



Waste Water Management Sector in Romania Newsletter

February 2009

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Only 410 water treatment stations in Romania functioned adequately in 2007

According to the Ministry of Environment and Sustainable Development, out of the total 2,210.271 million m³/year of waste water that needed treatment in 2007, 498.868 million m³ per year were adequately treated, 790.320 million m³ per year were non-treated and 920.083 million m³ per year were insufficiently treated. Out of the total number of 1,348 treatment stations investigated in 2007, 410 stations (30.4%) functioned adequately and 938 stations (69.6%) functioned inadequately.

According to the Romanian Waters National Administration (ANAR), out of almost 400 water treatment stations in various construction stages in Romania, only 14 are complying with the legislation in force. The most modern stations are in Iasi, Cluj-Napoca, Arad and Brasov. The most affected counties are Dolj, Arges, Bacau, Bihor, Suceava, Teleorman, Valcea, Timis and Vaslui.

Lugoj City Hall modernizes the water treatment station

Lugoj City Hall modernizes the water treatment station with a total investment of some 6 million EUR. 50% of the investment represents grants from the Ministry of Environment and Sustainable Development. The station will have new equipment and installations and the project is estimated to be finalized at the end of 2009.

Water and waste water project in Satu Mare was launched recently

The project "Water and waste water system in Satu Mare" was launched recently, following an investment of 37.3 million EUR, out of which 26.5 million EUR represented ISPA funds and 10.8 million EUR funds of local authorities (obtained through a loan from the European Investment Bank). Within the project, six km of pipes were installed, the existent pipes were replaced, electrical installations and pumps were rehabilitated, 15 shafts were rehabilitated and the waste and waste water treatment stations were rehabilitated.

Waste water treatment station in Constanta Harbour

The waste water treatment station in Constanta Harbour was launched in July 2007, following total investments of 7.6 million EUR. The installation treats waters with oil residues and pluvial waters resulted from the activity of Oil Terminal company and oil residues resulted from ships. The treatment station has the capacity of 815,000 c³ per year. 49% of the project financing represented funds from the European Investments Bank and 51% represented own funds of the National Company "Maritime Harbour Administration" SA. Siemens won an international tender for the construction of the waste water treatment station in Constanta Port. Siemens supplied and installed the station's systems and equipment and also constructed the operational buildings and the related infrastructure elements. The waste water treatment station in Constanta Harbour is the last component of an ample project, named "Project of Environment and Waste Management in Constanta Harbour". After this project is completed, the Constanta Harbour complies with the international environment standards.

Construction works at Glina treatment station are in progress

One of the biggest problems of the waste water system in Romania is the inexistence of a treatment station in Bucharest. The construction works at a waste water treatment station in Glina, Ilfov county (near Bucharest) are scheduled to be finalized by year 2010. The treatment station in Glina will have the capacity of 10 m³ per second. At the end of 2006, the Bucharest City Hall announced investments of over 250 million EUR in the Glina station by year 2015.

Development of waste water project in Constanta area

According to the Ministry of Environment and Sustainable Development, the ISPA project “Rehabilitation of the sewerage and waste water treatment networks in Constanta area” is in progress at the present. The project’s estimated value is of 96.5 million EUR and the covered areas include Constanta, Eforie, Mangalia and Mamaia. The estimated period for the investment finalizing is 2009 – 2010. The investment for the project “Rehabilitation and modernizing of water and sewerage systems in Constanta county”, with funds from the International Bank for Reconstruction and Development, will start in 2009. The estimated value of this project is of 100 million EUR. According to the Treaty of Accession, the localities with over 10,000 inhabitants, located on the coast area, must have advanced treatment stations (tertiary level) by 2010.



197 contracts for the environment sector were signed under the ISPA programme

According to the Ministry of Economy and Finance, out of the 388 contacts signed within the ISPA programme, 197 contacts are for the environment sector, 84 for transport sector and seven contacts for the increase of the institutional authority. The highest amount of money (1.15 billion EUR) was directed to the environmental sector for the rehabilitation and expansion of the water and sewerage networks – the amount represents the value of 79 contacts. In the environment sector, within the ISPA programme, nine contacts were cancelled, out of which the most important is related to the rehabilitation and expansion of the water and sewerage networks in Cluj-Napoca, stage 1, with the value of 34.08 million EUR

Development of waste water project in Ranca area

The Ministry of Development, Public Works and Housing signed in October 2008 the contract “Integrated development through the optimisation of ski field and the ecologic system of the domestic waste water collection and treatment in the Ranca tourism area, Gorj county” - Lot 1, financed through PHARE programme CES 2006 – Component of regional infrastructure. The project has the total value of 3.09 million EUR without VAT, out of which 1.83 million EUR are PHARE financing and 0.61 million EUR are co-financing from the state budget. The beneficiaries of the works are Novaci Local Council, Baia de Fier Local Council and Gorj County Council. The contract stipulates the construction of a 10km-sewerage network and four treatment stations. The construction works will be finalised in 18 months after the contract signing

National Company of Pit Coal invests in treatment stations

National Company of Pit Coal Petrosani invests some 0.5 million EUR in treatment stations of domestic water at Petrila and Vulcan mining exploitations and some 0.5 million EUR in treatment stations of mining water at Lonea and Petrila mining exploitations. National Company of Pit Coal Petrosani is under the authority of the Ministry of Economy and Finance.

Tax for waste water in Bucharest

In October 2008 the Bucharest Council approved a decision project related to a tax for waste water of 0.10 RON per m³. According to the decision project, this tax for waste water will cover the loans contracted by the Bucharest Council from the European Bank for Reconstruction and Development and the European Investment Bank for the treatment station in Glina. The tax for waste water will be calculated and updated annually. The tax will be collected from individuals and juridical entities that have sewerage contracts with Apa Nova Bucharest.

Apa Nova Bucharest intends to invest some 25.7 million EUR in 2009

Apa Nova Bucharest is the concessionaire of water and sewerage public services in Bucharest. The company's shareholders are Veolia (83.69%) and the Bucharest City Hall (16.31%). The company's object of activity includes the administration of water resources, water treatment and distribution to consumers, waste water evacuation in Bucharest.

Apa Nova Bucharest budgeted for 2009 investments of some 25.7 million EUR, for the expanding of security network, professional training, environment protection and new auto vehicles. Apa Nova Bucharest recorded in the first nine months of 2008 a turnover of 97 million EUR (compared to 120 million EUR in the similar period of the previous year) and a net profit of 16 million EUR.

Ecomaster provides integrated waste management services

Ecomaster Servicii Ecologice is a member of the Rompetrol Group. Ecomaster provides integrated waste management services: prevention and reduction of waste generation, collection and storage of the industrial waste, deposit service implemented through the construction of a large capacity landfill, treatment of the dangerous waste, modernization and operation of the waste waters infrastructures.

The project implemented by Ecomaster, related to the integrated waste water management, consists in the modernization and operation of the waste water treatment plant of Navodari, which serves both industrial units (Petromidia Refinery, Rompetrol Petrochemicals, Centrala Termoelectrica Midia, Petromar) and the domestic waste waters of the town of Navodari.

With a total budget of 10.5 million USD, Ecomaster integrally solved the problems related to the efficiency of removing the waste water polluting agents by improving its percentage level from 70% at the most, before the modernization stage, to more than 96%, today.

Ecomaster estimates a turnover of 16 million USD in 2008, this representing an increase by 68% compared to the previous year and a net profit of over two million USD. According to Ecomaster's representatives, some 80% of the turnover estimated for this year represents contacts with Rompetrol Group. Ecomaster intends to invest 6 – 7 million USD in the next two years in the construction of an industrial waste warehouse.



Romania has to invest 9.5 billion EUR by 2018 in water systems

The Romanian authorities have to invest 9.5 billion EUR by 2018 for the waste management, water and waste water administration.

According to the Ministry of Environment and Sustainable Development, 32% of the population in Romania do not have water and sewerage services.

According to the EU stipulations, by 2018 at least 90% of the localities in Romania must be connected to water, sewerage and water treatment stations that comply with the EU standards.

The Romanian companies can apply for EU Gateway project

The companies active in the field of energetic and environment technologies, which are interested to enter the Japan and South Korean markets through EU Gateway project, carried out by Deloitte Romania, can submit applications by 5 January 2009.

Within the third stage of this project initiated by the European Commission, the companies that produce or develop innovative techniques and technologies in the energy generation, management and control, energetic effectiveness, waste water treatment, air pollution, waste management, recycling, soil treatment and phonic pollution can fill in the form provided by Deloitte Romania.

If the companies are eligible for this project, they will fill in the application for in order to start businesses on the Japan and South Korean markets. According to Deloitte sources, the entire process is carried out online.

Romet group expecting 15pc rise in 2008 turnover

The Romet group, a provider of equipment and technology for the water industry, is estimating a 2008 business turnover that exceeds by 15% its 2007 turnover of more than 220 million EUR.

According to company sources, because of a financial blockage, some 35% of the business orders for November and December have been cancelled and some of the external customers have delayed their paymentsto them.

Had it not been for these problems, Romet would have probably recorded better results.

Romet's exports to other EU countries accounted for nearly 15% of the group's 2007 total turnover and they aim to double the export figures in 2009.

The group's 2009 investment plan is standing at 5-6 million EUR, 3 million of which will be invested in plant and equipment.

The group has recently opened a pipe factory in Buzau for water carriage for irrigations, the largest such investment in Romania.

The Romet group of companies is made up of 15 companies and it is the sole provider in Romania of all kinds of installations and accessories for complete irrigation systems, offering turnkey watering systems, providing their design, build and servicing.

Their systems are said to offer solutions for all kinds of crops and being economical in terms of water and power use.

WSP Group in Romania

The WSP Group established its office in Bucharest in May 2006. The office comprises mechanical and electrical engineers, environmental consultants and engineers, as well as visiting structural, transport and lift engineers.

During 2006 WSP formed partnerships with local Romanian companies to provide the detailed design and cost management services on a number of projects. The Group provides mechanical, electrical, lift, life safety, infrastructure, transport, structural, fire, environmental and project management services.

The company's clients include industrial companies, banks, investment funds, developers, tenants and contractors to the public sector – the European Bank for Reconstruction and Development, the European Commission and the Municipality of Bucharest. WSP collaborated with the developer Cascade Group. WSP is currently managing various projects in Romania, including major property developments (commercial, residential and retail), large industrial facilities and transport schemes



Selection of negative aspects of water systems in Romania

- Many companies in Romania evacuate industrial or domestic waste water without treatment or with an inadequate treatment in the hydro-graphic basins, thus representing pollution sources. One example is the company Apa-Canal SA Sibiu that evacuates partially treated waste water in the Cibin river and pollutes it with organic substances, ammonium, sulphurs and detergents. A project for the treatment station rehabilitation, with ISPA funding, was drawn up.
- The Cisdie – Mohu collector is clogged and the industrial and domestic waste water in Cisdie city are evacuated without treatment in Cisdie river. Thus, the river is polluted with organic substances, ammonium, sulphurs and detergents. The works for the collector rehabilitation are in the finalising stage.
- The works at the Agnita treatment station stagnate due to the fact that the City Hall does not have financing resources. The domestic and industrial waste water is evacuated without treatment in Hartibaciu river. Thus, the river is polluted with organic substances, ammonium, sulphurs, detergents, chromium etc.
- The water treatment station in Avrig does not operate adequately and the Avrig river is polluted with organic substances, ammonium, sulphurs and detergents.
- The domestic and industrial waters in Ocna Sibiului area are evacuated in Visa river due to the inexistence of a treatment station in this area. Thus, the river is deteriorated on a section of some 4 km.

Government programme for the rehabilitation of water supply and sewerage systems in Romania

In order to comply with the EU requirements for potable water and waste water, the Ministry of Development, Public Works and Housing carries on a programme named “Integrated system for rehabilitation of water supply and sewerage systems, drinking water treatment stations and waste water treatment plants in the localities with a population of maximum 50,000 inhabitants”.

The amount of the programme is of 510 million EUR. The estimated cost of the first stage of the project is of 208.1 million EUR, out of which 182 million EUR (87.5 %) are allocated for rehabilitation works and equipment. The total costs also include the value of the technical assistance required for revising the feasibility studies or for elaborating them, where missing, the value of the technical designs, the environmental impact studies, the tender documents, the assistance for the evaluation and supervision of works.

The financing sources are: 77% (loan from the Council of Europe Development Bank), 19.20% (local budgets of the involved territorial administrative units) and 3.80% (the Government of Romania). The schedule of works is during the period 2007 – 2011. The project will be implemented and finalized in two stages. The implementing time is estimated for the achievement of all the activities (studies, designs, execution details, tenders for service and work procurement contracts, supervision and acceptance of works).

The localities per county included in the project are: Bihor county (Alesd, Beius, Marghita, Salonta, Stei), Bistrita Nasaud county (Beclean, Ilva Mica, Lunca Ilvei, Nasaud, Rebrisoara, Salva, Singeorz Bai), Calarasi county (Calarasi, Lehliu Gara, Oltenita), Constanta county (Basarabi, Cernavoda, Eforie, Harsova, Medgidia, Navodari, Negru Voda, Ovidiu, Techirghiol), Dambovita county (Fieni,

Gaesti, Pucioasa, Titu), Gorj county (Bumbesti, Motru, Rovinari, Targu Carbunesti, Turceni, Ticleni), Harghita county (Baile Tusnad, Cristuru Secuiesc, Gheorghieni, Lacu Rosu, Miercurea Ciuc, Odorheiul Secuiesc), Mures county (Corunca, Danes, Fantanele, Reghin, Sarmasu, Sighisoara, Sincaiu de Mures, Singeorgiu de Mures, Sovata), Tulcea (Babadag, Isaccea, Macin, Sulina), Vaslui county (Husi, Murgeni, Negresti).

The project is aimed at:

- combating cross-border pollution, by developing environmental infrastructure (waste water treatment plants and sewerage systems) in the hydro-graphic basis of the rivers Cris, Somes-Tisa, Mures, Olt, Prut, Siret, Jiu, Arges-Vedea, Buzau, Ialomita, starting with their upstream area, the Danube and Dobrogea – Black Sea Hydro-graphic Basin
- improving the quality of the drinking water supplied to population, including the localities where it has major irregularities (there are localities where the water supply is provided directly from the Danube)
- providing permanent quality drinking water supply of the localities included in the project
- reducing losses in the network, decreasing the consumption of energy and chemical reagents used for water treatment
- mitigating pollution of soil and groundwater and of recipient surface water



Selection of waste water management tenders:

- “Engineering design services for the project financed through the European Fund for Agriculture and Rural Development: sewerage and treatment station in Pietroasa commune and modernizing of alleys in Pietroasa commune, Bihor county”. The services stipulated in the project are architecture services, specialized and integrated engineering services, urbanism design services, scientific and technical consulting services, testing and technical analysis. The contracting authority is Pietroasa Local Council and the participation deadline is 19 January 2009. The procedure type will be open tender. The finalizing period of the project is of 60 days from the contract signing.
- “Water supply system, sewerage and treatment station in Trifesti commune, Iasi county”. The deadline for the submission of offers and participation forms is 30 January 2009. The procedure type will be open tender. The finalizing period is of 28 months from the contract signing.
- “New treatment station in Tulcea area”. The project is related to a treatment system of domestic waste waters in Tulcea area with the capacity of 100,000 PE and includes: design, obtaining of authorizations, training of exploitation personnel, testing and putting in service.



The procedure type will be open tender. The finalizing period of the construction works is of 48 months from the contract signing. The deadline for the submission of offers and participation forms is 12 February 2009.

- „Expanding and rehabilitation of the treatment station in Calarasi area”. The project is related to the treatment system of domestic waste waters in Calarasi area with the capacity of 83,300 PE including: design, obtaining of authorizations, constructions for rehabilitation, training of exploitation personnel, testing and putting in service. The procedure type will be open tender. The finalizing period of the construction works is of 48 months

Romania offers immense opportunities for U.S. environmental companies

According to the United States Department of Commerce, International Trade Administration Global Environmental Team, Romania offers immense opportunities for U.S. environmental companies as the country undertakes an estimated \$35 billion in investments required to upgrade environmental conditions to EU standards by 2019.

EU funds are expected to cover around 34 percent of investments, with the rest requiring government and private funds, including loans from international financing institutions and private-public partnerships.

Best opportunities for U.S. environmental exports to Romania focus in the highest priorities for these investments, which include water and wastewater, solid and hazardous waste management, and large combustion plant air quality control.

Company profile: C&V Water Control

1. General data

| | |
|-------------------------|---------------------------------|
| Company name: | C&V Water Control SRL |
| Address (headquarters): | Sos. Electronicii 19, Bucharest |
| Phone: | +4021 2525307 |
| Fax: | +4021 2525309 |
| Web: | www.cv-water.ro |
| E-mail: | water@cnav.ro |
| Year of establishment: | 2004 |
| Ownership: | n/a |

2. Financial data

| Year/Category | Turnover (mil. EUR) | Employees | Net profit (mil. EUR) |
|---------------|---------------------|-----------|-----------------------|
| 2007 | 1.6 | 32 | 0.072 |
| 2006 | 0.7 | 7 | 0.029 |
| 2005 | 0.2 | 2 | 0.001 |

| Type of investment | already done | announced |
|--------------------|--------------|-----------|
| n/a | | |

Total assets (2007): 1.5 million EUR

3. Brief profile

C&V Water Control produces and sells equipment and technologies for the treatment of potable and waste waters in residential, commercial, industrial and municipal applications. The company distributes in Romania and Republic of Moldova through its own network of area representatives and the warehouse in Bucharest. The company is ISO 9001:2001 certified.

Some examples of the company's works are: treatment station for Tehnologica Radeon, treatment station for Ibiza residential center, treatment station for Avicola Crevedia, distribution network of potable water and treatment station in Bunesti commune etc.