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CABINET PRIM-MINISTRU
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Vienna, 10 May 2015

Dear Mr. Ponta,

Our group did start to invest in Romania in 2002 with great pleasure in an attractive environment for international investors in the wood working industry. Including our recent investment into a state of the art wood processing factory in Reci/Covasna our total Romanian investment amounts to 778 Mio EUR producing a yearly turnover of 510 Mio EUR in 2013 (estimated 700 Mio EUR in 2015). One third of our yearly log consumption is already imported from abroad to Romania. 75 % of our products are deeply further processed and are bearing a high degree of value added.

We are currently employing in Sebes, Radauti, Siret and Comanesti 2.600 Romanian people and will increase this to 3.150 Romanian direct employees within the first half year 2015 with the start up in Reci. Indirectly in up- and downstreaming industries we secure additionally more than 10.000 Romanian jobs. We did pay 28 Mio EUR taxes and social contributions in 2013.

As you know there is the parliamentary discussion going on in order to amend the Forestry Code where article 60 (f) tries to limit the free competition on the market with maximum 30 % of the available log volume of National Forests.

- This mentioned article comprises a state aid component and violates the fundamental principle stated in the Treaty on the Functioning of the European Union – TFEU. This is article is also violating EU competition laws.
- Article 60 (f) will harm the bilateral investment treaty between Austria and Romania as Austria is our originating country - and therefore Romania might be brought in front of the International Center of Settlement of Investment Disputes in Washington.
- The total potential damage from a close down of our production units for the Romanian State Budget amounts to more than 150 Mio EUR per year (directly affecting several lines of business severely e.g. transportation services (trucking as well as rail), sea ports, different service industries etc.).
 A realization of this article might cause us to lay off employees which might not be a desirable scenario neither for Romania as a potential target of foreign direct investment neither for the acting investors on the field.

We kindly ask you for your opinion on this topic.

Best Regards,

Gerald Schweighofer
 CEO
 SC Holzindustrie Schweighofer s.r.l.



GUVERNUL ROMÂNIEI
 SECRETARIATUL GENERAL
 REGISTRATURA GENERALĂ

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