

Sector Report

Railways

Romania

Produced by:

Andreea Radu, Senior Trade Development Adviser, British Embassy Bucharest

Cristina Trifon, Trade Development Adviser, British Embassy Bucharest

Last revised August 2009

Whereas every effort has been made to ensure that the information given in this document is accurate, neither UK Trade & Investment nor its parent Departments (BIS and the Foreign & Commonwealth Office), accept liability for any errors, omissions or misleading statements, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organisation mentioned.

Published **August 2009** by UK Trade & Investment.
Crown Copyright ©.

Table of Contents

OVERVIEW	3
CHARACTERISTICS OF MARKET	5
OPPORTUNITIES	12
KEY METHODS OF DOING BUSINESS	13
MORE DETAILED SECTOR REPORTS	13
PUBLICATIONS	14
EVENTS	14
CONTACT LISTS	14

OVERVIEW

Romania has a total rail network of 22,000 km, of which the operational rail network totals 11,000 km. Of the operational network, 36% is electrified and 27% is double track, making Romanian railway one of the largest networks in Europe. The combined total transportation by rail accounts for 45% of all passenger and freight movement in the country. Local transport in Romania includes about 1,000 km of tram double track in major cities and metro in Bucharest.

Development and rehabilitation of the rail transport system is a high priority for the Romanian Government and there is a national strategy that assures by 2010 interoperability and upgrade of the network. Several European Transport Corridors pass through or extend into Romania; the main priority is Corridor IV, whose total cost of rehabilitation is estimated at over EUR 5 billion.

Over EUR 4,5 billion are available for the operational transport programme between 2007-2013 from European funding. In conformity with the data released by the Ministry of Transport and Infrastructure, during the first 5 months of 2009, EUR 750 million were spent, an 18% increase compared to 2008.

Other objectives included in the Government strategy are: the increase of the projected technical speed on the railways by 25% and the reduction by 50% of the circulation time for both passenger and freight trains, renewal of the current rolling stock, station's modernization, development of the railway infrastructure in the river-maritime basin of Constanta Port.

The actions to be taken by The Ministry of Transport are:

- Finalising by 2009 the modernisation works on Bucuresti-Constanta section and by 2011 of Campina-Brasov section, as part of IV Pan-European Corridor;
- Finalising by 2012, instead of 2013, the modernisation works on section Curtici-Brasov, as part of Pan-European Corridor IV;
- Finalising the project phase for modernisation of Corridor IX by 2009 and starting the works by 2010 (Giurgiu-Bucuresti-Suceava-Vadu Siret);
- Electrifying and doubling the lines Cluj-Oradea and Iasi-Tecuci;
- The change in TUI (current tax for using the infrastructure) by introducing the tax for each wagon instead of the tax for the entire train;
- Reducing by 25% TUI for freight trains with permanent operations;
- Modernisation and reconstruction of Gara de Nord train station by changing the destination of the auxiliary areas in commercial spaces;
- Rehabilitation by PPP of Cluj, Sibiu, Alba Iulia, Timisoara, Iasi, Craiova, Constanta, Galati train stations;
- Improving signalling systems on IV and IX high speed Pan European Corridors (160km.);
- Renew and modernisation of the current fleet by acquiring 100 new electrical frames, 500 new wagons and modernising 700 wagons and 300 locomotives;
- Finalising by 2010 the underground line 1 Mai-Laromet (3.1 km – 2 stations)
- Starting the works for the underground line 5 Ghencea-Drumul Taberei-Eroilor-Universitate-Pantelimon and finalising the first section Ghencea-Eroilor by 2012;
- Acquiring another 26 trains (156 wagons) in the underground fleet renewal programme;

For example, the total investment envisaged for Curtici-Brasov-Campina railway route (part of the IV Corridor) is EUR 1,500 m. The sections Bucharest - Constanta and Campina - Predeal are under works, while other slots will follow (e.g Predeal-

Brasov, Craiova-Timisoara, etc). After 2012 works on the Romanian part of Corridor IX are planned to start. The Bucharest Metro has plans for 3 new lines and upgrade of the existing network. The tram network in Bucharest and other major cities is under rehabilitation. International Financial Institutions including EBI, JBIC (Japan Bank for International Co-operation), EBRD are prepared to provide financing, either as grants or loans. Cohesion and Structural funds are available from 2008.

In more detail, the last version of First Pool Transport Masterplan, dated June 2009, provides a description of the projects that might be implemented by 2013 (focusing mainly on speed upgrades):

- Campina – Predeal: rehabilitation of 48km of double electrified rail line, in order to achieve an average speed of:
 - 120 km/h for passengers trains
 - 90-100km/h for freight trains
- Bucharest – Baneasa – Fetesti – Constanta: in total 225 km of rehabilitation of double electrified line, in order to achieve speeds of:
 - 160 km/h for passengers trains
 - 120km/h for freight trains
- Curtici – Simeria: in total, the double electrified line has a length of 185 km. The consultant estimated that works in value of about EUR 350 m will be spend by 2013. The sections included in the project are: Curtici (Hungarian border) to Radna: 58 km, and Radna to Valea Muresului: 38 km. The line would be rehabilitated as follows:
 - Curtici – km 612: 43 km at 160 km/h for passenger trains and 120 km/h for freight trains
 - km 612 – Valea Muresului: 53 km at an average of 110 km/h for passenger trains and 80 km/h for freight trains.

In addition, a number of smaller projects like rehabilitation of rail stations, improvement of safety, rehabilitation of tunnels and bridges, etc. will be implemented. Recommended investments are in improving:

- accessibility for passengers;
- rehabilitation of trains stations (1100 railway stations) including improvement of spaces dedicated to passengers;
- train traffic information systems;
- signalling and general information;
- urban public transport;
- modernisation of the ticketing system;
- purchase of new rolling stock

The sector is facing major challenges currently when a large number of employees will be laid off in order to make the sector a profitable one. The strategy of the Minister is focused on privatising in 2010 CFR Freight. The privatisation was expected sooner but the decision was to postpone it until CFR Freight will become profitable again, objective set for 2010.

The large public companies are considered inefficient and the strategy of the Government is focused on further increasing competitiveness and mobility. The infrastructure strategy on medium term is focused on restructuring the state companies and mobilising the available structural and cohesion funds to increase

the investment in infrastructure, to reduce the financial crisis effects and sustain the economic growth.

CHARACTERISTICS OF MARKET

MAINLINE

The Ministry of Transport through its Railways Directorate established in 2004, sets a national strategy for railways and regulates the Railways activities. The Romanian Rail Authority, AFER was set up in 1998 to ensure safety standards are observed and to license operators and suppliers.

Interoperability and train operating policy are the main priorities for the Ministry of Transport. Infrastructure alongside the European corridors, main stations, IT infrastructure and restructuring train operators are the key elements of those priorities. Major rail projects are mainly internationally financed by the World Bank, European Investment Bank, European Bank for Reconstruction and Development, Japan's Export Bank, EU funds and state co-financed; therefore international tenders are organised to assign projects.

The National Railways Company formerly known as SNCFR, 100% state owned, was re-organised in October 1998 into five separate companies, on a profit basis. 4 of them are still active:

- SN CFR (Infrastructure)
- CFR Marfa (Freight operator)
- CFR Calatori (Passenger operator)
- SAAF (Administration of the assets)

Infrastructure

SN CFR is the infrastructure national company and it is state owned. It administrates the national public railways network as well as some non-commercial tracks. Auxiliary activities such as track maintenance, equipment repair, track welding, wooden sleepers treatment and design were privatised at the end of 2004.

The main characteristics of the track are:

- public network length (km)-10,500 or 6.7km/100sq
- length of electrified operating lines (km)-3,965
- total length of railway track (km) – 22,247
- total length of electrified tracks (km) – 8,585
- rail TEN network (km) – 3,243
- network density(km/1000 km²) - 48
- double tracks (%) - 23
- electrified tracks (%) - 42
- railway stations (number) – 1,000
- shunting yards (number) - 21
- track machine (number) – 34,000
- bridges (number) – 4,236
- footbridges (number) – 14,531

- tunnels (number/km) - 211/63
- installations of electrodynamics centralisation in stations (number) - 633
- substations of electrical traction (number) - 76
- railway energetic dispatcher (number) - 22
- automatic block (km current line/km achieved length) - 4226/7423
- length of the tracks equipped with line automatic block(km) – 4,380
- simple switchboard (number) – 24,247
- crossings (number) - 229
- double junction crossing (number) –1,835
- scissors crossings (number) - 591
- electric under running voltage lines (number) – 18,170
- telecommunication networks (km) – 11,510
- total volume of transport (millions tons km) - 45.2
- transported goods (millions of tons) -105.0
- dispatched passengers (millions of passengers) - 216.6

Several secondary, not interoperable routes are being licensed to private infrastructure operators. At present the length of such routes is in excess of 700 km. The fastest growing private infrastructure operator covers 500 km.

Upgrade of Corridor no. 4 (880km double track) is currently the main opportunity. Various slots are either under work or tender e.g. feasibility study, consulting services, works, etc. CFR intends also to analyse the opportunity and feasibility for developing high-speed connections with Western Europe through Budapest.

Since 2001 CFR has been working to update the interlocking system, this being operational in 5 major stations within the Corridor IV. Romania is looking even further i.e. to gradually implement ETCS level 2 to wider network. Further an ERTMS pilot project could be implemented between Bucharest and Budapest if a high-speed rail will be built. Both infrastructure companies from Romania and Hungary agreed to start implementing the pilot project between their border major stations Arad and Bekescsaba.

CFR has also introduced an Integrated Information System AKA IRIS. It has major importance in providing the information support necessary for the efficiency of the system. IRIS system has as a main objective to provide the informational support for activities of exploitation and maintenance of railway infrastructure and for financial and strategic management of CFR. IRIS will be upgraded in the near future.

ISPCF, the rail design institute has been privatised. It is a key partner for consultants and contractors interested in railways infrastructure, as the legal owners of the original rail network plans.

The current strategy of the Ministry of Transport and Infrastructure is focused on restructuring CFR Infrastructure in order to keep the expenses on a low level. The current Minister considers the personnel over dimensioned and plans to drastically reduce it.

In conformity with a report released by CFR Infrastructure, it is possible that over the next close future 52 trains stations currently under its direct administration to be transferred, these registering significant losses. The 52 stations could become appealing to private companies. The measure of passing the stations that are not inter-operable in private administration was successfully used few years ago when

private operators like: Servtrans Invest, Regio Trans or Rompetrol Logistics successfully penetrated the market. Though not all lines are appealing to private investors, especially without support from the state on the base of the public service compulsoriness. The principle is meant to sustain lines that without being profitable, bring comfort and transport services to isolated communities.

The Government Decision that stipulates the possibility of renting out the lines was adopted in 2007 and is done through the Romanian Stock Exchange Market. In 2009, on all sections tendered by CFR nine private operators are acting, mainly on the passenger segment. The contracts are usually signed for a period of 5-10 years, in order for the private agent to recover the investment.

Though the strategy of the Government includes many projects and the objectives are clear, the financial support for such plans is poor. Currently, out of 11,000 km of operational lines, only 280 are in reconstruction. Not even one km of new line was built during the last 20 years. Out of a total of 55,000 freight wagons, only 10,000 are under operation. The average speed for the freight trains is 17 km / hour while for passengers the average speed is 40-50 km / hour. These are signals for the ministry of Transport to completely change the current operational system and cut the expenses.

The allocated budget for CFR SA (in charge with the investment in infrastructure) is for 2009 of only EUR 290 millions, out of which half is covered from the state budget. The state did not pay for any maintenance works in a long time. There are currently lines that operate under severe speed restrictions as the maintenance works were not conducted. In conformity with a Government decision draft, elaborated by the Ministry of Transport and Infrastructure, CFR SA would have to invest until 2011 in the railway infrastructure app. EUR 1 billion in order to eliminate the speed restrictions and cope with the European standard speed of 160 km / hour.

Operators

After the split made in 1998 by SNCFR, two major national operators were licensed i.e. CFR Calatori and CFR Marfa, the state owned passengers respectively the freight operator. Soon after this, a number of private operators entered the market followed by passenger operators. By the end of 2007, 37 licences for freight and passenger private railway operators have been issued (only 30 being active). One operator in particular has grown very fast and covers over 500 km. Last but not least there are 100 companies licensed to perform various additional operations such as loading/unloading, shunting, cleaning, interchange at the ex-Soviet countries border, etc.

CFR Marfa

CFR Marfa is the freight national operator, presently state owned.

CFR Marfa operates 992 locos, half of them being electrical engines powered between 3400-5100KW (Romanian and Yugoslavian production under ASEA license). Diesel locos powered 1250-2100KW have engines built in Romania under Sulzer and Mybbkh licenses and they consume 170g/CPh.

CFR Marfa runs over 60,000 carriages, including a variety of types: Ggs, Gas, Rils, I, T, Laads, Ks, Rgs. Uagps, E, etc. but the fleet is not new and needs refurbishment, which is considered more affordable than renewing it.

CFR Freight Fleet:

- open wagons 26,8%
- tank wagons 17,1%
- wagons for coal transport 12,8%
- flat wagons 11,5%
- covered wagons 10,1%
- cereal wagons 7,3%
- cement wagons 7,5%
- chemicals wagons 2%

CFR Marfa operates containers too, being INTERCONTAINER compliant. The company offers ferry facilities in Constanta Port. Halcrow did a pre-feasibility study for developing more freight logistic centres for containerised transport.

In July 2009, the activity of CFR Freight was only half of the volume registered in 2008, mainly due to the current financial circumstances that seriously affected the company. Though the company has a 69% market share, it only carries 70% of the volume of goods carried back in 2008. The rest of 31% market share is split between the rest of private operators active on the market. The main reason for the losses registered by the company is the huge number of employees the company has, over dimensioned in the Minister's opinion. While a private train is operated by 5-6 people, CFR Freight operates a train using 60 people. In 2008, the company carried daily app. 200,000 tones daily, while currently the volume carried stands at levels little over 100,000 tones.

One of the biggest clients of CFR Freight is Arcelor Mittal, currently registering a very significant decrease in their production. As a first result, the volume carried daily for Arcelor by CFR Freight decreased drastically. In 2008, the daily volume carried for Arcelor was of 250,000 tones, while currently this level decreased by 45%.

Officially, in 2007 CFR Freight was registering a profit of RON 13 million (app. EUR 4,2 million) while in 2008 it was registering losses of EUR 4.5 million.

It is estimated that the privatisation tender will probably be launched in 2010.

CFR Calatori

CFR Calatori is the national passenger operator, being also state-owned. At present CFR Calatori operates over 900 locos, out of which 1/3 are electrical and 100 are Diemens Desiro DMUs and over 3500 coaches, out of which 150 are sleepers and 25 restaurant cars, though mainly in bad shape. They run local, regional and long distance routes as well as international destinations, either as own trains or direct coaches attached to international trains that pass through Romania e.g. to Greece, Serbia, Austria, Czech Republic, etc.

As part of market liberalisation but also as a way to cut subsidies, CFR Calatori would operate only Intercity, overnight and international trains. Inter-regional and local traffic, which represents 70% of the total traffic, will be assigned to the existing regional subsidiaries of CFR Calatori and other newly established companies and private operators. Privatisation and franchising for longer routes is an alternative taken into consideration by the Ministry of Transport but there is a strong opposition by the Unions.

During the first quarter of 2009, the traffic registered by CFR Calatori decreased by 13% compared to same period last year. The main reasons affecting the traffic decrease were the works on Bucuresti Nord – Constanta section and Campina Predeal section causing significant delays. The turnover registered in the first semester of 2009 was RON 944 million (app. EUR 240 million), a decrease of 5.6% compared to the same period last year.

At present CFR Calatori is trying to get back its customers by establishing a flexible commercial policy and by upgrading its trains through rehabilitation of existing fleet with Alstom and introducing new Siemens DMUs (Desiro). The timetable is improving, at present passengers having hourly services from Bucharest to main destinations (except the routes where works are executed for lines rehabilitation); return trains are not that well organised yet and connections with secondary lines are still poor.

Regarding the investment planned for 2009, the amount allocated for projects is RON 406.8 million (EUR 100 million), a decrease of 34.4% compared to 2008 when the amount allocated was RON 620 million (EUR 150 million).

Currently, the company is operating a complex programme of reorganising its operations, with adjustments on all expense levels.

Private Operators

The freight sector is more liberalised and has 35% market share. The private operators each run a number of fixed routes or do shunting activities at various sidings.

The passenger sector opened to private operators in 2004. Not only that it is difficult to get a new subsidised route as the so called 'social package' is fully covered at present by CFR Calatori, but the subsidy is not currently consistent.

There are more than 30 companies licensed but several private operators have given up since it was really difficult to avoid losses, particularly if operating old rolling stock and high power locos rented from the state company. About 3 companies are covering in excess of 700 km, mainly local and offering regional services. The longest route in operation is 150 km.

While the state company is registering losses, 9 private operators are registering profit. By renting 1,300 km out of total 11,000 owned by CFR Infrastructure, these few private companies manage to operate on profit by employing just the number of people they need and not operating lines that do not attract customers.

RC CF Trans is one of the nine private operators that rented lines from the state company and penetrated the market of freight and passengers railways in 2004. Currently, it is the private operator owning the majority of transport routes. RC CF Trans together with Regio Trans (passenger private operator) run over 30 routes in Ardeal area. Regio Trans reported in 2008 a turnover of RON 65,8 million (EUR 17 million) and transported 2,73 million people, double compared to 2007.

Rolling stock leasing

Operational leasing is not very popular in Romania, mainly because of a very strong business culture dominated by sense of property (following the communist period) and also because of an unclear legal framework, in particular for state owned companies.

In February 2008, CFR Marfa announced a JV together with Raiffeisen Bank and Grampet/Remar a rolling stock manufacturer, to modernise wagons and eventually lease them in Europe.

International Railways Systems, a group of companies incorporated in Luxembourg (but having Romanian capital), incorporates rolling stock manufacturing capabilities as well as leasing operations for the wagons manufactured by the group.

UNDERGROUND

The Bucharest underground company, Metrorex, is a state owned company under the authority of the Ministry of Transport. The Bucharest Metro network consists of 4 lines, 45 stations operated by 50 trains/day. Over 500.000 passengers are carried daily, which represents 25% market share of public transport in Bucharest. Built in the mid 1970's with 100% Romanian made equipment, the 63 km network is in urgent need of repair and upgrading as does the fleet.

Reducing operational costs and increasing market share are key elements in the development strategy of Metrorex. As part of reducing operational costs, fleet renewal started in 2003 when new trains were imported from Bombardier. The old fleet will be 100% renewed, as the contract with Bombardier has been extended. The maintenance of rolling stock has been assigned to Alstom until 2015.

Metrorex recently launched the intention notice for allotting the works on Main Line V, section Drumul Taberei-Eroilor, acquiring new rolling stock and other investment, all valued at EUR 400 million (without VAT). The biggest share of EUR 200 million (without VAT) will be spend on structure works on the section Raul Doamnei – Academia Militara, part of Main Line V. The works are estimated to last one year from the date of awarding the contract.

In July, The General Director of Metrorex announced that in 2010 two sites will be opened, total value of EUR 1.7 billion for the section Universitate – Drumul Taberei and Piata Victoriei-Otopeni, with a construction rhythm Of 10 meters / day. The investment for Drumul Taberei line is estimated at EUR 740 million, out of which EUR 370 million are contracted with EBI (European Bank for Investment) while the line towards Otopeni will attract an investment of EUR 1 billion, with EUR 330 million financed by The Japanese Bank for International Cooperation.

The sections Universitate-Drumul Taberei and Piata Victoriei – Otopeni are multi annual projects, with annual budgets of EUR 100-200 million. Both already have part of the financial resources covered.

For part of the projects announced, the Ministry for Transport seeks funding. PPP has been mentioned but the Romanian Government has little experience in PPP and the legal framework is not effective.

Currently, the underground only covers 2.5% of all public transport routes in Bucharest but it is used daily by 25% of its inhabitants, registering a daily traffic of 500,000 people.

TRAM

Bucharest was and still is a "tram orientated town", with more than 350 km of track. In fact, it is the fourth largest network in Europe, after Moscow, St. Petersburg and Munich. Due to its age, poor quality technical design and installation and lack of the necessary maintenance funding over a long period, the general condition of the tram infrastructure is very poor. On the other hand, the strategic decision of the town authorities is to encourage rail public transport, underground, light rail and tram, as the most appropriate means for sustainable development.

RATB, the main public transport operator in Bucharest, operating under the authority of the Bucharest municipality started in 2002 an ambitious program to upgrade the tram network. At present, about 70% of the network is rehabilitated and a couple of lines were turned into light rail. RATB aims to complete the rehabilitation of its tram network by 2010.

Other major cities - Timisoara, Cluj, Constanta, Brasov, Craiova, Iasi, Galati and Braila- also boast comprehensive networks. The tram networks are run by state owned local companies under the supervision of local authorities. Recently several municipalities announced major rehabilitation and/or line extension plans. Most advanced is Oradea, which created a metropolitan authority. As well, Oradea municipality purchased 10 ULF Siemens trams worth EUR 27.5 m.

ROLLING STOCK

The modernisation of locomotives programme started few years ago and continues, but at a slow pace. Trinity sold its manufacturing capacities to a newly established Romanian group of companies (incorporated in Luxembourg for financial reasons). This group includes a division for rolling stock leasing. Rolling Stock Company Remarul 16 Februarie rebuilds locos, including steam engines and DMUs. Other repair and refurbishment companies are acting regionally.

RATB just announced that will purchase 150 new trolley busses, solo, 12m, with complete low floor, for the urban traffic of Bucharest. The total estimated value of the contract is EUR 60 MILLION. The date for starting awarding procedures is end of October 2009. The decision on acquiring the trolley buses was already approved, so procedures for organising the tender can start.

Also, RATB has its own rolling stock production facility where it was developed a new tram, named BUCUR, which was the base for the further BUCUR 2 and 3, a tram to fully comply with EU norms.

UK PRESENCE IN ROMANIA

The UK imports seem to be influenced by the following perceptions:

- The UK doesn't fully comply with the UIC policy, Romania being a very active member of UIC
- The UK is perceived as having its own –almost closed- market, not particularly interested in Eastern Europe or Romania

British supplies are also disadvantaged by the fact that there are no British contractors present in the market i.e. Austrian, German, Greek, Turkish companies that bid for works would use their traditional suppliers.

British presence in Romania consists traditionally of consulting services including technical supervision but also supply in some major projects. Over €75m went to British companies from the rehabilitation projects in Romanian railways in the last decade:

- British Steel delivered rail track for about EUR 15m to CFR
- Comreco Rail provided software for EUR 0.5m to CFR
- ICL developed IRIS-an IT integrated system for EUR 30m to CFR in 2001
- Balfour Beatty delivered the catenary for EUR 2m to RATB first fast tram line in 2003
- Invensys has provided underground signalling systems for EUR 6m to Metrorex
- Pandrol works with CFR, Metrorex, RATB and other local tram networks
- BICC cables were the only cables that proved resistant to a major fire incident at Metrorex
- Scott Wilson and Flint / Neil Partnership are the consultants for the Romanian part of the new bridge over the Danube, including rail section.
- Amec Spie and Balfour Beatty won tenders for works on the IV Corridor
- Halcrow did a pre-feasibility study for container rail terminals
- Tyflex is supplying to Metrorex
- R Bance won a tender worth EUR 1.5m for defects detection machinery in 2006
- Scott Wilson won – within a consortium - the consulting services for rail projects under cohesion funds.
- Trelleborg

OPPORTUNITIES

Specific opportunities subject to international public tenders are posted on the UKTI portal (www.uktradeinvest.gov.uk) as soon as they are published. Market pointers are posted too for helping companies to prepare for future tenders.

Various projects will continue on the mainline either by slots (catenary, track, etc) or as a turn key project for certain sections especially for the Corridor no 4. Specific information is available on the donors' web sites and www.cfr.ro

The Bucharest metro projects recently announced worth all together in excess of €400 million. The development of these projects is related to funding. EBI and JBIC are prepared to fund some projects. For others the Government is also interested in PPP projects.

Private owners of infrastructure appeared in second half of 2004 by taking over CFR secondary lines. They need to rehabilitate/develop what they've acquired, including tracks, signalling, etc. However, these are smaller projects i.e. 20-30 km. Other lines might be soon privatised.

Private operators need rolling stock to operate regional routes either by cheap, basic models of DMUs or by leasing. Introducing Intercity trains and sleepers is an opportunity for collaboration with experienced foreign operators.

Co-operation for accessing third markets was frequently mentioned as being an attractive opportunity. The newly established Romanian Railway Industry Association would like to revitalise the industry by re-designing and producing a new DMU, which would create opportunities for specific components.

Opportunities for British traditional suppliers to Bombardier (underground trains) and Siemens (Desiro) may be available for further maintenance and service for the imported units.

KEY METHODS OF DOING BUSINESS

Despite the huge amount of money to be spent, there is a certain lack of consistency in projects' administration i.e. when funding is available for projects to be tendered. The availability of funding is influenced by objective and subjective factors such as bureaucracy and high volatility of senior management and currently by the financial circumstances.

Given the sources of funding and donor's' requirements the procurement in railways is done almost exclusively through international, open tenders. Submitting good bids that are clearly understood by administrators is also a key factor. It is recommended that British companies would have a local partner or representative office. That will enable early access to information about forthcoming opportunities in a busy market where the information is not very transparent or certain.

Smaller projects with private operators might be subject to other methods such as direct negotiation, etc.

Other background information on doing business in Romania can be found on UKTI's website. Simply go to the Romania country page where you will find information on:

- Economic background and geography
- Customs & regulations
- Selling & communications
- Contacts & setting up
- Visiting and social hints and tips

When considering doing business in Romania, it is essential to obtain legal, financial and taxation advice. A useful contact list of lawyers and other relevant professional bodies as well as further information on the rail sector in the country is available from the Embassy. For further details, please contact:

MORE DETAILED SECTOR REPORTS

Research is critical when considering new markets. UKTI provides [market research](#) services which can help UK companies doing business overseas including:

- **Overseas Market Introduction Service (OMIS).** Bespoke research into potential markets, and support during your visits overseas
- **Export Marketing Research Scheme.** In-depth and subsidised service administered by the British chambers of Commerce on behalf of UKTI

Contact your local International Trade Advisor if you are interested in accessing these services, or for general advice in developing your export strategy.

PUBLICATIONS

www.club-feroviar.ro

EVENTS

Outward trade mission to Zilele Feroviare 09 (www.summit.clubferoviar.ro)

CONTACT LISTS

Ms Andreea Radu, Senior Trade Development Adviser
BRITISH EMBASSY
Address: Str. Jules Michelet nr.24, sector 1, Bucuresti
Tel.: 0040 21 201 73 64
Fax: 0040 21 201 73 11
E-mail: andreea.radu@fco.gov.uk
www.britishembassy.gov.uk/romania

Mrs Cristina Trifon, Trade Development Officer
BRITISH EMBASSY
Address: Str. Jules Michelet nr.24, sector 1, Bucuresti
Tel.: 0040 21 201 72 72
Fax: 0040 21 201 73 11
E-mail: Cristina.trifon@fco.gov.uk
www.britishembassy.gov.uk/romania

UK TRADE & INVESTMENT
Bay 419, Kingsgate House
66 - 74 Victoria Street
London SW1 E 6SW
Tel: 020 7215 8235
Fax: 020 7215 4625
www.uktradeinvest.gov.uk

UKTI's **International Trade Advisers** can provide you with essential and impartial advice on all aspects of international trade. Every UK region also has dedicated sector specialists who can provide advice tailored to your industry. You can trace your nearest advisor by entering your postcode into the Local Office Database on the homepage of our website.

For new and inexperienced exporters, our Passport to Export process will take you through the mechanics of exporting. An International Trade Adviser will provide professional advice on a range of services, including financial subsidies, export

documentation, contacts in overseas markets, overseas visits, translating marketing material, e-commerce, subsidised export training and market research