



Embassy of Romania in the United Kingdom of Great Britain and Northern Ireland

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POLITIC

1. [President Iohannis' official visit to Germany](#)

Chancellor Merkel : I cannot make any statement for now concerning a possible accession of Romania to the Schengen area this year -

German Chancellor Angela Merkel said she cannot make any statements for now concerning a possible accession of Romania to the Schengen area this year.

Angela Merkel was asked if a decision on Romania's accession to Schengen can be made by the end of this year, also taking into account the positive results mentioned in the latest report of the European Commission.

"The latest reports were more on the positive side and we believe the reforms will be truly transposed in a consistent manner and we are talking about the next steps. I cannot make any statements for now, but I understand that Romania wants an answer showing it is moving forward," Merkel said, after the meeting with President Klaus Iohannis.

President Klaus Iohannis on Thursday told a joint press conference with German Chancellor Angela Merkel that Romania is counting on Germany's support for identifying some solutions allowing the advancement to the country's accession to the Schengen area.



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"In the meeting we also approached the topic of Romania's accession to the Schengen area. We are counting on Germany's support for identifying some solution allowing the advancement towards the achievement of this objective. There are arguments which we believe convincing, meant to lead to eliminating the last reserves previously invoked in this process," Iohannis pointed out.

Among the arguments invoked, Iohannis mentioned the latest Cooperation and Verification Mechanism (CVM) report, but also "the capacity and contribution already proved by Romania in ensuring the security of the Union external border."

Angela Merkel: Germany wants to further economic cooperation with Romania

Germany's Chancellor Angela Merkel said Thursday that Germany wants to further economic cooperation with Romania.

"We are very close economic partners, with a bilateral trade in excess of 20 billion euros. Germany is a big investor in Romania and we want to further the existing cooperation. At the same time, we cooperate inside NATO and will continue to do so," Merkel told journalists at a joint press conference with Romania's President Klaus Iohannis.

She added that she and Iohannis set to encourage the existing excellent cooperation between Germany and Romania.

"We can achieve many changes in two directions; on the one hand, in the direction of cooperation on European issues, the European foreign policy, and the neighbours of Romania, which are of a strategic significance currently, the Western Balkans, Moldova and Ukraine, which, as far as Romania is concerned, is not as far as it is from the perspective of Germany, if we look at its geographical situation," said Merkel.

She mentioned having discussed with Iohannis the consolidation of the rule of law in Romania, the fight against corruption, as well as Romania's judiciary.

"The European Union has noticed the existence of remarkable progress and I believe Romania will continue on the same path," added Merkel.

At the same time, she said talks also focused on some economic projects of great significance.

"I believe the implementation of the means of European funding, the implementation of the possibilities to improve life quality is an important point. The Romanian Government appreciates such priority," said the German Chancellor.



Merkel added that her conversation with President Iohannis was very friendly.

"[President Iohannis' visit] is a big joy for us. We watched the [presidential] campaigning in Romania and we can say that here in Germany we were glad about the victory of Klaus Iohannis because he is a representative of the German minority; what matters is that a majority of Romanians voted him for president," said Merkel.

Germany, the main economic partner of Romania

President Klaus Iohannis stated that Germany is not just the main economic partner of Romania, but also one of its most important dialogue partners inside the EU, with a significant development potential still existing between the two countries, through "increasing investments and boosting trade exchange volume."

He also reviewed, at the press conference he held together with the German Chancellor, Angela Merkel, the development of bilateral relations between the two countries, from an economic, cultural and political viewpoint.

"Germany is not just our main economic partner, but also one of our most important dialogue partners inside the European Union, but also at international level," said Iohannis.

On the same occasion, he mentioned that he was satisfied to see that the development of trade exchanges between the two countries still follows an upward trend.

President Iohannis also said he appreciated the presence in Romania of important German investors, with our country being of course interested to attract an even larger number of German companies.

The head of the state also showed that the dialogue he had with Mrs. Merkel revealed a high development potential still existed between Romania and Germany, through "increasing investments and boosting trade exchange volume."

"I evoked the diversity of sectorial development opportunities and common interests and partnership projects. We are especially interested in Germany becoming our partner in identifying those new development niches that may generate competitive advantages and that may individualize Romania in the European economic picture of 2020. Both Mrs. Chancellor and I emphasized the importance of the existing bridge that was naturally created between the German communities in Romania and the Romanian communities in Germany. We believe them to be factors contributing to the strengthening of the Romanian-German cooperation and a model of approach in true European spirit," the Romanian president also added.



Iohannis maintained that the strengthening of the Economic and Monetary Union was also essential, including through the achievement of the banking union.

"I reaffirmed the need to firmly defend, both through expressing our positions and through our steps to be taken, our European values, the ones that made from the European Union an exemplary project," said Iohannis, also adding that they agreed this dialogue must continue.

2. President Iohannis starts an official visit to the Republic of Moldova

President Klaus Iohannis said that he discussed with his Moldovan counterpart Nicolae Timofti about the evolutions of Ukraine, pointing out that both see Romania as an anchor of stability in the region and a solid partner of Chisinau and Kiev on their path to Europe.

Iohannis pointed out that he also talked with Timofti about the security situation at Romania's and the Republic of Moldova's border.

"We voiced our concern regarding the implications which the developments in Ukraine can have in regards with the stability of the Republic of Moldova," the Romanian head of state said, in the joint press conference with his Moldovan counterpart.

He showed that Romania's and the Republic of Moldova's priorities aim at two essential landmarks, namely the stability and the European path.

"We want the expansion of the space of prosperity, democracy and stability in our immediate vicinity. We see Romania as an anchor of stability in the region and a solid partner of the neighbouring states: the Republic of Moldova and Ukraine on their path to Europe. We hope that all the Republic of Moldova's citizens see in Romania a trustworthy, loyal and long-term partner," Iohannis said.

Referring to the crisis in Ukraine, Timofti said that he presented the Romanian President the vision of the Republic of Moldova on the events in the region.

"Our message remains the same: a message of solidarity and support for the efforts made with the participation of the international partners aimed at identifying a peaceful political solution to the crisis, without external involvement, with the observance of the principles of Ukraine's sovereignty and territorial integrity," the Republic of Moldova's President concluded.

Iohannis: the government in Kishinev, a solution of compromise. We cannot dictate to the Republic of Moldova what to do



President Klaus Iohannis stated recently that the government in Kishinev represents a solution of compromise, saying that Romania does not have to dictate to the Republic of Moldova what to do, but only to express an option.

Asked if the government Gaburici voted with the help of the communists represents a good solution, president Klaus Iohannis stated that ‘ it is good there is a government, as this transition has lasted quite enough’.

‘I said and I keep to my opinion: the variant which I saw as best would have been that pro-European parties which were voted by a majority to form a government. It was not and they reached a solution of compromise’ stated for Digi24 the head of state.

Iohannis said that Tuesday during the visit he will make to Kishinev he will express his hope that’ this new government with a young prime-minister, entrepreneur, will lead Moldova further, in the direction of the west’.

The Republic of Moldova has a new government, after the programme and the cabinet presented on Wednesday of the new premier Chiril Gaburici, received the vote of 60 deputies, in the context where they had the need of the vote of the simple majority of 51 votes on the part of the 100 Moldavian MPs.

The Moldavian president Nicolae Timofti signed the decree for the nomination of the Gaburici government, immediately after the new government received the vote in the parliament, relates the IPN agency on the electronic page.

Timofti named on 14 February through a decree Chiril Gaburici, proposed by the liberal democrat party in Moldova (PLDM) to form the government after on 12 February the programme and the cabinet proposed by the premier Iurie Leanca after not getting the number of votes necessary in the parliament.

3. President Iohannis: Romania and Bulgaria have consolidating collective defence in NATO as joint objective

President Klaus Iohannis stated, after meeting the President of Bulgaria Rosen Plevneliev at the presidential Cotroceni Palace, that Romania and Bulgaria have as joint objective consolidating the collective defence within NATO, given the context of the security challenges in the region.

He showed that the discussions with his Bulgarian counterpart focused also on the recent developments on the security agenda.

"Taking into consideration the security challenges in the region we have as joint objective the



consolidation of the collective defence within NATO. We wish to increase the NATO presence on the territory of the member-states in the eastern flank, as well as increasing the reaction capacity of the Alliance. The need for unity in the foreign policy messages is fully understood by Bulgaria, that has maintained, in its turn the sanctions against the Russian Federation and the possibility of their extension in case the ceasefire is not respected. We are still counting on a solid relationship and I assure Mr. President Plevneliev of Romania's wish to deepen the collaboration between our states", said Iohannis at the Cotroceni Palace.

He emphasized that from the exchange of views emerged the fact that the two states can synchronize their efforts for a better promotion of their joint objectives both in the EU and on a regional level. Furthermore, ensuring the energy security of the Union, promoting regional cooperation and the common interest in the Danube region, the extended Black Sea region, the consolidation of the Union as a powerful global actor were aspects touched upon in the discussions between the two officials, according to Iohannis.

"The fact that he is the first head of state that I welcome in Bucharest since taking over my mandate is the expression of the very good ties that Romania and Bulgaria have as states that are neighbors, partners and allies in the EU and NATO. This first meeting allowed us to review the bilateral relations that are at a level of excellence on all cooperation tiers", said Iohannis.

The head of state mentioned that potential that must be put to use was noted in all domains, but especially in the economic domain.

"We have both supported the development of this potential through the promotion of relevant projects especially in the energy, transportation, infrastructure, cross-border cooperation but also education and culture. I have supported the conduct of cultural and educational projects of the Bulgarian community in Romania and the Romanian community in Bulgaria and I have mentioned the particular attention that I grant to the members of the Romanian community in Bulgaria. I believe it is in mutual benefit to protect and promote national identity and rights that both minorities should enjoy", Iohannis showed.

4. ForMin Aureescu: the security interests of Bucharest it is "crucial" that Ukraine is stable

For the security interests of Bucharest it is "crucial" that Ukraine is stable, said the Romanian Foreign Affairs minister, Bogdan Aureescu deeming that this country's instability potential could also contaminate regions closer to Romania.

Aureescu added that in case the cease fire is not entirely accomplished, the memorandums in Minsk "come into question."

"There is a potential of re-escalating tensions in all the area under dispute in Eastern Ukraine. The instability potential could contaminate other zones in Ukraine, too, including regions closer to Romania. Besides, the regions nearer to the Romanian border, I'm thinking to Odessa were not spared of sporadic incidents either. Some explosions or rumors carefully disseminated, such as the creation of



new separatist areas, like the so-called Bugeac people's republic or other plans alike, existed," said Aurescu for the RFI.

He characterised the current Eastern Ukraine's crisis as of an "unstable calm."

On the one hand, the Minsk memorandums are an encouraging step, on the other hand difficulties already occurred in implementing them. Should cease fire is not entirely enforced, the moving on to the next stage, meaning the withdrawal of the heavy weaponry, would not be possible, the Romanian chief diplomat said.

Sanctions regime, not end-purpose, but modality to stimulate dialogue as peace solution in Ukraine

Implementing the sanctions regime against the Russian Federation doesn't represent an end-purpose, but a modality to stimulate dialogue "as a peace solution to the conflict and to discourage aggressive action," Romanian Foreign Minister Bogdan Aurescu said at Romania's Embassy to France, on the occasion of the conference-debate called 'Security stakes and perspectives in the eastern neighbourhood - Romania's vision.'

"Focused on the context of the crisis in the east of Ukraine, the presentation of Minister Bogdan Aurescu highlighted the complexity and amplexness of the current challenges in the ensemble of the security context in the region. A special focus was placed on aspects such as the security balance at the Black Sea, including the importance NATO grants to the region, also illustrated at the level of the decisions of the Alliance's Summit carried out in Wales, which are currently being implemented," a Foreign Affairs Ministry (MAE) press release points out.

According to the source, Aurescu showed that the Minsk 2 agreements can represent a step forward to the political solving of the crisis on condition that these provisions are implemented entirely, especially the ceasefire, the withdrawal of the heavy weaponry and the access of the OSCE monitors for observing the fulfillment of these first stages.

"In case these steps aren't implemented, the option of some new sanctions becomes of actuality again," MAE states.

Moreover, Bogdan Aurescu said that "the level of observing the understanding agreed in Minsk will also represent the calibration reference point of implementing the sanctioning regime of the Union." The Romanian chief diplomat also underlined the efforts done by the French and German leaders in furthering the understandings and then their implementation.

"Referring to the EU's role in the Eastern Neighbourhood, Bogdan Aurescu insisted on the relevance of the Eastern Partnership as the main action instrument of the Union in the region, as it provides the partner states the proper framework form committing on the path of reforms. Moreover, he voiced Romania's will to actively get involved in modernising the Eastern Partnership,' the source adds.



Ambassadors of EU and NATO member states, of some states in the region — Armenia, Azerbaijan, Georgia, the Republic of Moldova and Ukraine, as well as of some of the candidate states for joining the EU, participated in the event, organised by Romania's Embassy in France and moderated by Professor Ronald Hatto of the Paris Institute of Political Studies.

5. ForMin Bogdan Aurescu meets Georgia's Prime Minister and President

Foreign Affairs Minister Bogdan Aurescu was received by Georgia's President Giorgi Margvelashvili and had meetings with Georgian Prime Minister Irakli Garibashvili, Parliament President David Usupashvili, as well as with Georgia's State Minister for European and Euro-Atlantic Integration David Bakaradze, informs a Foreign Affairs Ministry (MAE) release

The cited source points out that during the discussions with the Georgian President Aurescu voiced Romania's interest in developing the bilateral cooperation in all the common interest sectors, as well as Romania's support for Georgia's options of European and Euro-Atlantic integration.

In the meeting with Georgia's Prime Minister, the two officials discussed the expansion of the Romanian-Georgian economic cooperation, including in the prospect of the official visit Prime Minister Irakli Garibashvili will be paying to Bucharest, in the coming period, at the invitation of Romanian Prime Minister Victor Ponta.

Bogdan Aurescu reiterated the importance of turning to reality the common projects in the energy area, through the Azerbaijan — Georgia — Romania — Hungary (AGRI) liquid gas interconnector, and in the transports area, through the freight transport project the Black Sea — the Caspian Sea.

'The Romanian Foreign Affairs Minister voiced the support for the process of implementing the EU — Georgia Association Agreement in prospect of the Eastern Partnership Summit of Riga, over May 21-22, 2015. The Romanian dignitary voiced the support for Georgia's objectives in the Summit, including in regards with the liberalisation of the EU visas for Georgia,' the cited source adds.

In the meeting with Georgian Parliament President David Usupashvili, Aurescu voiced the satisfaction for the level of the Romanian — Georgian parliamentary dialogue, 'developed including through the visit paid by the Georgian official to Bucharest, in February 2014.'

In the discussions with State Minister David Bakaradze, the Romanian chief diplomat highlighted the importance Romania grants to implementing the Substantial Package of Measures on Georgia, adopted in the NATO Summit held in the UK.

Aurescu showed that Romania 'will participate in the allied effort meant to consolidate Georgia's security and to support the reforms in the defence area,' and highlighted that Bucharest continues to



strongly support Georgia in reaching the final objective of integration in the European and Euro-Atlantic structures.

The schedule of the official visit to Georgia of the Romanian Foreign Minister also included laying a wreath of flowers at the Heroes' Monument and a visit to the administrative separation line with South Ossetia, in the locality of Khurvaleti.

Both during the meetings and also while visiting the Khurvaleti checkpoint, the head of the Romanian diplomacy voiced Romania's support for the activity of the European Union Monitoring Mission in Georgia (EUMM). The Romanian official showed that Romania will continue to maintain a high level of participation in the EUMM, as it continues to be the main contributor, with 35 seconded experts and 3 employed experts.

'At the same time, Bogdan Aurescu voiced Romania's support for solving in a peaceful manner the extended conflicts in Georgia, based on international law, with the observance of Georgia's sovereignty and territorial integrity, within its internationally-recognised borders,' MAE shows.

According to the cited source, all speakers thanked the Romanian Foreign Minister for 'the constant, concrete and consistent support' of Romania for Georgia's efforts of European and Euro-Atlantic integration. They voiced 'special appreciation' for Romania's having been the first EU state to have ratified the Association and the Free Trade Agreement. At the same time, the Georgian officials voiced appreciation for the activity of the Romanian Embassy as NATO Contact Point, but also for the substantial contribution with Romanian experts in the EUMM.

6. Aurescu and Mitov decided to 'boost' the delimitation process of the maritime areas between Romania and Bulgaria

Foreign Affairs minister, Bogdan Aurescu said in a joint press conference with his Bulgarian counterpart, Daniel Mitov that they have decided to 'boost' the delimitation process of the maritime areas between Romania and Bulgaria.

'We have decided together to give a boost to the delimitation process of the maritime areas at the Black Sea between the two countries. We have agreed on an expert level's round in the next period, so that we could move forward to a mutually acceptable advantageous solution in accordance with the international law in this respect,' Aurescu said.

He showed confidence that all of this process will lead to a solution, but specifying that for now one cannot talk about lack of progress, yet not of progress either.



'We are fully committed to finding a solution. I believe we have enough expertise to move forward, so we couldn't speak now of lack of progress. We cannot speak of progress either, yet what is important is that we should do our duty to find a solution. I am confident that progress is at our hand,' the Romanian chief diplomat said.

In his turn, Daniel Mitov expressed his belief that as regards this topic, 'the way to follow is the political solution.'

'We have agreed to continue talks at experts level and try to explore all possibilities which exist right now, so that before our soon-to-be joint government meeting we could see if there is any chance of progress or not. Naturally, as allies and member states with the NATO and the EU, I'm deeply confident that the political solution is the path we should go and, as partners and allies we should make bigger efforts to find a final solution, to untie this knot,' Mitov said.

In an interview to Agerpres in 2012, Bogdan Aurescu then secretary of state with the Foreign Affairs Ministry (MAE) used to say the litigation between Romania and Bulgaria referring to the maritime delimitation between the two countries should be solved through the method of equidistance, which is the method used by the International Court of Justice.

Aurescu then stated that in case the negotiations between the two states failed, the dispute could have been brought, with the parties' accord, to the ICJ in the Hague or to the International Court for the Law of the Sea, in Hamburg.

7. Hellvig receives the vote of the parliamentary committee for the position of SRI director

The parliamentary committee overseeing the Romanian Intelligence Service (SRI) gave its nod to President Iohannis' pick for Service head, Eduard Hellvig.

Hellvig was given the go-ahead by a vote of seven to one.

"The focus during Mr. Hellvig's hearing was on the vision for Romania's national security and Mr Hellvig's managerial project. Secondly, we looked into the strictly legal aspects and requirements for filling the position of SRI director. Following the hearings, the committee pronounced by vote; the committee has an advisory role and we issue an opinion to the joint plenary of the Parliament Houses. Parliament will decide by vote, the committee voted 7 to 1 in Hellvig's favor," Georgian Pop, chairman of the committee tasked with overseeing SRI, declared after Hellvig's hearing.

The Chamber of Deputies' and Senate Standing Bureaus were to decide in a joint sitting on the date when Parliament is to vote on SRI director nominee Eduard Hellvig.



8. Stratfor: Romania will play significant role in anti-Russian coalition

Romania will play a significant role in a regional anti-Russian coalition headed by Poland and sponsored by the US in the first half of the next decade, while in the second half the coalition will have a major role in remodelling Russian borders and recovering lost territories, Stratfor writes.

In the end, when Moscow's power will decrease this alliance will become dominating not only in Belarus and Ukraine but farther to the East, consolidating the economic and political position of Bucharest, Warsaw and Washington in the area, the American analysis and information agency mentions in the provisions for the 2015-2025 decade.

Romania and Poland will benefit from this strategic partnership with the US, as it is in Washington's interest when it is in a strategic partnership to do its best to make its partners economically vigorous, so that they could stabilize their society and be able to build their military force. Both Bucharest and Warsaw will reach this position in the next decade in the context in which Washington has clearly presented its interest in the area, Stratfor points out.

Romania, Poland and Hungary, Russia's western neighbours, will try to recover regions lost to the Russians in different periods of time, the agency writes in the section devoted to Russia, adding that the three states will take action to attract Ukraine and Belarus on their side, in a more ample fragmentation process of the Russian Federation.

The present confrontation with Russia in connection with Ukraine will remain the center piece of the international system in the next few years, while Russia will not remain in the present form the whole decade, Stratfor foresees, pointing out that its extreme dependence on energy exports and lack of reliability of expectations for prices makes it impossible for Moscow to back its institutional relations at federation level. Moscow's authority will weaken considerably and will lead to Russia's formal and informal fragmentation, while the security of nuclear arsenal will become the major concern toward the end of the decade, the agency shows.

9. Commissioner Cretu approves EUR 258 million cross-border investment program for Romania and Bulgaria

European Commissioner for Regional Policy Corina Cretu adopted on Friday the new "Interreg" cross-border program for Romania and Bulgaria. The total investment in the program amounts to over EUR



258 million with a contribution of almost EUR 216 million from the European Union, more exactly from the European Regional Development Fund.

The program is meant to help improve life, study and work conditions in 15 border regions in Romania and Bulgaria and increase their attractiveness for tourists and investors. "The inhabitants of these border regions in Romania and Bulgaria will benefit directly from the program that we have adopted today. These regions are a part of a European area where the good cooperation and the attempt to solve common problems are essential. The area also offers considerable opportunities due to its proximity to the Danube and to the Black Sea. The program and related projects will help local communities to exploit those opportunities," stated in a release Corina Cretu.

Among the results forecasted for this program there is the navigability improvement on the Danube and the Black Sea in the border area, creating a new model of sustainable use of natural and cultural heritage in the border area, the improvement of joint management and protection of Natura 2000 sites and enhancing prevention and disaster risk management in the border area.

The 15 regions covered by the Interreg program are: in Romania – Constanta, Calarasi, Giurgiu, Teleorman, Dolj, Mehedinti and Olt and in Bulgaria -Vidin, Montana, Vratsa, Pleven, Veliko Tarnovo, Ruse, Silistra and Dobrich.

The fifth Interreg programming period 2014-2020 has a budget of EUR 10.1 billion, representing investments in more than 100 programs of cooperation between regions and territorial, social and economic partners. (*Source: <http://business-review.eu/>*)

ECONOMICS

1. PM Ponta: Gov't programme of tax measures to be debated March 18-25

Prime Minister Victor Ponta said the latest programme with the new tax measures is the best and the Government will debate the draft tax code and tax procedure code March 18-25.

"The most important document, in fact a strategy that we have to finalise this spring, comprises the tax code, the tax procedure code as well as the measures and strategy to ease tax burden. Mr Valcov is doing his job as he went to Parliament to discuss with MP groups. I am asking all the Government members to please look into the positive implications and help this effort for public consensus to pass the measures," Ponta told a meeting of the Government on Wednesday.



Ponta added that the project put forth by the ruling coalition is the best, aside for some "small criticisms coming from those who claimed to have a better programme, but they did not have." "There is no one in Romania having a better programme than us. It is important that after three years of work we can cut the Value-Added Tax (VAT) and do all the other measures and especially have a very clear medium and long-term plan and a very clear strategy for economic growth. I am asking all the ministers in his or her fields, particularly the labour minister, especially in relation to wages, as well as the economy, environment and transport ministers to please continue their talks," said Ponta.

Asked about when the new tax code will be unveiled to the Government, Finance Minister Darius Valcov said, "March 18-25." Ponta added that the draft version will be finalised after the Government's and the public debates, taking into account the financial data for January and February.

"[The data] is excellent and shows us that we can truly implement the measures," said Ponta.

Ponta also mentioned in the same context the continuation of the actions to fight tax evasion.

2. Romania, the first in ECE as the perspectives of economy for the next six months

Romania advanced the first in Eastern and Central Europe as regards the perception of the financial experts on the evolution of the economy in the next six months, the indicator which measures the expectations of the analysts going up over 27 points, at 50.1 points, according to a survey of the ZEW institute.

In January, the indicator regarding the expectations of the analysts for the Romanian economy was at 22.7 points, the fourth lowest point in the region.

As regards the perception of the financial experts on the present state of economy, Romania is the second, after Poland, with a percentage of 28 points, up by 9.7 points against January.

For the whole region, the indicator of economic expectations for six months went up in February by 14.3 points, at 39.3 points, and the indicator which measures the perception of the present economy advanced by 13.1 points, at 21.4 points.

The Central and Eastern European region includes in the ZEW surveys Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Turkey.

As regards the euro zone, the analysts anticipate a coming back of the economy of a short term, the indicator going up by 19.2 points at 51.4 points.

The study made between 2-16 February participated 66 analysts, out of whom 12 out of Turkey.

3. Annual inflation of 0.41% in January, new historic low



Romania's annual inflation rate fell to a new historic low of 0.41% in January 2015, after having stood at 0.83% in late 2013, according to the data released by the National Statistics Institute (INS).

Compared to the previous month, in January 2015 consumer prices rose by 0.43% and 'the average increase in consumer prices in the last 12 months (February 2014 to January 2015) compared to the previous 12 months (February 2013 to January 2014), is 1%, calculated based on CPI,' reads the INS release.

In January 2015 compared to December 2014, the highest rise was recorded by service tariffs, by 0.61%, followed by non-food products' prices, by 0.23% and by food products, with a 0.57% advance. Compared to January 2014, in the first month of this year, the highest rise was recorded also by the tariffs of services, by 2.2%, followed by non-food goods, by 0.56%. On the other hand, food products' prices decreased in January 2015 by 0.69% compared to the same month of last year.

4. Finance Minister: Flat tax rate to go down from 16 to 14 pct as of January 1, 2019

The flat tax rate will go down from 16 percent to 14 percent as of January 1, 2019, Minister of Public Finances Darius Valcov announced at the government meeting for the presentation of the draft amendments to the Tax Code and the Tax Procedure Code.

"The flat tax rate goes down from 16 percent to 14 percent as of January 1, 2019, both for incomes and for profit," said Valcov.

He explained that the net budgetary impact for 2019 is estimated at 2.5 billion lei, and the additional economic growth will be 0.5 percentage points.

The measure is expected to bring about a decrease of 4.8 billion lei in the 2019 budget revenues — an amount that will remain at the disposal of private companies — but a supplementary 2.3 billion lei will be generated in the same year from VAT collections, social contributions, payroll tax, etc., shows government data.

As far as the medium-term benefits for the economy are concerned, apart from the additional economic growth of about 0.5 percent, the authorities estimate an increase by about 50,000 in the number of jobs, additional funding sources for businesses and a 1.1 percent increase in investments.

The arguments cited in support of the flat tax are the change in the behavior of the business milieu by the broadening of the tax base, heightened voluntary compliance with budget liabilities, better recovery of arrears.

Reduction in VAT, excise duties may take effect earlier than January 2016



The reduction in VAT and excise duties, measures included in the 2016-2020 Fiscal Relief Plan in the draft Tax Code, may take effect earlier than January 2016, according to Finance Minister Darius Valcov.

"Two measures, the reduction in VAT and excise duties will not expect the January 2016 moment, to avoid creating a gap in November-December in terms of consumption in Romania," Minister Valcov told a Thursday's conference held at the Romanian Banking Institute. He explained that the population and businesses could be tempted to postpone purchases at end-2015 in order to benefit from reduced VAT and excise duties in 2016.

Valcov said that tax relief plan in the new Tax Code is very structured and has a value of 9 billion dollars, money that can return by 2020 to the real economy and to business operators.

The finance Minister underscored that some of the tax relief measures could no longer be delayed, and mentioned in this sense the VAT reduction by 4 percentage points, slashing excise duties to the minimum level in the European directives, eliminating the tax on special constructions of the tax on dividends.

The standard VAT quota will be decreased from 24 percent to 20 percent as of January 1, 2016 and to 18 percent as of January 1, 2018, according to the draft amendment to the Tax Code. Also, the VAT for meat, vegetables, fish and fruit will be reduced to 9 percent.

On the other hand, the excise duties on fuels will be cut and the excise duties on coffee, jewelry, hunting guns and related ammunition, vehicles with an engine capacity bigger than 3,000 cubic centimeters, yachts and boat engines will be written off.

5. BNR projects inflation in Romania to stand at 0.1 per cent at the end of Q1, 2105

The National Bank of Romania (BNR) is expecting inflation in Romania to stand at 0.1 per cent at the end of Q1, 2105, within a variation band of +/-0.5 per cent, according to data posted on the BNR website.

For the second quarter, BNR is expecting a 0.6-per cent inflation (+/-1 per cent), for the third quarter, 1.1 per cent (+/-1.4 per cent), as well as 2.1 per cent (+/- 1.8 per cent) in the fourth quarter. At the end of H1, 2015 BNR is expecting inflation to reach 2.3 per cent, within an uncertainty band of +/-1.9 per cent.

The adjusted CORE2 basic inflation projected by BNR is 1.1 per cent for the end of Q1, 2015; 1.5 per cent at the end of Q2; 1.4 per cent at the end of Q3 and 1.3 per cent at the end of Q4.

The basic CORE2 adjusted inflation is the inflation that excludes from the computation of the



consumer price index some prices on which monetary policy has little or no significance because of the management of the aggregate demand, including administered prices, volatile prices (for vegetables, fruit, eggs and fuels), as well as prices for tobacco products and spirits.

6. The government approved the transnational programme the Danube 2014 - 2020

The government approved in a memorandum the negotiation and the signing by Romania of the transnational programme Danube 2014- 2020, a financial instrument which aims at supporting the integration of the policies in the respective domains for the macro region of the Danube. Through this programme the purpose is to obtain a higher degree of territorial integration of the region of the Danube informs the government.

For the financial period 2014 – 2020, the Danube programme is financed from the European Fund of Regional Development(202,095,404 euro)and the Pre-Accession Instrument (19,829,192 euro) for the financial period 2014 – 2020. The partners in the member states, including Romania have at their disposal the FEDR budget – Romania gets approximately 75,4 million euro – the IPS funds being allocated to the candidate states and potential candidates. As regards allocations ENI (European Neighbourhood Instrument) the destination of the partners in the Republic Moldova and Ukraine, they were transferred by the European Commission. The national cofinancing cover almost 37,5 million euro, Romania having to contribute 14,1 million euro.

The Dunarea programme2014 – 2020 will operate under four theme objectives, covered in the priority axes, namely:

- Priority axis 1 –innovation and social responsibility in the Danube region
- Priority axis 2 – responsibility to the environment and culture in the Danube region
- Priority axis 3- connectivity and energy responsibility in the Danube region
- Priority axis 4 – governing in the Danube region

At the same time, there is a priority axis 5- technical assistance dedicated to the financing of the management structure of the programme.

7. Bulgaria and Romania have increased eight times their trade exchanges in the last 10 years

Bulgaria's President Rosen Plevneliev said, on Friday, he was honoured to be the first head of state paying an official visit to Romania since President Klaus Iohannis took over his term, pointing out that the two states want to tell their citizens they are friends and have a plan to deepen bilateral relations.

"I am glad to be the first head of state who is visiting the new President of Romania. It is an honour that the first official visit to Romania is at the start of your term. I wish you success in this regard," Rosen



Plevneliev said, in the joint statement made with President Iohannis.

He underscored that it he wishes to boost regional cooperation.

"We have united our efforts today. We have seen how important the regional issue is. We want to give a new boost to regional cooperation, we want to tell Romanians and Bulgarians that the two states are friends, are good neighbours, partners and allies that we plan to deepen what we have obtained so far," said Bulgaria's President.

He mentioned that he wishes the deepening of the cooperation with Romania in all possible directions.

"In the last 10 years, Bulgaria and Romania have increased eight times their trade exchanges. Romania is today Bulgaria's 3rd-biggest trading partner in the EU and the 4th in the world. We have obtained a great deal. One million Romanians are our guests in Bulgaria, 300,000 Bulgarians visit Romania and we want these numbers to grow. We are talking about energy connections in terms of natural gas, transport infrastructure, new bridges over the Danube and new energy projects. We have obtained a great deal together, but we can do much more," Rosen Plevneliev said.

The situation in Ukraine and international issues were also on the agenda of the talks between the two heads of state.

"We want to deepen security and defence cooperation through joint exercises, in Romanian and Bulgarian bases. We realise that only integrated and together can we be efficient and successful," Rosen Plevneliev showed.

Bulgaria's President said that the two states want to be an engine of the European integration.

"We are impressed with your hospitality. We have a very strong motivation, firstly to discover new cooperation ways, to benefit from the European instruments, and Bulgaria and Romania, together, can be an engine of the European integration, prosperity and development. I am sure that, today, we are giving a boost to the Bulgarian-Romanian friendship both bilaterally, as well as regionally. We say that this region has a huge potential and we will find it together, in the interest of citizens," he concluded.

SOCIAL

1. **[Ion Jinga, disappointed with manner Romanians are presented in UK broadcast documentary](#)**



Romania's Embassy in London reacted to the broadcast by a TV station in the UK of a documentary about the Romanians living in this country, Ambassador Ion Jinga saying, in a letter addressed to producer Katie Buchanan, that the presentation spot of the documentary 'seems to reflect a biased and distorted perception.'

According to a press release by the Foreign Affairs Ministry (MAE), it concerns the three-episode documentary "Romanians are coming" broadcast on Channel 4.

Jinga voiced his "surprise and disappointment" concerning the content of the promo message, but also "the hope that the situation will be corrected, that the documentary will have an objective content and will not present a distorted image of the ensemble of the Romanian community in the UK."

He requested the producer to take into consideration replacing the photographs in the trailer of the documentary and adjusting the presentation text so that it should be in agreement with the "objective reality."

MAE points out that, in the reply sent to the Romanian diplomat, Katie Buchanan said that the first episode of the documentary shows "very clearly" in the comment that most Romanians coming to the UK are professionals with guaranteed jobs.

"Referring to the first episode of the series, Romania's Embassy in London is not capable to comment the opinions and life experiences presented, taking into account that both the narrator and the characters in the documentary are Romanian citizens telling their life stories, often sad and moving," MAE maintains.

However, the source adds, Romania's Embassy in London says that this first episode "isn't representative for the Romanian community in the UK, taking into account it depicts only a reduced social segment."

"In their wide majority, the Romanian citizens are well integrated in the British society and stand out at their jobs through professionalism, being appreciated by the British employers. In the context of broadcasting this series, we voice our hope that the next episodes will present in a balanced and representative manner the real image of the entire Romanian community in the UK," MAE says.

2. Ambassador Ion Jinga, designated "Diplomat of the Year 2015" in House of Commons event

Romania's Ambassador to the United Kingdom Ion Jinga on Thursday was awarded the "Diplomat of the Year 2015" title, within "Political and Public Life Awards 2015," an event that took place in the House of Commons, organised by Asian Voice British magazine and hosted by Keith Vaz, Chairman of the Home Affairs Select Committee of the House of Commons, Romania's Embassy to the UK informed on Friday.



The event in which Romania's Deputies' Chamber Speaker Valeriu Zgonea also received an award enjoyed the presence of over 300 persons, members of the British Government, British and foreign MPs, culture figures, diplomats, businessmen, artists and journalists.

3. Merkel: We mustn't have an undifferentiated attitude towards migration from Romania to Germany

German Chancellor Angela Merkel on Thursday said that there mustn't be "an undifferentiated" attitude concerning the migration from Romania to Germany and Romanian President Klaus Iohannis said that "poverty migration" isn't significant from a numeric point of view, showing that our country is confronted with a difficult phenomenon, namely the migration of qualified workers, which it must counteract.

"Concerning the migration from Romania to Germany, I believe we mustn't have an undifferentiated attitude. There is that poverty migration, but there are also many qualified workers working here, employed, and we must also mention this aspect in what concerns the presence in NATO," Merkel said, when asked how she commented the perception of Germans in regards with Romanians in the context of poverty migration.

In his turn, President Iohannis underscored that "the issue of poverty migration is one which unfortunately got mixed too many times with the problems of the labour force free movement in Europe."

"Unfortunately, when it comes to Romania, the poverty migration is seen first, which is not numerically significant, and very difficultly seen and rarely discussed is a phenomenon which is significant, problematic for Romania and a net gain for Germany. It is about the qualified and very qualified labour force migration from Romania to Germany. (...) To Romania, these persons are a loss. Our educational system is relatively performing, but a country as Romania has a problem if significant parts of the qualified labour force are leaving. (...) It is in our interest to find a counteracting [of this phenomenon]," the head of state said.

Iohannis showed that the number of those qualified who leave Romania and come to work, for instance, in Germany, is many times higher than those who are regarded as poverty migrants.

"Romania will have to confront this problem and this phenomenon can be stopped if we manage to introduce a sustainable economic development, a sensible increase in incomes, especially those of the younger generation, and if we manage, through transparency, in the public procedures, but also in the ones of career in the private environment, to guarantee the youth a good chance, be it in the public



space, be it in the private one. There are young people deciding to come back to Romania, because they believe our country also has possibilities, but there is still much to be done," President Iohannis said.

CULTURE

1. Romania to participate in the universal exhibition to take place over May 1 - October 31 in Italy

"Romania lives in harmony with nature" is the key message that Romania wishes to spread at Expo Milano 2015, in keeping with the theme of the universal exhibition to take place over May 1 - October 31 in Italy, namely Feeding the Planet, Energy for Life.

The announcement was made on the occasion of a media briefing on Thursday at the headquarters of the Ministry of Foreign Affairs, by Romania's general commissioner to Expo Milano 2015, Georgian Ghervasie.

According to him the Romanian government is going to allot for the participation in this exhibition 3.5 million euros, to be used for building Romania's pavilion, as well as for the organisation of the events to be held during the exhibition.

"From a thematic and functional perspective, the Romanian pavilion will keep up with the theme of the exhibition - Culture and Food - through mixing tradition with modernity. The pavilion will be structured, at the first floor, on five thematic areas and it will offer its visitors information through high-tech multimedia devices based on LEDs and digital technics. Up floor, we will have the restaurant, with a modern porch and a roof made of reeds, surrounded by a garden, which we intend to keep alive, fresh, during the entire six months. (...) We will also have a contemporary interpretation of a traditional village house," said the commissioner.

The Pavilion, which occupies a total space of 887 square meters, will have Spain and Mexico as neighbours on one of the sides, and Vatican, France and Israel, on the other side.

Moreover, Georgian Ghervasie announced that the organisers are also considering, after the end of the exhibition, to bring the Romanian pavilion to Romania, in order to give a chance to see to those who didn't go to Milan.



2. Film director Tudor Giurgiu, the ambassador of the European Film Festival, May 7-14

Bucharest will be host to the European Film Festival, May 7-14, the ambassador of which will be film director Tudor Giurgiu, the Romanian Culture Institute (ICR) reported on Thursday.

The event is held jointly with the Representation of the European Commission in Romania under the EUNIC aegis, with support from embassies and cultural centres of European countries. After Bucharest, it will travel to other big cities of Romania.

More than 40 drama, comedy, bio, documentary and animation films will be screened in this year's edition, from 25 countries. As usual, the screenings will be followed up by discussions about the films in the presence of their producers, directors, actors and film critics.

The previous edition drew to the Studio and Elvira Popescu halls nearly 8,000 spectators.

"Last year's edition, which won accolades from Romanian cinemagoers who filled up the halls, obliges us to keep up the high level in terms of selection and related events. We want to offer the public a consistent meeting with the European filmmaking," ICR Deputy Chairman Liviu Jicman is quoted as saying by ICR.

The film screenings will be hosted by the Cinema Pro, Cinema Studio and Elvira Popescu Cinema halls. The same as in the previous edition, entrance is free. Access to the opening gala will be made on invitation only.

3. Robbie Williams will hold a concert as a first in Bucharest's Constitution Square, on July 17

British artist Robbie Williams will hold a concert as a first in Romania, in Bucharest's Constitution Square, on July 17, the event's organisers, Marcel Avram, East European Production and D&D East Entertainment announced in a press conference on Tuesday.

"We are glad that, after entire months of negotiations, we managed to announce that Robbie Williams comes to Bucharest, on July 17," said Denise Sandulescu, D&D East Entertainment General Manager.

The concert is part of the 11th tour of the artist, "Let Me Entertain You," which Robbie Williams will go on in 2015. The tour begins on March 25, in Madrid, and will also include concerts in cities such as Barcelona, Paris, Moscow and Tel Aviv, with the best known hits of the British artist, such as "Let Me Entertain You" (a song also giving the name of the tour), "Feel" or "Angels" included on the playlist, Marcel Avram announced.



Embassy of Romania in the United Kingdom of Great Britain and Northern Ireland

He said that, in the show in the Constitution Square, the British artist will perform both jazz and rock music.

"The Robbie Williams concert will be a mix of rock and jazz. It will be a show for everyone," Avram showed.

The tickets will become available on Tuesday at 16:00, through the Eventim network and online, on eventim.ro, Valentin Vasileoiu, Eventim CEO, announced.

"We know the public voiced a high interest in this event and we expect a very good sale starting today, at 16:00, when the tickets are put up for sale. Taking into account the distribution of the tickets, there are areas in which we expect tickets to be sold out today," Vasileoiu said on Tuesday.

A number of 60,000 tickets will be put up for sale, at the prices of 530 lei + taxes - Diamond Circle, 430 lei + taxes - Golden Circle, 175 lei + taxes - Normal Circle, and 630 lei + taxes - tickets with VIP grandstand seats.

The organisers also announced that in the first two weeks they will put up for sale a number of 8,000 tickets at a promotional price of 140 lei + taxes (151.2 lei).

"We sought to make a good price for the tickets, available for all," Marcel Avram pointed out.

Robbie Williams, aged 41, enjoyed huge success after he left Take That group, launching a series of albums and singles such as "Angels" and "Millennium."

The British artist launched the seventh studio album, "Under the Radar Volume 1," in early December 2014.