



SOLID WASTE MANAGEMENT AND RECYCLING IN ROMANIA

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Demo Report

by

FRD Center Market Entry Services

Summary:

1. Market brief - Solid Waste Management in Romania	2
2. Examples of recent projects of Solid Waste Management in Romania	4
3. Examples of players in the Solid Waste Management and Recycling sector.....	6
4. Examples of Associations.....	7
5. Trends in the Solid Waste Management and Recycling in Romania	9

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1. Market brief - Solid Waste Management in Romania

According to the Romanian Association for Solid Waste Management, the Romanian waste management market is an emerging sector, due to two factors:

- continuous growth of the quantity of generated waste
- the modernisation process which sets out new rules on waste management

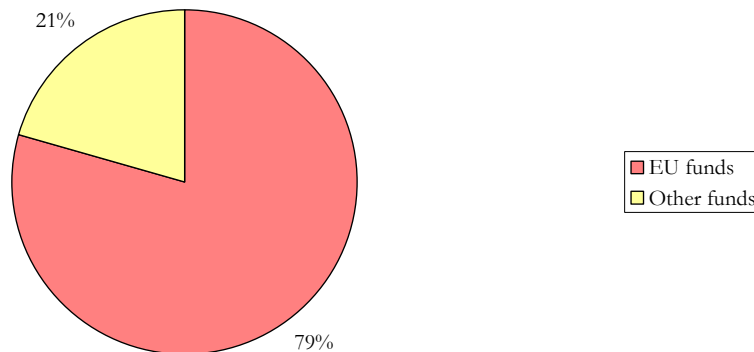
As part of the EU, Romania needs to fulfil specific targets concerning waste recycling. Therefore, the Romanian recycling sector has been developing ever since Romania has become a member of the European Union. Moreover, EU funds are available for this sector.

The strategy and the distribution of the funds on the environment sectors in Romania are performed through the Sector Operational Programme Environment (SOP Environment). The Priority Axis 2 of the SOP Environment is the Development of integrated waste management systems and rehabilitation of historically contaminated sites.

The SOP Environment covers the period of 2007 - 2013 and finances investments in the waste management, including the zoning of the ecological landfills, the elimination of the non-ecological landfills and selective collection operations.

In order to meet the EU requirements, approximately 1.17 billion EUR are estimated to be directed to waste management and recycling in Romania, during the period 2007 - 2013, out of which 930 million EUR represent EU funds.

**Amounts estimated to be directed to
waste management and recycling in Romania, during 2007 - 2013**



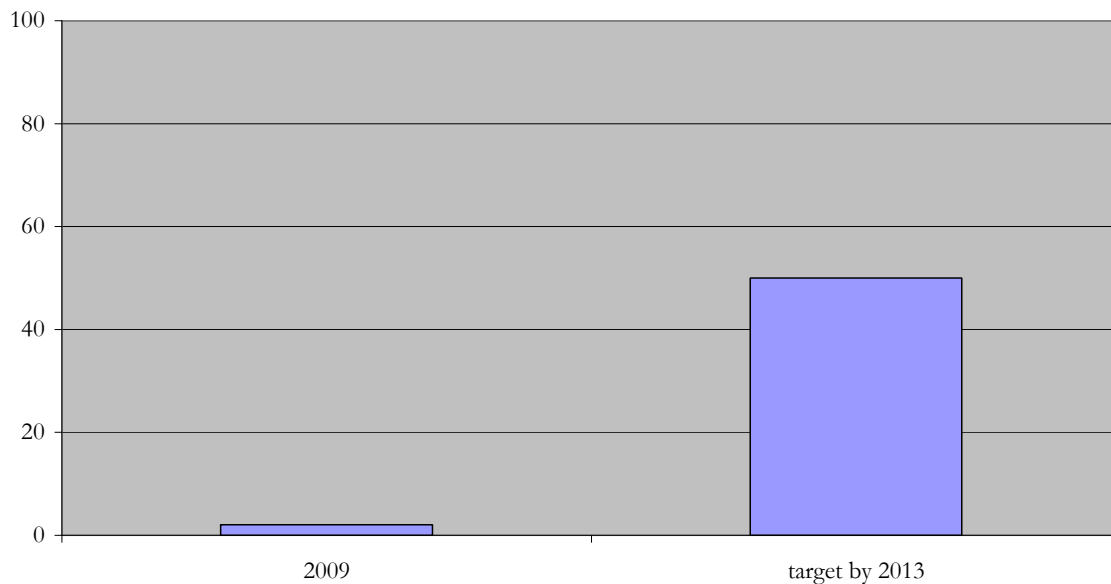
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The most frequent method of waste disposal remains landfill. Selective collection is done only in certain pilot centres and most of the recyclable materials are lost to landfill. So far, Romania closed 137 non-compliant waste landfills and has to close another 100 landfills.

Romanian waste management challenges various factors. One of its main problems is the increasing amount of plastic waste in concurrence with declining landfill space. The usage of PET is growing in Romania at a rate of 15% per year.

Romania has to be able to recycle approximately 50% of its waste by 2013. In 2009, the Romanian recycling sector hit only a 2% rate of recycling, given a 22 million population and an annual generation of approx. 380 kg of municipal waste per capita, to which the industrial waste adds up.

Rate of recycling in Romania



The Ministry of Environment developed the National Waste Management Strategy, with the purpose to create the necessary framework for the development and implementation of an environmentally and economically sound integrated waste management system.

In the last two months, the Ministry of Environment and Forests signed over ten contracts for waste management with the value of some 800 million EUR.

Within the conferences for the waste management and the environment financed programmes at the Romenvirotec Exhibition 2011, the representatives of the Ministry of

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Environment and Forests mentioned the fact that Romania has to find out a balance between the waste incineration system and the storing system, despite the fact that, during the negotiations with the EU, Romania targeted the principle of waste storing. Romania will have soon two incinerators, in Bucharest and Brasov, and these will allow the waste energetic recovery.

Waste collection and recycling is a success business in Romania. Investments in equipment are nowadays not only encouraged by the availability of EU funds, but are also a necessity given the lack of capacity to fulfil the EU recycling requirements by 2013. Important companies at European level invested significant amounts in waste recycling in Romania, in equipment, transport machines and installations.

2. Examples of recent projects of Solid Waste Management in Romania

2.1. Rombat develops recycling capacity



Rombat, the biggest producer of auto batteries in Romania, intends to be more and more involved in the environment protection and started in 2010 to develop its recycling capacity located in Copsa Mica. At present, the company is testing an oven with the capacity of 14,000 tones of plumb per year, three times higher than the existing capacity, which leads to a total capacity of 20,000 tones per year. This will help the company to significantly increase the efficiency of the plumb recovery from the used batteries.

Rombat invested 7.9 million EUR in 2010 in Rebat Copsa Mica, in order to increase the processing capacity of the used batteries and the extraction of plumb and other raw materials.

2.2. Integrated waste management in Neamt

The project “Integrated solid waste management system in Neamt county” with the total value of 33,412,188 EUR (without VAT), out of which 24,289,748 EUR represent EU funds through the European Regional Development Fund, has been approved.

The beneficiaries of the projects are the entire population of the county (some 557,400 inhabitants). The project will be implemented on a period of 44 months. The project’s objectives are to improve and expand the municipal waste collection, at the county level.

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2.3. Incinerator of medical and dangerous waste launched in Brazi

The best performing incinerator of medical and dangerous waste in Romania was launched in the Brazi Industrial Park. The modern investment of some five million EUR is a 100% private investment and has the capacity of 4,000 tones of ecologically recycled waste per year. The majority of waste comes from the Prahova's neighbouring counties and from Bucharest.

2.4. Household waste in Bucharest to be transformed into electrical power

Adama Technologies Corp will construct near Bucharest a plant of 2.5 MW to transform the biogas produced from household waste into electrical power. Romania will guarantee the supply of household waste and the local companies - Transelectrica and Enel Muntenia Sud - will guarantee the acquisition of the produced energy. This is a requirement of the European Commission due to the fact that the energy from biogas and biomass is considered "green".

At each MWh produced and supplied, Adama Technologies Corp receives a green certificate which will be traded on the Romanian Power Exchange OPCOM. The deal with the local companies for the biomass supply will be on a period of ten years - with the possibility to expand the period with another ten years. Adama Technologies Corp has the financing for 15% of the total investments and will receive the permits in the next months.

2.5. Integrated waste management system in Suceava

The contract for the project "Integrated solid waste management system in Suceava county" was signed in April 2011. The project will be implemented during a period of 56 months and its beneficiaries will be 685,700 persons.

The project's total value is of 218,045,617 RON (without VAT), out of which the grant from European Regional Development Fund is of 150,715,368 RON. All the components will be implemented according to the acquisitions strategy, through 13 contracts, out of which five contracts for services, six contracts for works and two contracts for supply.

3. Examples of players in the Solid Waste Management and Recycling sector

3.1 Remat Holding



Remat Holding is authorised to collect and recycle ferrous metallic scrap, non-ferrous metallic scrap, end-of-life vehicles, waste electrical and electronic equipment, non-metallic scrap (paper, plastics, glass, wood etc). Remat Holding has branches in Bucharest, Buzau, Prahova, Vrancea, Dambovita, Dolj and Olt.

Remat Holding is processing over 300,000 tonnes of ferrous scrap per year, using modern machines and equipment for loading, unloading, sorting, pressing, debiting, crushing and balling scrap.

Remat Holding is continuously investing in modern and efficient recycling machines and installations, corresponding to the EU regulations for the environment protection.

3.2 Uni-Recycling



Uni-Recycling is a Romanian-German company, authorised to perform activities of collecting, recycling and revaluating of metallic wastes (electrical equipment and electrical house equipment), non-metallic wastes (cardboard, plastic materials, textiles, wood), dangerous wastes, contaminated soils and mud, water filtering, compost production etc.

The company has a solution for the reintroducing in the economic circuit of the wastes that can not be recycled and for their transformation into an economical good through the processing of the alternative combustible.

Uni-Recycling participated as exhibitor at the Romenvirotec Exhibition 2011.

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3.3 Greentech



Greentech is a plastic waste recycling company, set up in 2002. The company purchase from authorised collectors or companies that generate waste: PET post-consumer bottlers (with or without caps and labels, sorted or not by colours, compacted in view of transportation), PP and PE post-consumer films (sorted by colours, compacted in parcels in view of transportation) and other types of waste materials.

Through the processing activities, the company converts the waste into high purity PET flakes and chips, PE and PP pellets, regrind or pellets of various materials.

4. Examples of Associations

4.1 Romanian Association of Solid Waste Management



The association focuses on activities connected to waste management, recycling and re-use, according to environmental issues. The association started its activity in 2000 as a professional institution focusing on a general improvement of the quality of waste management operators' activities, the promotion, on a national level, of new strategies, policies and norms in the waste management services and environmental protection, the creation of a new, ecological attitude of the population towards the environment.

The main activities of the association are:

- providing professional training and specialised consulting services
- cooperation in the field of waste management, recycling, and environment protection
- collaboration with similar authorities and organisations in Romania and abroad
- organising symposiums, conferences, seminars and exhibitions
- publishing information materials resulting from studies and research

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4.2 Environ



The Environ Association was set up in 2007 at the initiative of four companies: Domo Retail, Asesoft Distribution, Singer Appliances and ABN Systems.

The association's purpose is to take over the responsibilities of the manufacturers and importers related to the collection, treatment, recovery and non-pollutant disposal of waste electrical and electronic equipment. The association developed an efficient waste electrical and electronic equipment take-over and recovery system in compliance with the legislation in force and with the National Waste Management Strategy and the National Waste Management Plan. The main financing instrument of the Environ Association is the "green tax" charged at the price of sold products.

Environ participated as exhibitor at the Romenvirotec Exhibition 2011, with its newest project: the selective collection centre EcoRampa, designed on ten waste fluxes.

4.3 Eco-Rom Ambalaje



The organisation was set up in 2003 by a group of companies active on the domestic market that had the initiative of implementing in Romania the "Green Dot" system - the European system for the integrated management of packaging waste.

The Eco-Rom Ambalaje organisation fulfils the objectives related to the recovery and recycling of the package materials introduced on the market by the companies that manufacture or import packaged products. At present, over 1,400 companies in Romania benefit from the services range provided by Eco-Rom Ambalaje.

During the period 2005 - 2006, Eco-Rom Ambalaje initiated, in partnership with local authorities and waste operators, pilot projects in the field of selective waste recycling in ten

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localities in Romania, on samples of 10,000 inhabitants. In 2007, Eco-Rom Ambalaje launched the National Selective Waste Collection Programme. Starting with 2009, as a result of the investments made by Eco-Rom Ambalaje, over three million inhabitants from 73 localities in Romania have access to the selective waste collection infrastructure.

4.4 Ecotic



The purpose of the Ecotic association is to protect the environment by taking over the responsibilities of the manufacturers or importers in order to achieve the annual targets of collection, reuse and recycling of waste electrical and electronic equipment. The association reports the management strategy and the results of its activities to the National Environment Protection Agency.

Ecotic acts as an interface between consumers, on one hand, and collectors and recyclers, on the other hand.

5. Trends in the Solid Waste Management and Recycling in Romania

According to the Ministry of Environment and Forests, Romania intends to implement the integrated waste management system in all its counties by 2015. The local authorities have the responsibility to implement the system.

According to the Waste and Dangerous Substance Management Department within the Ministry of Environment and Forests, the 50% waste recycling target set for 2020 is impossible to reach and a realistic goal would be the year 2030.

The transitional periods for the compliance with Landfill Directive No 1999/31/EC for certain types of waste landfills are:

- municipal landfills - transition period by 2017
- industrial non-hazardous waste landfills - transition period by 2013

The targets set for 2013 involve recycling percentages of 60% for paper and cardboard, the same as for glass, 50% for metal, 22% for plastic and 15% for wood. To this, a recycling percentage of 65% of the WEEE is added.

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Sources consulted for this report: business mass media, the companies, official sources

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