

British Ambassador Andrew Noble delivers speech at Investors Days

2019 has been so far a year of major political and economic swings. Nevertheless, Romania remains a viable investment destination for British investors.

Following a key court ruling in May, the Romanian government pledged to focus on improving the rule of law situation and confidence of the electorate in the government. However, the recent change in Justice Minister appears to undermine this. Ahead of the election cycle, it is important that Romania continues to focus on political stability and make progress on commitments made which support this goal.

In this first year of the electoral cycle, Romania has reaffirmed its commitment to Euro Atlantic values. This is a reassurance for British investors, and I hope this newfound political strength will translate into predictability and market-orientated legislation.

It is our strong hope that the negative effects of the legislation at the beginning of the year will be countered or eliminated completely in the near future. (NOTE: EO 114 is under debate in Parliament with numerous amendments to tone down or cancel its effects).

While one of the appealing points of Romania is its high-quality human capital, large parts of Romania are still struggling with underdevelopment. Public investment and stronger local institutions would allow investors to move away from the major urban centres and look to other parts of the country, thus helping to alleviate the socio-economic situation that has such high impact on the safety and quality of life of Romania's citizens;

While the tech sector remains one of the sectors of core interest for British investors (as proof by the expanding LSEG tech hub in Bucharest), I am pleased to see that Romania provides profitable investment opportunities in other areas as well; Example: Liberty house has taken over the steel operations in Galati, as part of a multinational deal with ArcelorMittal (seven major steelworks and five service centres across seven European countries).

Despite a difficult start the Bucharest Stock Exchange has had a very nice run this year. This good run confirms the excellent potential of the capital market here. Increased liquidity and new financial instruments would encourage more investors. We wish to see stronger cooperation between the stock exchange here and London stock exchange, with dual listings and other projects as well.

Healthy capital markets need strong and transparent corporate governance rules. It is crucial for all companies, no matter of their shareholder structure (private or state-owned) to uphold these rules at the highest

standard in order to attract large credible investors.

Although some macroeconomic indicators may be worsening, the overall economy preserves a healthy balance. Demand is well stimulated whilst the supply (industrial production and value-adding activities) needs to catch up. Increased public investment (in sectors that generated value – infrastructure, education etc) and structural reforms are the simple solutions needed.