



Action plan for Swedish bio energy companies - Romania -

Version 1.0

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This report was made by the Swedish Trade Council

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Summary market prioritization bio energy

- There is a growing global demand for renewable energies
- There are many opportunities and in order to succeed the bio energy companies have to focus and have a long term commitment on the most promising markets
- In order to shorten lead times to business for Swedish bio energy companies the Swedish Trade Council analyzed 25 selected markets
- Nine markets were identified as the most promising; Austria, Canada, Czech Republic, Ireland, Poland, Romania, Spain, United Kingdom and USA
- In the next step a deeper market analysis and an action plan for each prioritized market was conducted
- This is the action plan for the Romanian market



Why prioritize?

- focus and long term commitment are essential to success

Entering a new market requires a substantial commitment in terms of time and money especially in relation to a small company's resources

Before entering a new market the following factors need to be evaluated:

- Customer demand and buying criteria
- Laws & regulations
- Business climate & culture
- Local and international competition
- Access to financing

When entering a new market the following need to be created:

- Sales & distribution network
- Local references
- Customer contacts
- Brand recognition
- Local networks (Swedish companies, sub-suppliers, consultants, politicians, etc)

Substantial scale and learning curve effects exist per country



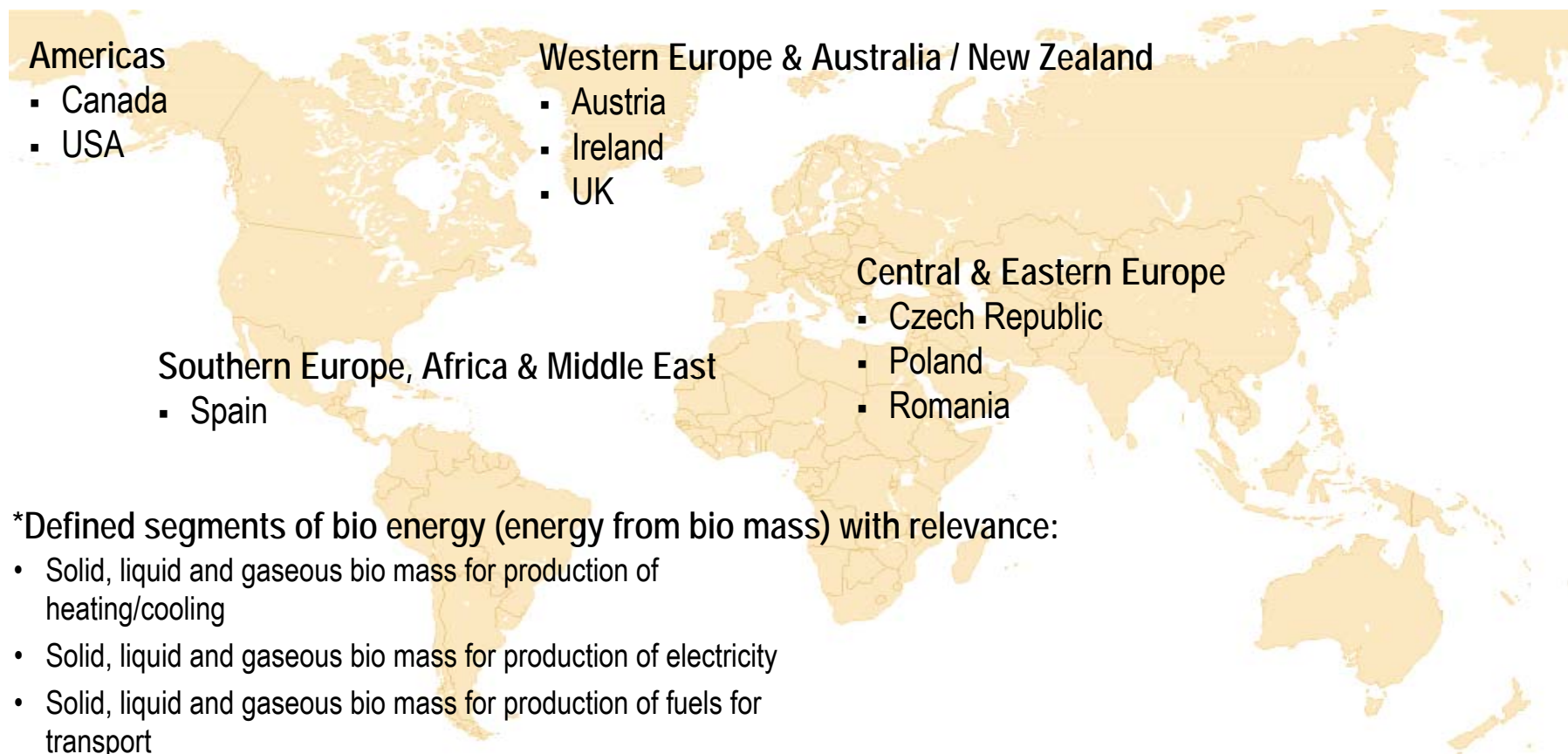
The 25 countries are found in five regions*

- identified through company preferences, industry experts, Svebio





9 geographical markets were identified for further analysis and development of an action plan in the field of bio energy*



*Defined segments of bio energy (energy from bio mass) with relevance:

- Solid, liquid and gaseous bio mass for production of heating/cooling
- Solid, liquid and gaseous bio mass for production of electricity
- Solid, liquid and gaseous bio mass for production of fuels for transport



Three tracks identified

- different characteristics for each track

"EAST TRACK"

- Czech Republic
- Poland
- Romania

Characteristics:

- New EU-member
- District heating
- Mainly public financing
- Based on opportunities waiting to be explored

"WEST TRACK"

- Canada
- Ireland
- Spain
- UK

Characteristics:

- Bio energy for transport + electricity production
- Domestic heating/cooling
- Public and private financing
- Based on demand from markets

"SPECIAL TRACK"

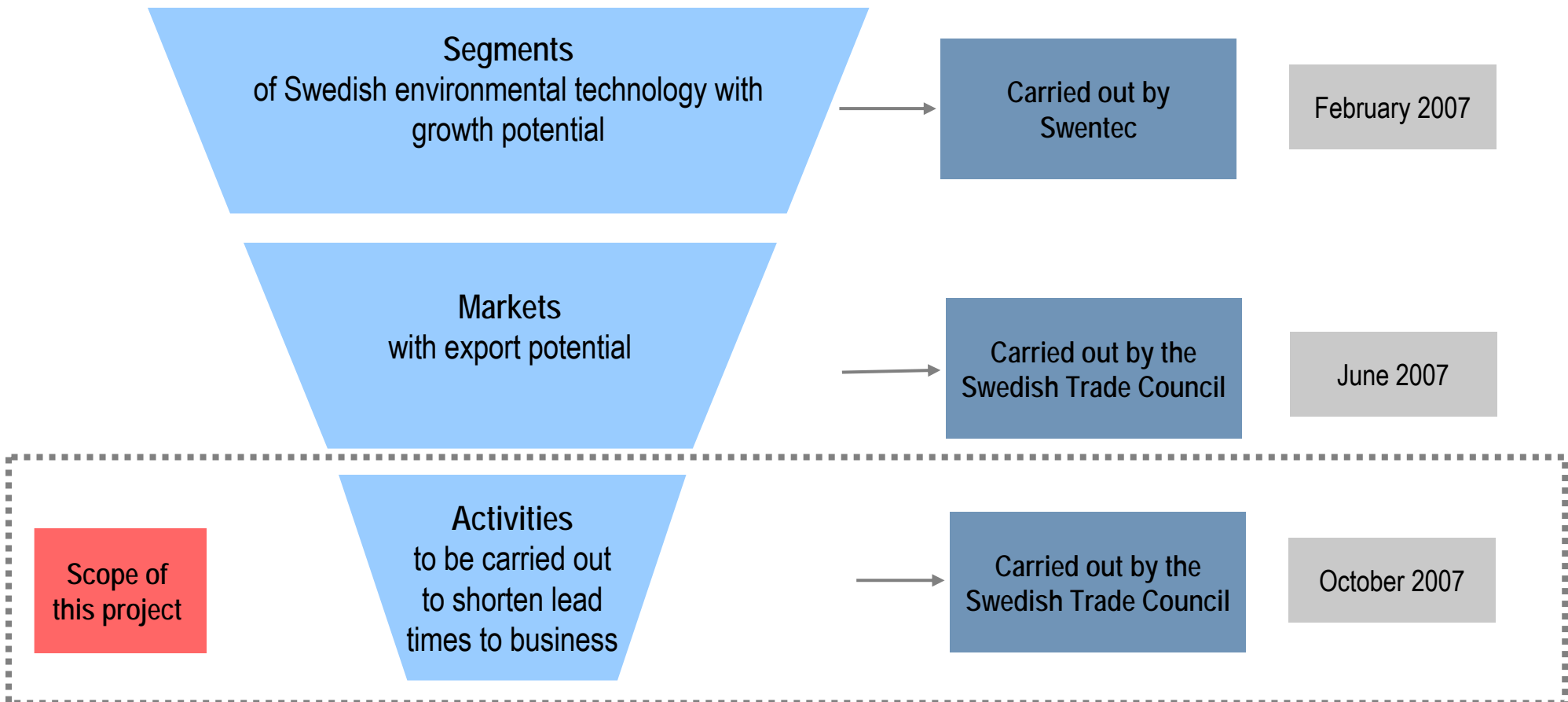
- Austria
- USA

Characteristics:

- Window of opportunity open now
- Very advanced in certain segments, i.e. bio fuels for transport
- Public and private financing
- Based on bench marking opportunities

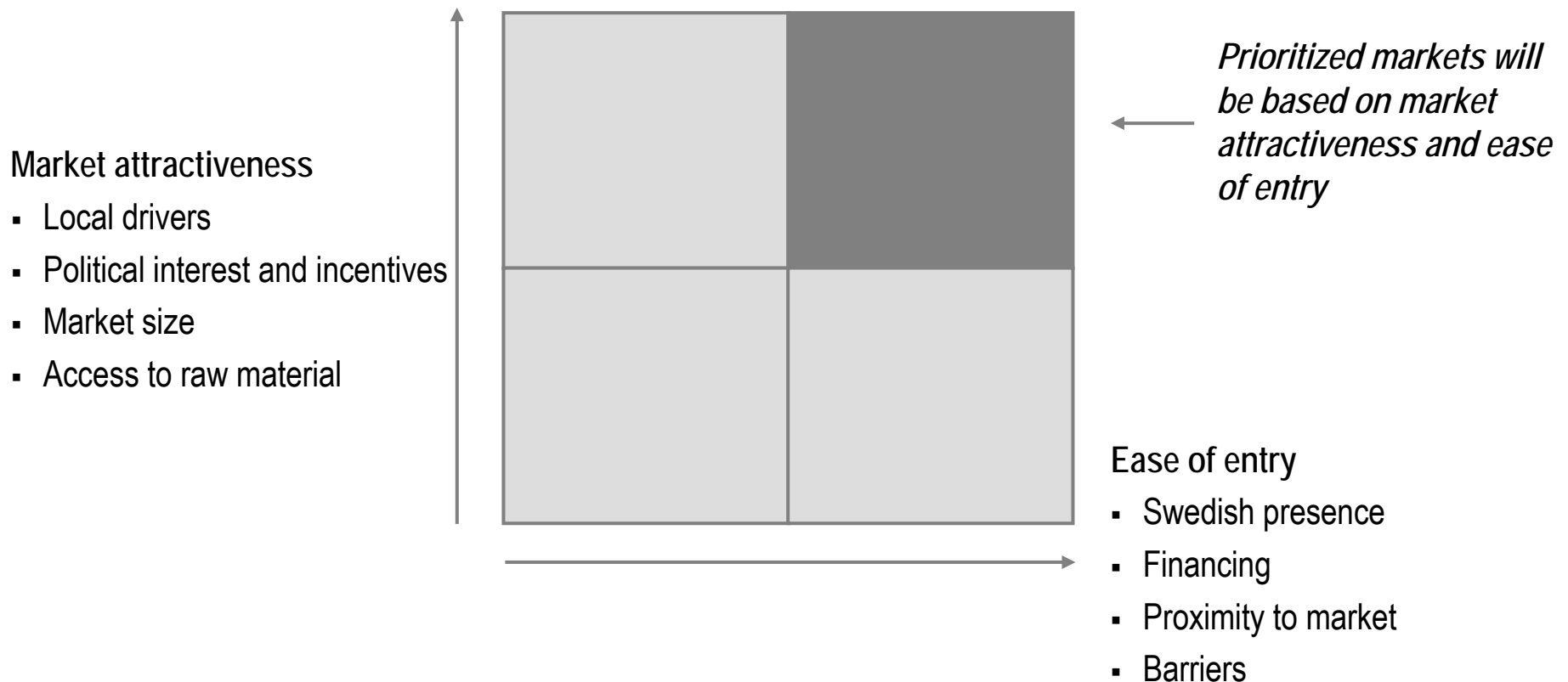


Funnel approach to zoom in on segments, markets and activities with largest potential for export



In the last report markets with most potential (market attractiveness vs. ease of entry) were identified with Svebio

- this project focuses on WHEN and HOW to enter the market



This project entails 3 segments - The company strategy needs to be adapted accordingly



Project plan: Activities

Market analysis

Activities

- Local interviews with bio energy companies, experts and organizations

Deliverables

- Answered key questions
- Local action plans for the 3 sub segments

Aggregated analysis

Activities

- Analysis of local reports and action plans
- Development of action plans for regions and or types of companies

Deliverables

- Action plans for regions and or types of companies
- Action plan for a central Swedish initiative

Seminars

Activities

- Seminars in Stockholm and Gothenburg

Deliverables

- Conducted seminars

This process will assure well founded strategies / action plans



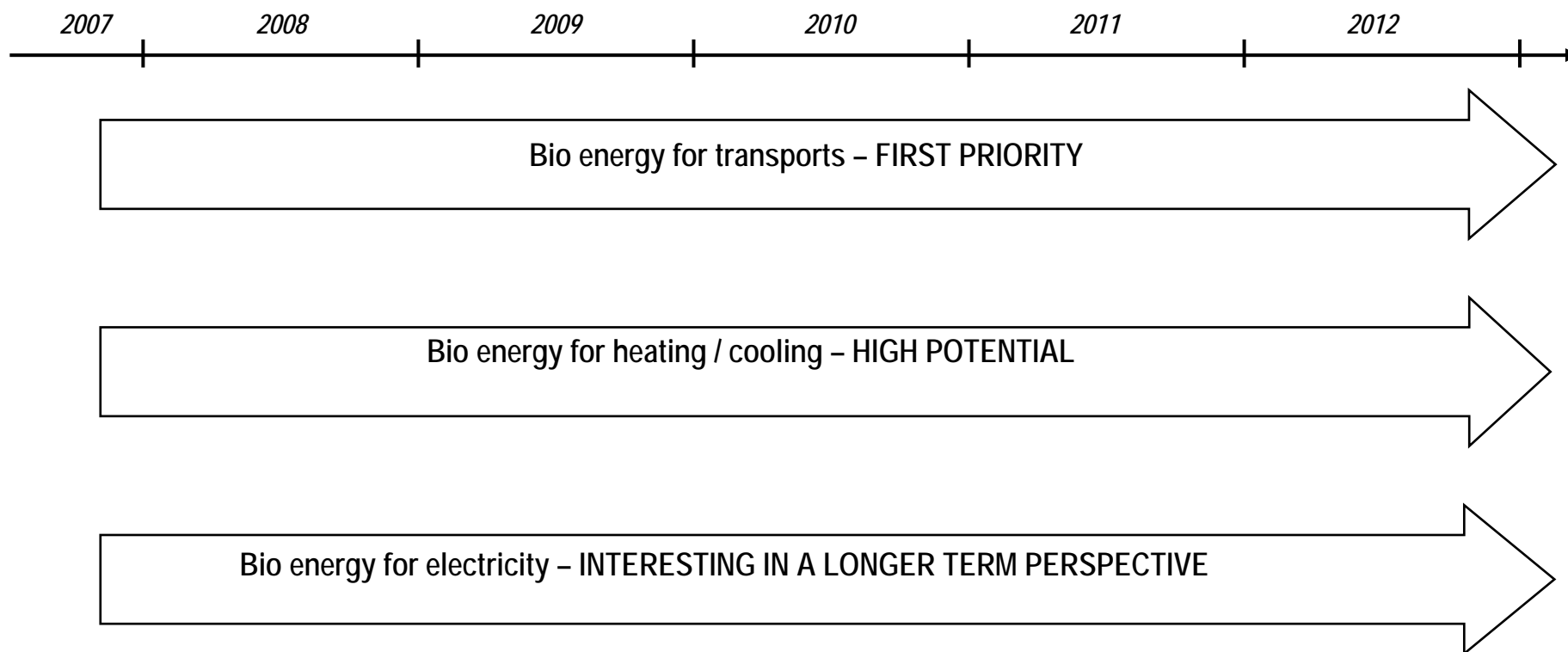
Definitions and abbreviations

Term / abbreviation	Definition
Environmental technology	All technologies whose use is less environmentally harmful than relevant alternatives. Environmental technology are according to ETAP categorized into the following areas; air pollution control, bio energy, district cooling/heating, energy efficiency, environmental consultants, environmental training & information, hydro power, noise protection, soil remediation, solar energy technology, sustainable building, systems/control/monitor engineering, transportation, waste management & recycling, water & wastewater treatment, wave power, wind energy technology
Bio energy	Bio energy is energy from biomass. Includes solid, liquid, gaseous bio fuels for production of heating/cooling, electricity and fuel for transport.
RES	Short word for renewable energy sources, normally wind, solar, bio energy, hydro etc.
Market	In this report a market is defined as a geographical country.

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On the short term the Bio energy for transport is most attractive, but presence and lobby is required for heating cooling and electricity also



The three segments have different levels of development that guide us in prioritizing

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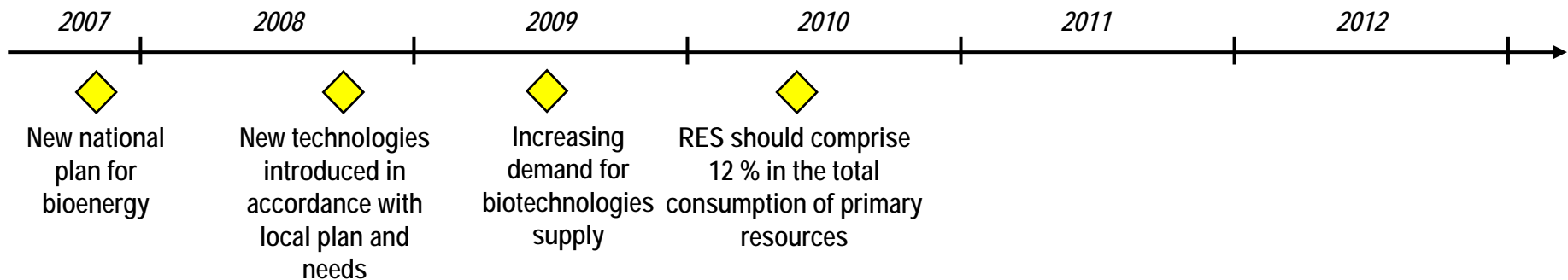
Current opportunities within the segment heating / cooling include...

Timeline according to type of company		
Refined products	Pellet burners / systems sold to municipalities	Pellets – sold to municipalities
Know how	Production – sold to municipalities	CHP– sold to municipalities
Raw material	Timber Sawdust Urban waste – sold to municipalities and household	Wood– sold to municipalities
	Now	2012

- There is very high potential for biomass for heating/cooling
 - However, the main clients are the municipalities and political decision has not been taken given the high level misunderstandings in the Romanian political arena
- There is a high need for know-how both in waste management, pellet production, sawdust, etc, regarding the whole process from raw materials to production and refined products

Bio energy associations, consultants and producers should be present and lobby for a decision

Solid, liquid and gaseous bio mass for production of heating/cooling is a very new segment



Comments

- Need for a new plan; not coordinated actions between the Ministries
- There is a present requirement from the EC that all the countries have a plan regarding the bio energy
- In present there are isolated pilot CHP projects with production
- 2 large projects for very big towns waiting for the national plan
- 5 sawdust heating plants
- Emerging demand from the household segment
- Government has local plan for fulfilling the target of 12 % RES by 2010
 - Subsidies are assumed to increase
- There are several international competitors present

Actions

- Prioritize market
- Adapt strategy to national plan, sell know how
- Opportunity to sell coordinated projects of consultancy, followed by production, supply chain, refined products, whole chain for all bio sources for CHP
- Strong lobby for Swedish technology and for a sustainable local plan, nationally and at municipal level
- Monitor competitors actions



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Electricity from biomass is not a top priority

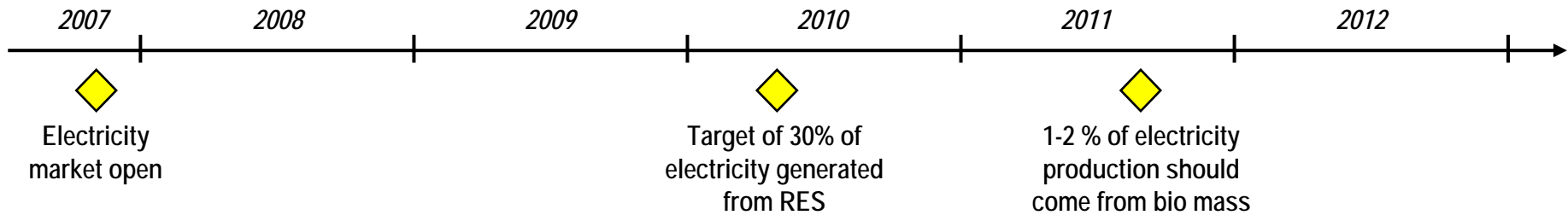
Timeline according to type of company

Refined products		
Know how	CHP as well as electricity - sold to household and communes	
Raw material	Wood- sold to household and communes	Hybrid plants – more info to be found
	Waste- sold to household and communes	
	Now	2012
	<i>Time</i>	

- The main RES for electricity are the water and the wind, then the sun power; the biomass is not considered as an alternative yet
 - However, there are projects that use the biomass for both CHP and electricity
- High efficiency projects will be successful, as electricity market became 100% open

The electricity market changes could lead to opportunities in the medium term

Solid, liquid and gaseous bio mass for production of electricity is an immature segment



Comments

- New law passed 01072007 for 100% open market
- new concrete national plan regarding RES to be done, as EC requested
- examples in place can prove the efficiency of this type of solutions
- NN government has local plan for fulfilling the target of 30% by 2010
- Supply
- Cost savings
- Competition is not strong

Actions

- Prioritize market
- Adapt strategy to national plan, sell know how
- Opportunity to sell coordinated projects of consultancy, followed by production, supply chain, refined products, whole chain for all bio sources for CHP and electricity combined plants
- Strong lobby for Swedish technology and for a sustainable local plan, nationally and at municipal level
- Etc.



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There is a booming market for bio energy for transports today

Timeline according to type of company

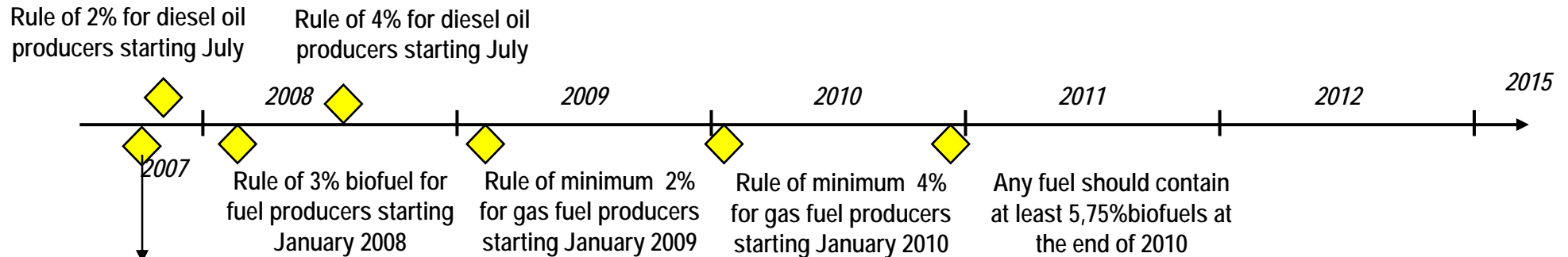
Refined products	<p>Bio diesel – sold to refineries</p> <p>Biogas – Ask Anna about it</p>
Know how	<p>Ethanol – sold to bio diesel producers</p> <p>Lubricants – sold to bio diesel producers</p>
Raw material	<p>Agricultural products – sold to ethanol plants</p> <p>Use of remaining from oil plants – sold to ethanol plants or used internally by food factories</p> <p style="text-align: right;">Biodiesel Pure vegetal oil</p>
	<p>Now <i>Time</i> 2012</p>

- There is a huge interest and increasing presence of foreign investors
 - However, for agricultural raw materials, it is difficult to obtain the production or the surface of land needed, as it is split between million of private owners and very few big land owners
- As there is a new requirement regarding bio fuel target and the laws are approved, market grows and the market becomes more and more well defined

The market is already attractive and offers many opportunities



Bio energy for transport is an emerging segment



Actions

- Prioritize market
- Adapt strategy to remaining market share and to the needs of the players—sell know how
- Supply – introduce new advanced technologies
- Act and lobby for big associations of land owners
- Identify area of complementarities with present players
- Swedish funds specialized in this area could have a good market
- Competition

Comments

- Laws in place since 2000
 - Government Decision 941/29 from 2002 regarding the establishment and operations of ARCE – The Romanian Agency for
 - The law. 571/2003 regarding the Fiscal Code. It includes state incentives for mineral oil producers.
 - Government Decision 44/2004 according to which biofuels entirely produced from biomass are tax free
 - Government Decision 1844/2005 about biofuel
- Subsidies are in place for agriculture owners per ha and for the producers per liter of biodiesel
- Competition doubled as number of players during this spring



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The Romanian market has high potential

Country facts

Population:	21,7 million
GDP/capita:	\$ 8,800
GDP growth:	6,6 % (estimate for 2007)
Swedish export:	3 Billion SEK
Swedish export, growth:	24 %

Bioenergy facts

Feed in tariffs:	Varies with type of Energy plant (576 SEK/MWh as average price for industrial users)
RES in energy mix:	7%
Available programs/initiatives:	Both initiatives from governmental and private sector/organizations
National Energy Plan:	New Energy Strategy for 2007-2020 was issued on the 5th of July
Available raw material:	Wood products, agricultural waste from cereals, corn, wine yards, biogas, urban waste, residue from food and oil plants
Domestic expertise:	Heat. Boilers, Pellets, Biodiesel, District Heating, Solar, Water Power but very small scale
Environmental public awareness:	Low to medium
Bioenergy companies present:	Rindi Energi, Börlange

Romania – Hot opportunities

Business opportunities

- Segments with opportunities for Swedish companies: District heating, environment protection equipment, infrastructure solid, liquid bio fuels
- Demand for: domestic heating segment, industrial heating segment
- Building sector expanding
- High potential for solar, wind, water, geothermal energy
- EU membership rules apply
- Green certificates system

Challenges

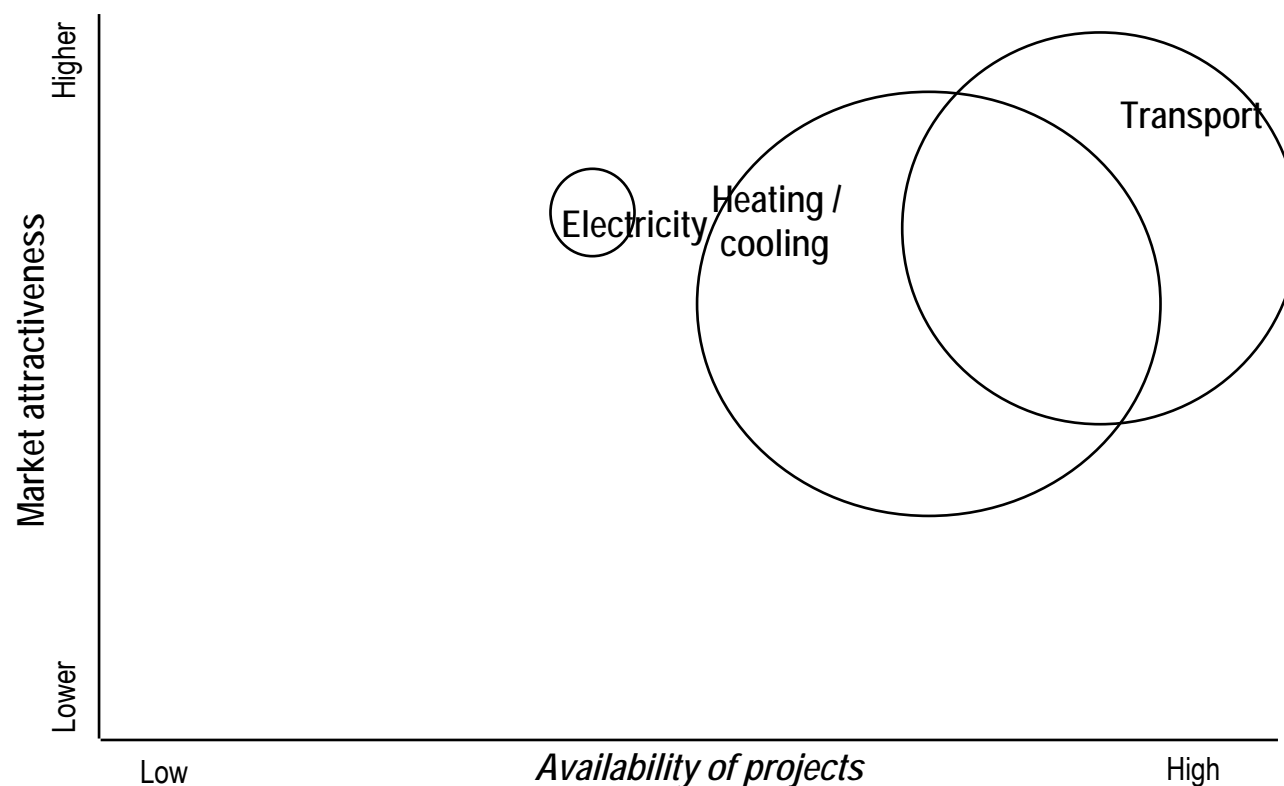
- Competition from low cost imports
- Price level of fuel makes consumer market difficult at present
- Difficulty to access financing
- Lack of environmental public awareness
- Lack of clear long term energy strategy from the Government

Conclusion

- Total investment to the energy sector until 2015 is about 2700 MEUR. Both EU funding entities and the Government do foresee energy as a priority area
- Swedish companies should benefit on the growing market potential. Market experts believe that the biggest potential in 1 to 5 years will be observed in such areas as district and household heating, establishment of a logistical system, as well as production of bio fuel, production of biomass.

All three segments are present in Romania

Market attractiveness and availability of projects



- Heating / cooling has high potential, but because of the unclear political decisions it could be difficult to get on the market
- Electricity has the lowest attractiveness, as it is assured mostly from hydro power, wind and solar energy
 - However, interesting segments are very interesting, given the national target for bio resources and the starting stage of bio energy market
- Transport is most promising, as clear and tight targets are set and undergoing
 - The size of the circle indicates market size (1 cm = 100 MEUR) – STC estimation

Romania has an attractive market for bio energy for both transport and cooling / heating

In Romania the bio energy market is an emerging market

Indications from the market

- Status of the sector is in the starting phase
 - There is no concrete plans on what, how, when and with what funds is to be done in the area
- Local organizations and financing are active
 - There are both market survey, specialized for energy efficiency and consulting local companies
 - Financing is mixed, private –public, and private funding is international
- Customers and supply are well represented
 - The main target are the municipalities
 - As bio energy is not common, supply chains are not well defined
 - The market has high potential to grow and to allow to the specialized companies to sell their services
- Competition and complementing entities...
 - The competition comes mostly from European countries
 - Most of the basic/ground solutions are implemented as pilot/individual projects; high potential to come/extend together with the complementary entities

Implications

- For Swedish companies there is high potential for all type of basic services
- There is an urgent need for Romania to put together a clear and coordinated strategy regarding RES and bio energy
- Strategy and funding are not clearly divided for RES and for bio energy
- The political influence makes the process slower
- The market is more and more attractive for all the three segments
 - Still, in this stage we can recommend this market to big companies and to full service providers or holdings, as the market is not well developed to become attractive to the niche players

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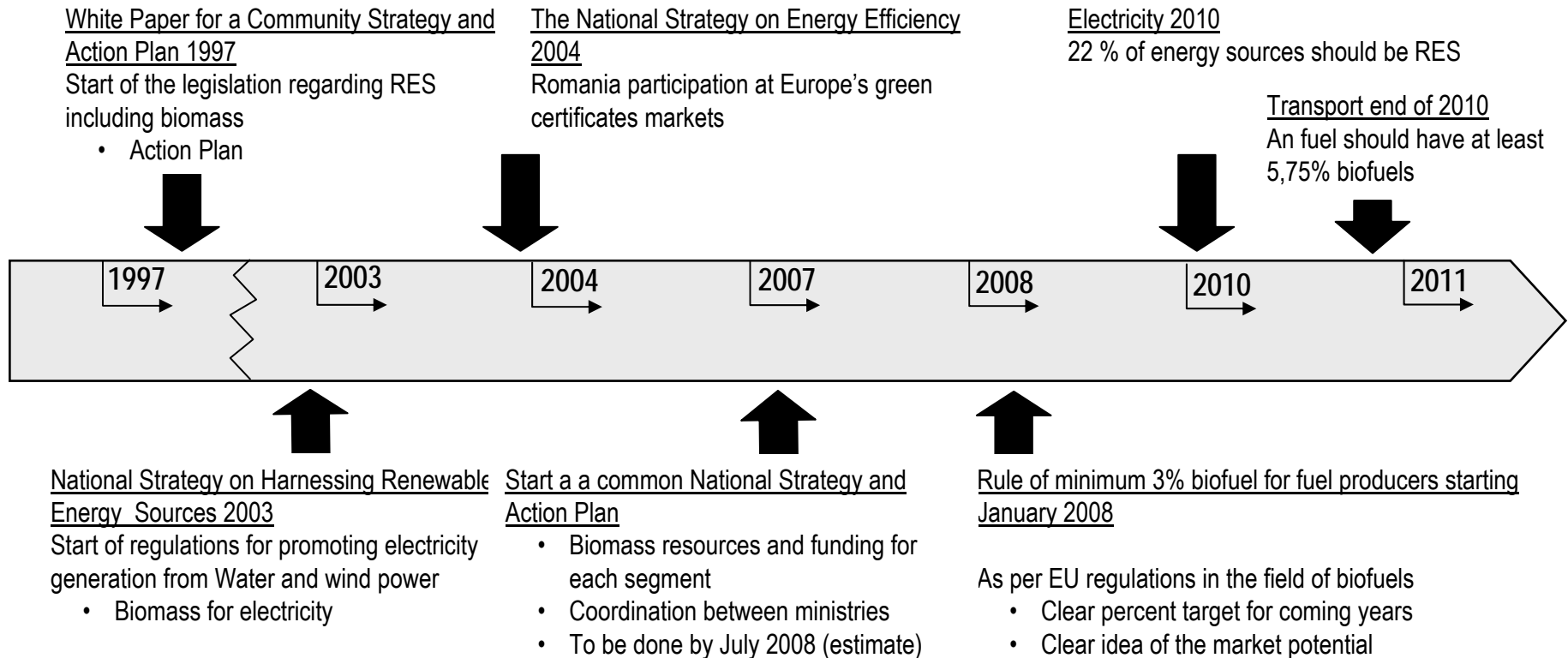


Within the field of bio energy transport is the segment that is the most attractive

Bio energy – description of the market		
Heating / cooling	Electricity	Transport
<ul style="list-style-type: none"> • The segment is very important area for bio energy • The market is not mature yet • There is huge future growth potential, especially because of the EU funds allocated for infrastructure that can be accessed by municipalities • Major trends consist in HC for municipalities from sawdust and urban waste; also at household level pellets are used, as well as agricultural auxiliary products 	<ul style="list-style-type: none"> • The segment is not very important; it is seen as complementary to HC • Low potential, as RES electricity sources are mainly hydro power, wind and solar power • Medium to small future growth potential • Major trends are related to CHP, plus electricity for house hold, where biomass is easily and consistently available 	<ul style="list-style-type: none"> • The transport segment is very important and has the highest attractiveness at the moment • It is not a mature market yet, but very dynamic and fast growing • It is huge future growth potential for any bio fuel related business, given clear targets on short and medium term • Major trends are represented by <ul style="list-style-type: none"> –Local oil companies that use auxiliary products –Ethanol production plants –Huge foreign investment –High interest from more investors to come

Historically...

- the national plan implies



Comments

The national plan entails concrete measures in the field of bio fuels, but needs up-dates and specific actions and funding for cooling-heating and electricity; final plan should offer a clear view on what and when is mandatory to be done in each of the three areas

The most significant challenge is consumer behavior

Bio energy – major challenges in each field

- Entry barriers (regulations etc.) – the most significant barriers are linked to the stage of the market and overall framework: political decision at level of municipalities and inexistent strategy coordinated at the inter ministerial level
- Financing – not decided yet, no concrete funding allocated for biomass, just for the RES as a whole
- Supply – huge resources and potential but lack of experience and of value chain
- Consumer behavior – still traditional sources are preferred; as suppliers got privatized and electricity market is totally open, they will look more and more for alternatives
- Technology – basic technology introduced in individual projects; transport is the only exception, as a more dynamic market

Heating / cooling	Electricity	Transport
<ul style="list-style-type: none"> • Supply – no tradition • Consumer behavior- coal still largely used • Technology- not wide spread • Political decision and slowness at local level 	<ul style="list-style-type: none"> • Supply – no tradition and no priority • Consumer behavior- harder to introduce biomass as resource given the availability and prior preference for hydro, wind and sun • Technology 	<ul style="list-style-type: none"> • Supply – many small land owners and very few important owners • Consumer behavior – no big issues • Technology – to find/develop the appropriate one • Costs- big investments and utilities price rises

The most significant entry barrier is bureaucratize

Bio energy – main entry barriers		
Heating / cooling	Electricity	Transport
<ul style="list-style-type: none"> • Political influence • Bureaucrazy • No clear and coordinated structures for financing, only disparate entities within different ministries • Public ownership of the heating municipal plants • Tariffs are not an issue • Norms and certifications – not an issue 	<ul style="list-style-type: none"> • Lack of high interest • Bureaucrazy • Lack of funding – no structures for financing • Lack of information available about this item, connected with the green certificates market, etc. • Norms and certifications – not an issue 	<ul style="list-style-type: none"> • There is no major entry barrier except for the existence of many small and very small land owners and the relatively high investment required to start up a bio fuel plant

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The most significant influencing entities in Romania include EU and The Government

Bio energy – influencing entities

- Government / EU /equivalent legislation / directives
- Regulatory Authority – ANRE for energy related issues (this entity is directly subordinated to the Prime Minister)
- Ministry of Economy and Finances for fuels and as main entity for energy issues
- Industry structures : institutes, energy markets support entities (ARCE, OPCOM, Transelectrica, ENEROM, ICEMENERG, ISPE)
- Major corporations
- Lobby and environmental organizations
- The market players – there are no segment associations, therefore each and every player has the power to change the market
- Media is very weak in the bio energy area, only one specialized magazine identified during the project data gathering

Heating / cooling	Electricity	Transport
<ul style="list-style-type: none"> • Government for municipalities • Industry structures • Ministry of Economy and Ministry of Interior and Administrative Reform • Environment Foreign Associations and Organizations • Major corporations 	<ul style="list-style-type: none"> • Government for municipalities • Industry structures - ANRE • Ministry of Economy and Ministry of Interior and Administrative Reform • Environment Foreign Associations and Organizations • Major corporations 	<ul style="list-style-type: none"> • EU • Ministry of Economy • Market players • Land Owners Associations • Agentia Nationala de Consultanta Agricola

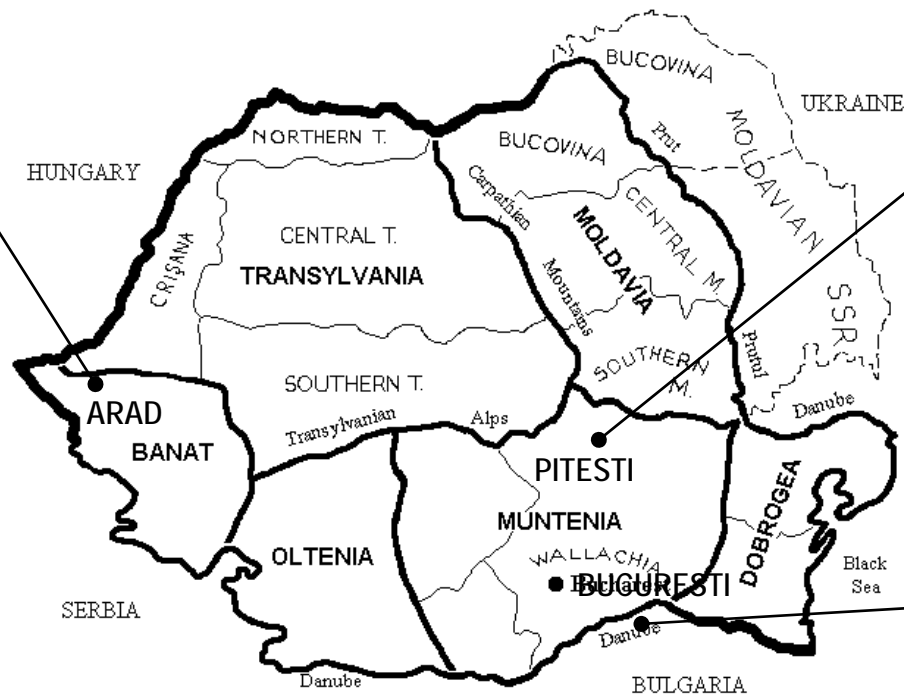


Some cooperations between Swedish and local entities already exist

Rindi Energy – Arad City Hall

Rindi Energy represented by Viascandi has a presence of two years and intensive talks about biomass used at county level

- Delegation to visit Rindi Energy plants during November 2007



Börlange Energy – Pitesti City Hall

Börlange Energy has a collaboration of more than one year

- Delegations from both sides visited the other entity; ecological issues programmes developed

Sweheat – COGEN

Various meetings and lobby

National cooperations

- SwedenTech together with Sweheat organised in May 2006 an Environmental Technology Seminar
- There is more room for collaborations and lobby



Bio energy projects are mainly financed through public money

	Private	Public
National	<p>Local private financing</p> <ul style="list-style-type: none"> • The projects are financed through local private capital <ul style="list-style-type: none"> – The contractors – Large companies with various investment fields – Consulting companies 	<p>Local public financing</p> <ul style="list-style-type: none"> • The projects are financed through local public capital <ul style="list-style-type: none"> – The municipality / state – The national government – Beneficiary companies with budget allocated for bio energy investments
International	<p>Public private partnerships</p> <ul style="list-style-type: none"> • The projects are financed through national or international public private partnerships 	
	<p>International private financing</p> <ul style="list-style-type: none"> • The projects are financed through international private capital <ul style="list-style-type: none"> – The contractors – Consulting companies 	<p>International public financing</p> <ul style="list-style-type: none"> • The projects are financed through international public capital <ul style="list-style-type: none"> – Government entities – Industry entities

*No figures available regarding the split between local, EU and international funding

A mix of public local or international financing is most common on the market



There are several financing alternatives available from Sweden (1/3)

Financing alternatives for Swedish corporations from Sweden

EKN (Exportkreditnämnden)

Financing: Government authority that gives warranties in order to insure export deals and cross border investments. Such a warranty can be the prerequisite for offering the buyer credit – and can also enable better financing.

Environmental focus: Gives warranties for different types of business endeavors incl. Environmental oriented ones. Takes the environment into consideration when evaluating all business endeavors.

Geographical focus: Basically all countries, but with different levels of premiums according to the country list on the website.

Info: www.ekn.se, martin.Kallervald@ekn.se

SEK, Svensk Exportkredit (“Swedish Export Credit”)

Financing: State owned corporation that offer export financing solutions, general corporate financing, project financing, capital market transactions or qualifies consulting services Swedish companies and their international customers.

Environmental focus: Not specifically

Geographical focus: All regions

Info: www.sek.se, bo.leander@sek.se

There are entities for different needs – venture capital, credits, subsidies and warranties



There are several financing alternatives available from Sweden (2/3)

Financing alternatives for Swedish corporations from Sweden

Exportlånet ("The export credit")

Financing: "The export credit" is administrated by Almi and is a collaboration between Almi, EKN, Swedish Trade Council and Swedfund. The credit is developed to be complementary to a market and specifically for export deals. It can finance up to 90 per cent of the total capital need without a maximum credit amount.

Environmental focus: Not specifically

Geographical focus: The credit is only offered to Swedish SMEs with operations in Sweden

Info: http://www.almi.se/finansiering_export.html

Exportlånet ("The export credit")

Financing: "The export credit" is administrated by Almi and is a collaboration between Almi, EKN, Swedish Trade Council and Swedfund. The credit is developed to be complementary to a market and specifically for export deals. It can finance up to 90 per cent of the total capital need without a maximum credit amount.

Environmental focus: Not specifically

Geographical focus: The credit is only offered to Swedish SMEs with operations in Sweden

Info: http://www.almi.se/finansiering_export.html



There are several financing alternatives available from Sweden (3/3)

Financing alternatives for Swedish corporations from Sweden

Start Öst ("Start up East") & Start Syd ("Start up South")

Financing: The programs "Start Öst" and "Start Syd" offer SMEs the possibility of applying for financial support for knowledge transfer and equipment when establishing business in one of Sida's countries of cooperation. The financial support is in the form of a credit that is depreciated 100% after completed and authorized project. The maximum credit is KSEK 500 for knowledge transfer and KSEK 250 for equipment. It can in total only amount to 40 % of total project cost. In order to be eligible for the credit the Swedish company needs a local business partner. The credit is administrated by Nutek.

Environmental focus: Not specifically, but takes the environment into consideration when evaluating applications

Geographical focus: Selected countries in Africa, Asia, Latin America and CEE

Info: <http://www.nutek.se/sb/d/118>

DemoMiljö

Financing: Support on the basis of a gift

1. Realization of demo projects (financing of equipment or systems competence/engineering) for new environmental technology. Application trough the recieving partys counter, i.e. foreign authorities, institutions or companies. KSEK 500-3 000.
2. Feasibility study for project development and identification (which in turn can lead to a demo project). Max. KSEK 300, only for SMEs.

Environmental focus: Environmental technology within sustainable metropolitan development

Geographical focus : Sida's countries of cooperation in Africa, Asia, Latin America and CEE

Info: http://www.nutek.se/content/1/c4/60/38/demomiljo_webb.pdf (Sida finances and Nutek administrates)



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The most significant customers are municipalities

Bio energy – main customers		
Heating / cooling	Electricity	Transport
<ul style="list-style-type: none"> • All municipalities • Private households • Private companies 	<ul style="list-style-type: none"> • All municipal utility companies • Households • Farms • Small private companies • Small state owned institutions 	<ul style="list-style-type: none"> • All refineries • Fuel producers



Viascandi – Heating / Cooling

– Energy company with a turnover of 0,5 MUSD

Category	Energy and heating company, Romanian distributor established in 2006
Line of business	Micro hydro energy plants from raw material as wind and solid biomass
Turnover	0.5 MEUR
Ownership structure	Joint Stock Company, split of shares between the Management and Rindi Energy Sweden
Investment plans	Constantly growing, but initiatives and projects are delayed, still, one offer for the Arad town is to come as a first bigger project for the company in Romania
Comments	This entity is very keen to invest more on the Romanian market; pellet production is one area where there is lack of local expertise and where the return of investment would be seen as raw material for some of the mother company's solutions; lobby is one key tool that needs to be used on the local market. The education of the large public regarding the bio energy and of the possible beneficiaries is another big area to work on. Extended knowledge about other investments in pellet production unit in Sibiu, Bistrita, Oradea, Baia Mare; also in Sebes, there is an 160 000 Euro Austrian investment for ethanol production unit.

Confort – Heating / Cooling

– Energy company in Romania – county player

Category	Energy company
Line of business	Supply of energy in Intorsura Buzaului
Turnover	0. MUSD
Ownership structure	Wholly owned by physical persons
Investment plans	In accordance with the funding allocated within the framework of the “sawdust 2000” project
Comments	This entity is a small Romanian company that managed to identify the potential in the bio energy area and the funding available



The most common technology in Romania includes timber and agricultural sources

Bio energy – most common technologies		
Heating / cooling	Electricity	Transport
Today		
<ul style="list-style-type: none"> • CHP • sawdust 	<ul style="list-style-type: none"> • CHP in planning stage 	<ul style="list-style-type: none"> • Bio diesel from corn • Rape • Sun flower
Trends		
<ul style="list-style-type: none"> • Pellet systems • Urban waste • Hybrid plants • Wood 	<ul style="list-style-type: none"> • Not important area, no visible trends, as hydro, wind and solar power are widely spread 	<ul style="list-style-type: none"> • Bio gas (small scale)

All public projects are handled through a tender process in Romania

Purchasing process relative to project size and degree of public ownership

Project size	Larger	Tender process or connections / relations / marketing	Tender process
	Smaller	Connections / relations / marketing	Tender process
		Smaller	Higher
		<i>Degree of public ownership</i>	

- The purchasing process is in form of a tender process
 - however, some larger projects for private corporations are handled through a normal purchasing process where relations play a significant role
- The tenders for public projects are managed in accordance with the Romanian legislation for public tenders, entirely compliant with EU respective regulations

Most interesting projects are handled through a tender process

The tender process in Romania follows the EU norm

- The tender process in Romania is handled as the EU norm regarding
 - The procedures for the award of public supply contracts, public service contracts and public works contracts
 - The procurement procedures of entities operating in the water, energy, transport and postal services sectors
 - The exclusion of electronic auctions for some contracts on works and complex services
 - The qualification system
 - More information available through the Law 34/2006 regarding Public Procurement in Romania
- However, personal connections and relationships still play a significant role in doing business in Romania
 - In order to find out coming tenders and feasibility studies
 - In order to get the right set up for a consortium for large tender processes

"When doing business in Romania you need to be aware of the political influence regarding the decision about the county heating systems and also that lobby will ease access to critical information." Mr. Petru Dima, Viascandi, distributor of Rindi Energy

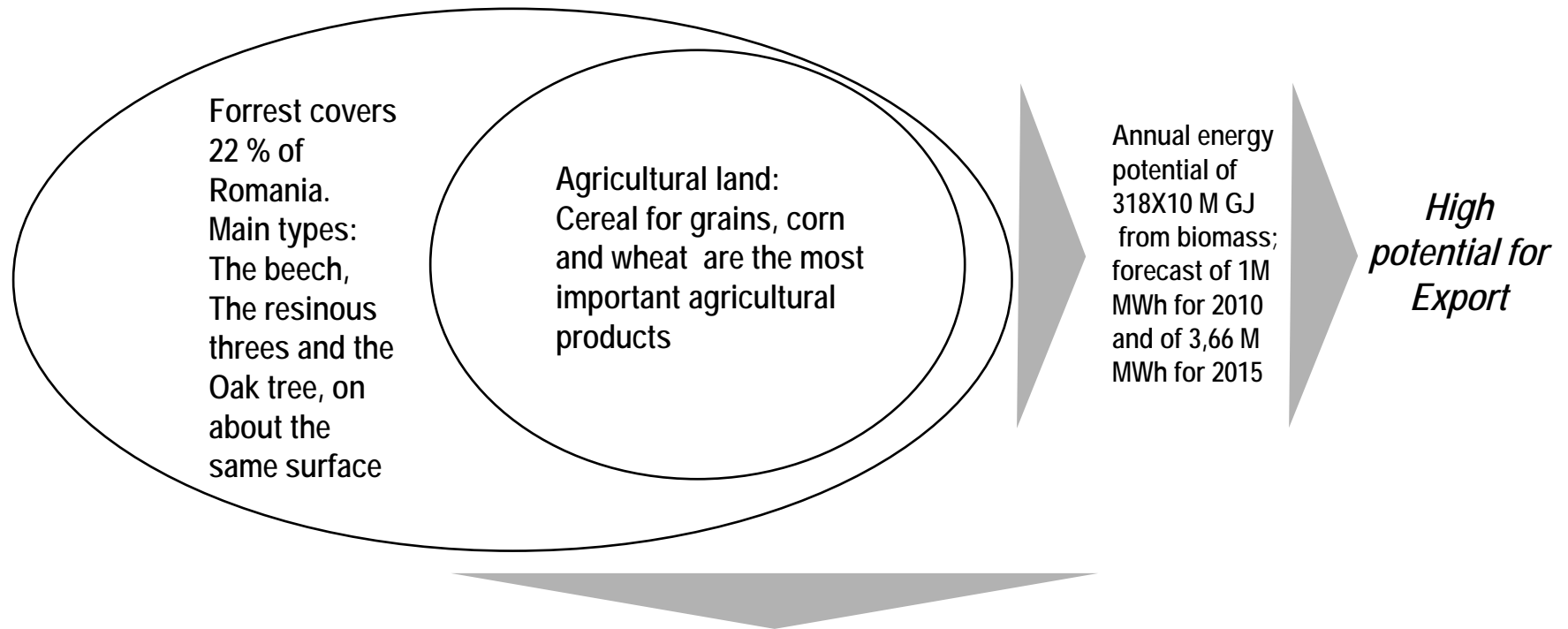
The following Swedish companies have won tenders in the business on the market

- ABB
- ITT Flytt
- Alfalaval
- SWECO
- Nederman
- Bombardier
- Alstom

Business in Romania is still influenced by politicians



Supply for biomass from wood is mainly secured within the borders - however a fair degree of wood for biomass is not used yet



Comments about supply of biomass in Romania:

- In the short / the long term there is potential for import from East and export to Western Europe
- Pricing is not an issue yet since raw materials are easily available, on the medium and long term too
- There is great potential for using the Swedish knowledge in building an efficient biomass supply chain

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The largest competitors and complementing companies include international players - Romania -

Bio energy – main competitors and complementing entities		
Heating / cooling	Electricity	Transport
National		
<ul style="list-style-type: none"> • Tehnoutilaj • Consiliul Local Huedin • Confort • Consiliul Local Vlahita • GO SA Gheorghieni • SPP TASCA • DADP Vatra Dornei 	<ul style="list-style-type: none"> • No player identified during the search phase of the project 	<ul style="list-style-type: none"> • Indagra Prodcom • Prio Biocombustibil • Bio-Energia • Cerola • Rom Oil • Calibra Oil • Ulerom • Argus Rm Valcea
International		
<ul style="list-style-type: none"> • Energy-Co Holding • Rindi Energy is in offer/planning stage • Thermostahl • TPS 	<ul style="list-style-type: none"> • No player identified during the search phase of the project • Rindi Energy is in offer/planning stage 	<ul style="list-style-type: none"> • Martifer • Annonced interest and/or investment from Germany, Holland, Canada and Spain • Scania • Bresco • Verbio

Heating / Cooling - National

– Energy company owned by the state of Romania

Category	Energy company
Line of business	Energy company with activities within X, Y, X
Turnover	X MUSD
Ownership structure	Listed on the NY stock exchange
Growth	Active with X new CHP plants in Florida and Y planned projects for 2008-2010. Are also involved in production of...
Comments	This company is...

There is no such state owned company that uses biomass for heating, electricity of transport, therefore external expertise is most wanted and needed



SWECO – Heating / Cooling - International – could complement Swedish technology

Category	Energy company
Line of business	Consulting, feasibility studies within the area of district heating, water treatment, waste, management
Technology	consulting services in the fields of engineering, environmental technology and architecture
Turnover	X MUSD
Ownership structure	Joint Stock Company
Entry strategy	This company won the waste management plant tender for the town of Bucharest -Technical Assistance to PIU Municipality of Bucharest; it is also to design the Radisson SAS Hotel in Ukraine, to organize an International Training in Solid Waste Management with focus on Ex-Yugoslavia, Serbia and Albania
Growth	Just recently entered on the local market, but extensive presence globally and in the region
Comments	This company is present on the market as a sign of business potential for medium and big size companies



There are several large Swedish companies on the Romanian market - most have been present for at least one year

Company	Line of business	Local position	Large projects	Contact data
SWECO	Consulting in infrastructure, architecture and environmental technologies	Recent entry	Technical Assistance to PIU Municipality of Bucharest	Rolf Hammarberg Deputy Team Leader HammarbergR@tabpiu.ro
Nederman	Environmental technologies	On the market since 1992	NA	Aurel Stan- Managing Director Aurel.stan@nederman.se
Alfalaval	Environmental technologies	One of the main players	NA	Mr. Cristian Lazar, Managing Director cristian.lazar@alfalaval.com Mobile: +40 722 22 30 23
Industriarmatur	Environmental technologies	Recently entered through an local distributor	NA	General Fluid company Catalin Dobrescu- Managing Director +40722 307 067
Rindi Energy	Environmental technologies	Entered on the local market through a daughter company	NA	Petru Dima Managing Director - +40746 864 060
Börlänge Energy	Environmental technologies		Pitesti City Hall	Ronny Arberg AB Borlänge Energi Development cell +46 70 6273130
ABB	Power generation, power transmission and distribution, industrial building system	Market leader	Energy local entities, microhydro power plants	Peter Simon – Contry Manager peter.simon@ro.abb.com



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Contact list - Romania

Company	Contact person
Agentia Romana pentru Conservarea Energiei	Mr. Corneliu Rotaru
ARIS Invest	Mr. Alexandru Vasilescu
The Ministry of Economy and Finaces	Mrs. Adriana Gabrovski Mrs. Cerasela Patrascu Mrs. Ileana Vasilescu Mr. Gabriel Baleanu
The Intermediary Entity for Energy	Mrs. Mirela Tautu
ANRE- The Romanian Authority in the Energy Area	Mr. Nicolae Opris Mrs. Cristina Bunescu
General Fluid company	Mr. Catalin Dobrescu
Viascandi- Rindi Energy	Ms. Petru Dima
Romtherm	Mr. Florin Stan
Ministry of Environment	Mr. Silviu Stoica Mrs. Maria Serban
Ministry of Administration	Mr. Aureliu Dumitrescu
OPCOM	Mr. Constantin Vasilevschi



List of used reports - Romania

Organisation	Report
ENERO	"An overview of the energy projects with the promotion of the clean and efficient energy in Romania", ENERO, www.enero.ro
The Romanian Government	"The Strategy for RES in Romania", The Romanian Government, January 2004
The Romanian Government	"The Energy Strategy of Romania for 2007-2020", The Romanian Government, July 2007
Icemenerg	"An overview of bio energy undergoing projects", Carmen Ciomag, 08262007
Biodiesel Magazin	"The bio fuels, between opportunities and risks", Dana Pavel, 09052007
ANRE	"The guidebook of the RES energy producer", ANRE, 2007
Agentia Romana pentru Conservarea Energiei - ARCE	"Annual Report for 2001-2004, 2005 and 2006", ARCE, www.arceonline.ro