

## Emulate Mittal Steel's Success Story

# Romania provides strategic access to European markets



Dorin Stefan Refca

Romania is strategically located in Central Europe, providing market access to an estimated 300 million consumers in countries in Western Europe as well as those belonging to the former Soviet bloc. Romania has been involved in India's industrialization for long. In fact, the first oil, and gas refinery in India, the Guwahati Oil and Gas Refinery was executed by a Romania-based company. Trade between India and Romania has been on the spurt during the last two years. **Dorin Stefan Refca**, Romania's Trade Commissioner has a challenging task on hand. Refca wants Indian companies to take advantage of opportunities that would be available in 2007, when Romania would become a member of the European Union. In the past, India and Romania had identified IT, energy, pharmaceuticals, metallurgy and heavy industries, as sectors for special focus and collaboration. Refca is focusing on these and many other sectors.

### What is the history of the trade relations and the potential areas of trade and commerce between India and Romania?

Relations between Romania and India have traditionally been marked by cordiality and cooperation. India represents one of the most important economic partners for Romania in Asia, a solid market for Romanian goods and an important supplier of many products needed by our economy. At the same time, Romania and India have achieved together in a number of economic projects in the past in various fields like oil, petrochemicals, energy, weaving machinery etc. The first oil and gas refinery in India, the Guwahati Oil and Gas Refinery was executed by a Romania based company.

In 2003, the bilateral trade between India and Romania was recorded as 136.1 million dollar, out of which 53 million was Romania's export to India and the rest was India's export to Romania. In 2004, the trade doubled to around 265.7 million dollars, out of which 129 million was our export and the rest was India's export to Romania. It was the same year when I came to India.

In 2005, the figures showed an increase of 69% in the

bilateral trade, which amounted to 449.9 million dollars, out of which 272.3 was our export and 177.6 was India's export. These figures are quoted on the basis of a Romanian Government study. In the same year, India became the first destination of the Romanian exports in Asia and Oceania.

### Which are the sectors where you see the maximum growth?

Our main export to India is steel and steel products like sheets, pipes etc. We also export machine building industry products (i.e. equipment for oil industry, energy sector), machine tools and machines and parts for the cement plants, steel plants and certain chemicals. India exports iron ore, chemicals, pharmaceuticals, textiles and machineries (i.e. for the pharma industry), gift items etc.

### Which are the Romanian companies in India?

We have no Romanian company established in India. But we have to note the efforts made by the authorities and non-governmental organizations of both countries to promote the direct contacts between the Romanian and Indian businessmen. In the last two to three years, we have

several economic missions from India visiting Romania while every year, at least one to two delegations visited India from Romania.

In 2005, we had two Romanian delegations, one in March-April and the other in of October-end that visited India, both focused mainly on oil, gas, petrochemical and the energy sector. The October delegation comprised the Economy and Commerce Minister of Romania, Mr. Ioan Codrut Seres. He was invited by the Indian Minister of Oil and Natural Gas. Our Minister also met the Indian Trade Minister, Mr. Kamal Nath and a number of industrialists. This delegation from Romania was a follow-up of the Indian delegation which visited Romania in July with the former minister, Mr. Mani Shankar Aiyar. Scheduled during the same time (with the Minister's visit) was another trade delegation organised by CII, where we met Tata Motors, Tata International, Birla, and Shell India etc.

The Bucharest International Fair of Consumer Goods, the second largest fair in Romania, had around twenty five participating Indian companies. This fair was organised in end May- June beginning, 2005. In February 2004, an Indian delegation from the Synthetic & Rayon Textiles Export Promotion Council had visited Romania for a textile exhibition. All these events were an opportunity for the businessmen to know each other better and to build confidence to do more business.

In 2006 too, we will try to bring some important India business delegations to our country for the trade fairs and we are working on those plans. Organising delegations' visits is very important as this helps the businessmen from both countries.

### What has been your experience in Mumbai?

Before coming to Mumbai, I had some other alternatives. But I chose coming to Mumbai because it is a commercial hub, having a very active economic and commercial life and one can do a lot here.

### What are the bilateral trading opportunities available in both countries?

Our country provides very good investment opportunity for Indian companies. In 2007, it is going to be the member of the European Union and hence, the investors are welcome to Romania. I believe this will give them a wonderful trading experience.

In the field of trade and investment, Romania offers its Indian partners an advantageous competition, such as excellent geographical position in Central Europe,



allowing a good access to the markets of Western Europe, Eastern and South Eastern Europe and former USSR countries; the important size of the Romanian market, being the second largest in Central Europe, after Poland; a wide range of natural resources including fertile land, wood and an important potential for tourism; wide opportunities for sea and river transportation. Romania is well connected, with Constanta being the largest Black Sea Port, through the Danube river to the network of canals up to the Germany - North Sea. Our geographical location facilitates access to over 300 million consumers at a distance of not more than 1000 km.

Amongst the Indian companies who are already present in Romania are Ranbaxy (pharmaceutical industry), GHCL Ltd. (chemicals), Viraj Group (steel), Asmita Constructions (real estate) etc.

In 2006, we hope that other companies like Mahindra and Mahindra, which is going to buy a Tractor factory and is also involved in promoting co-operation in tourism, Wipro and others will finalize their negotiations. The success story to be shared is that of Mittal Group which has built number of steel plants in Romania. Till now about 200 companies are registered in Romania by Indian companies or individuals.

Besides the products which Romania exports traditionally here, we are trying to promote some new products like furniture and wine in India as well.

### Anything you would like to add?

TCF is a unique and useful association. We can not only have co-operation and friendship but also can share the common problems and issues and resolve them. We regularly meet the industrialists and the chambers of commerce, which helps in presenting our issues in a more organised manner. ■