in the North area, on the Ring Road road. The other areas in Bucharest are characterised by a low offer of quality industrial spaces, requested especially for the production activities.

The interest of the investors in the industrial space market increased significantly during the last years due to the potential of the domestic market and due to the fact that Romania will become member of the European Union next year. The most important investors on this market are from Austria, USA, UK, France, Greece, Spain and Israel.

The medium sized surfaces of the industrial spaces and of warehouses varied last year between 2,000 and 5,000 sqm, but there were also transacted surfaces of 7,000, 10,000 and 14,000 sqm according to Eurisko

In 2005, the West area was the preferred industrial location, the Ring Road becoming too crowded with industrial facilities and with traffic that makes the access in the area more difficult. The investors orientated to the area near the motorway Bucharest - Pitesti, where many projects are developing.

The industrial spaces at international operational standards represent at the present over 80% of the market. In conformity with these standards, the warehouses must have a height of about 10 metres, parking lots for trucks with operate spaces or anti-theft systems, according to Eurisko.

Demand:

Demand for industrial properties is driven by international and domestic companies operating in the logistics, storage, wholesale, FMCG and manufacturing sectors. Demand for logistic facilities will continue to be higher, compared to interest in warehouse and the production properties. Small transportation and distribution companies generally rent storage areas that range from 1,500 to 2,500 sq m. Retail chains are looking for storage spaces that exceed 5,000 sq m-8,000 sq m, while logistic companies are interested in industrial facilities over 10,000 sq m.

The average size of the leased units has annually increased from 2,000-2,500 sq m in 2003 to 3,000-3,500 sq m in 2004 and up to 5,000 or even more in 2005. Currently the vacancy rate is recorded to be under 5% due to limited speculative schemes that have been completed in the last 2 years. An increasing number of local companies have started to relocate their activities from obsolete locations to new higher-quality premises. As a consequence, the vacancy rate for old refurbished properties is continuously increasing reaching around 20-25%.

As a consequence of limited quality supply, many small and medium local companies have become interested in purchasing industrial properties rather than leasing. The average unit size required for purchasing ranges between 1,000-3,000 sq m.

The highest percentage in the demand of the industrial spaces during last year was recorded by the logistic companies, followed by the retailers that perform their own logistic activity and by the light production, which represents the most important percentage in the demand of the total industrial space for manufacturing.

For this year the demand has the same structure as last year, but the segment of the logistic retailers and the representatives of the light production increased significantly as percentage in the total demand.

Class A industrial space:

The A class industrial spaces have a high demand from the logistic operators due to the low offer on the market, being recorded a non-use percentage of 0% for the projects delivered on the market. In the semester of this year 45,000 sqm of warehouse spaces were delivered in Bucharest and until the end of the year the analysts estimate that about 100,000 sqm of logistic spaces will be delivered.

According to DTZ Echinox, at the present, the total surface of A class industrial space in Bucharest is of about 275,000 sqm. More international developers started to develop industrial projects at European standards, while others are seeking the locations. The significant increase in the retail and hypermarket sectors was the main reason for the growth of the logistic market. The most developed industrial project is Cefin Logistics Park, with 50,000 sqm of delivered logistic spaces so far. During this year other 25,000 sqm will be finalised.

Industrial space rent in Bucharest:

In the North and West areas of Bucharest, the rent for the industrial spaces (new projects) is of 4.5 - 6 Euro/sqm/month, depending on the quality of the building and the renting period. The office spaces in these buildings are rented with 8 - 10 Euro/sqm/month.

In the South and East area the rent for old warehouses decreased to 2.5 Euro/sqm/month on the Republica and Faur platforms and to 3.5 Euro/sqm/month in the Pantelimon area.

The renting contracts are usually for a period of 3 - 5 years to maximum 10 years for the cold warehouses and production spaces.

If the announced projects are finalised, the rent could decrease during the next year with 5 - 10%.

This year the Domo's logistic operator, KLG (Kuijken Logistics Group) Europe Logistics, rented 15,000 sqm of warehouses and 550 sqm of offices within the Cefin Logistics Park, according to DTZ Echinox, which was the intermediate of the transaction. This is the biggest transaction on the industrial space market during this year.

The most important transaction on the industrial market, signed last year, was the renting contract through which the retailer Minimax Discount rented 14,000 sqm within the Mercury Logistics Park. The transaction broker was the Eurisko company.

Industrial space sale price in Bucharest:

The sale prices for the new and modern projects with the surface of maximum 5,000 sqm are of 400 - 600 Euro/sqm. The renovated industrial spaces continue to be sold from about 200 - 350 Euro/sqm to 400 Euro/sqm.

Important projects in the Bucharest area:

The most important project delivered on the market so far is Cefin Logistics Park. Other significant developer on the logistic market is Phoenix Real Estate, which built Mercury

Logistics Park. Phoenix will deliver on the market 20,000 sqm of modern industrial spaces, of which 10,000 sqm are pre-rented by the logistic operator Delamode.

The biggest logistic projects will be developed by Prologis - Prologis Park Bucharest A1, which will deliver 130,000 sqm and by Portland Trust - Bucharest West, which will bring on the market 350,000 sqm of industrial spaces.

This year also the small developers entered the market, which develop speculative industrial projects, requested by small and medium-sized companies. On example is the project Key Logistics Center, developed by Mega Company.

Short and medium term estimations:

As the business of the active companies on the Romanian market will develop, with activities in the field of the production, trade or any kind of services, the industrial spaces will have again a significant percentage on the market.

According to CB Richard Ellis, the total surface of industrial spaces in Romania could increase until 2010 to one million square metres, from the present surface of 520,000 square metres, if the announced projects will be finalised.

The industrial projects proposed to delivery in 2006 – 2007

Project	Developer	Area	Surface (sqm)
Cefin Logistics Park	Cefin Real Estate	West	25,000
Bucharest Industrial Park	Grontmij/Rynart	West	20,000
Mercury Logistics Park	Phoenix Real Estate	West	10,000
Bucharest West	Portland Trust	West	14,000
Key Logistics Center	Mega Company	West	15,000
Prologis	Prologis	West	25,000
Bucharest Distribution Park	Imofinanz	Nort-West	15,000
Bucharest Logistics Center	Liebrecht & Wood	Nort-West	10,500
Geodis Calberson	Geodis Calberson	West	10,000

Source: CB Richard Ellis

Industrial parks in Romania:

The demand for industrial spaces and plots increased exponentially, considering that the foreign direct investments in Romania will reach a record level of 7 - 10 billion euros this year, according to data provided by Romanian Agency for Foreign Investments.

Some entrepreneurs from Transylvania and Banat noticed this trend and set up a new business: private industrial parks. Requiring investments of a few million euros, industrial parks are usually built with public funds and are owned by local authorities, which can make the area viable and can attract European money or money from the state budget, in a bid to derive profits.

Yet, there are some private investors who turned this niche into something more than a simple real estate investment and, in some areas, the private industrial parks became an alternative to those built by the local authorities.

In such a park, the leasing price for 1 square metre of land revolves around 3 euro per year, but, as for the private companies administrating the industrial parks, they prefer building their own production facilities and renting them, as the incomes derived from the rent are substantially higher and can reach 5 euros for 1 square metre of shed per month.

Arc Parc Industrial Dej takes up 40.18 hectares in the town of Dej, Cluj county and at the moment it already has an investor, Trelleborg company, which will develop here a project worth 8 million euros.

Craiova Industrial Park represents an important investments objective that is under construction at Craiova Aircraft Enterprise, covering an area of over 12,4 hectare (30.628 acres). The Romanian Government decided to divide Craiova Aircraft Enterprise and to transfer the property on the land into Dolj County Council, for the sole purpose of creating the Industrial Park. The deadline for the completion of construction and refurbishing up works in the Park is December 2008.

Brasov Industrial Park has a total area 34 ha with a total number of 12 production halls, totalizing a floor space of 160.000 sqm. Brasov Industrial Park's customers are Romanian and foreign industrial companies willing to develop / relocate the activity in Romania, which common interest is to develop "Greenfield" type of businesses in a renting scenario.

D: Construction equipment in Romania:

Current situation:

Due to the boom registered by the construction sector in Romania in the last years, construction equipment is in high demand. This is mainly imported, local production being limited and not in demand due to various factors. The local demand is expected to increase, both for new and second-hand construction equipment and machinery.

The first 10 importers of construction equipment and machinery in Romania, according to their turnover in 2005, are:

No	Company	Turnover 2005 (million Euro)	Net Profit 2005 (million Euro)	No of employees 2005	Brands
1	Protruck International	18.6	1.26	159	New Holland, Iveco, Weber, Robin Subaru, Kern Diamant, Keil, Helvi, Enery Power Systems, Belle Group
2	Terra Romania Utilaje de Constructii	15.5	0.63	38	Nissan, JCB, Jumbo, Ranger, Crown, Lancer, HBM-Novas, Vibromax, AUSA, Pramac, CVS-Ferrari
3	Bergerat Monnoyeur	10.6	2.37	104	Metso Minerals, Bitelli, Sullair, Caterpillar, Cat Lift Trucks
4	Wirtgen Romania	8.0	0.49	14	Wirtgen
5	Inscut	5.4	0.03	166	Hidromek, Neuson Kramer, Hyundai, Tana, Allu, Bronto Skylift, Avant Tecno Oy, Junttan Oy
6	Inter Prima	5.0	0.45	39	Belle Groupe, Weber MT, Fuji Heavy Industry, Kern Diamant, Helvi, Keil, Yanmar, Koshin, Robin Subaru, Annovi Reverberi, Combiform, Airmec
7	RET Utilaje	4.3	0.51	21	Terex, Atlas Copco, Stone, Enar, Gesan, Ridgid, AEG, Abraboro
8	Ircat-Co	4.1	0.46	17	Bobcat, Ingersoll-Rand, Montabert, Flowserve, Hartl Powercrusher
9	Star West Market Impex	3.6	0.17	25	Hitachi, Venieri, Way Industry, Gamma4, NTC Stavebni Technika, Mista, Saint- Gobain Abrasives, CTE
10	Autoconstruct	2.9	0.06	20	Meiller, Faymonville, EMI TECNO, Stokota

The Romanian branch of the Swedish company, Volvo Romania, in the first nine months of this year sold 507 new trucks, 85 of which in September, according to the data released by the Association of Automotive Manufacturers and Importers (APIA). Volvo Romania sold 683 commercial vehicles of over 3.5 tonnes in 2005, according to APIA.

The company's revenues in 2005 revolved around 100m euros, including both revenues from truck and spare part sales and revenues from car service operations. The company's turnover last year went up by 20%, to 16.9m euros, from 14m euros in 2004 and Volvo Romania's net

income rose by the same percentage, from 1.54 million euros in 2004 to 1.84m euros last year, according to Finance Ministry data.

According to company sources, Volvo Trucks will step up its activities on the Romanian market amid constant construction market growth and the implicitly rising demand for specialised equipment. Romania will therefore become an important destination of the truck maker's investments.

The majority of the construction equipment on the Romanian market is imported due to the fact that:

- the imported equipment has superior technical performances compared to the one produced in Romania;
- the foreign companies have already made (in stock) construction equipment compared to the Romanian companies that produce this kind of equipment only on the clients' demand;
- the foreign companies can provide second-hand construction equipment that is in a very good technical conditions.

On the Romanian market there are only three companies that produce construction equipment. These companies are presented below.

Uzinele Mecanice Timisoara (UMT), with a number of 1,583 employees and a surface of 370,337 sqm, of which the built surface is of 127,190 sqm - the company is a significant plant in the Western industrial area of the country. The company's area of activity is represented by the construction of construction, mining, metallurgic equipment, traveling cranes, self-propelled cranes, self special machines, earth-working subassemblies and other equipment and parts such as: hydraulic cylinders, reduction gears, spare parts, electrohydraulic brake thrustors. The company has a yearly production of 800 tonnes of mining equipment, 600 tonnes of metallurgic equipment, 50 pieces of traveling cranes and cranes and 40 pieces of self-propelled cranes and self-special machines. The company exports its products to the following companies: Caterpillar France and Belgium, Nexus International USA, CGR Italy, Autogen PM Italy and Delu Germany. The majority shareholder of UMT is Prompt SA.

Ubemar Ploiesti, was set up under the name Uzina de reparatii Ploiesti, in 1969. The company produces cranes for indoor, industrial machinery manufacturing, complex equipment for concrete manufacturing and other equipment. Ubemar produces also spare parts for all its manufactured products and offers repairing services during the guarantee and post-guarantee period. The company exports its products in Russia, Israel and Iraq.

The industrial equipment producer Promex Braila, part of the industrial group Uzinsider, was set up in 1991. The company produces construction equipment, metallurgic equipment, refractory equipment, presses, excavators, scrap iron equipment, wheel sets, naval equipment, loaders, compacting road rollers, castings – forging and gearboxes. Promex recorded in 2005 a turnover of 16.5 million Euro, a 10% increase compared to 2004. The company's net profit increased from 2,500 Euro in 2004 to 29,600 Euro in 2005. Last year, the company started to decrease the expenses, especially the wage expenses, by reducing the number of employees. Last year Promex had 1,362 employees, compared to 1,510 at the end of 2004.

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