

Timișoara is different – highlights

The most unbeaurocratic 'Metropole' in Romania

Eight universities with more than 42 faculties

25% of the city's area is still unbuilt, vast areas/industrial parks

Favourable location: just one day car ride to Frankfurt and a few hours distance from Vienna.

International airport with numerous direct flights, connections with the railway and the highway

The biggest direct investment share in Romania after Bucharest

The county with the largest share of agricultural area in Romania

The first street network with electric light in Europe (1884)

The starting point of the anti-communist revolution of 1989

One of the lowest illiteracy rates in Europe

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Timișoara – Timisoara
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Investments in Timisoara

Opportunities and Incentives





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This brochure was made by the Municipality of Timișoara

Timișoara City in motion

For you business



Timișoara: Gate to the west!

România is a special cultural case in Eastern Europe.

The country is different from the other Slav peoples because of the Romance language. At the same time it has one of the greatest national economies from the former Soviet countries in Central Europe.

Although Romania had some economic blockage during the 90's, it came to gain momentum as a country:

- Romania's population is permanently open to reform, capable of learning and oriented towards the west

- Romania became a member of the European Union on the 1st of January 2007.

- Over the past 20 years the Romanian economy has undergone a profound reform, going from a centralised state economy to a free market economy. A stage of consolidation of the market economy followed through the consolidation of the competitive capacity.



In Romania, Timișoara is considered a gate to the west. Due to its architecture it is called Little Vienna. The city lies in the southwestern Romania, just 500 km away from Vienna, Zagreb and Skopije, 600 km away from Bucharest and Sofia, 300 km away from Budapest and Sarajevo, and only 150 km away from Belgrade.

Timișoara is at the heart of the euro-region Danube-Kris-Mures-Tisa, and is the most developed economic centre in this region. The DKMT region is made of the southwest region of Romania and the regions bordering Hungary and Serbia.



The country, the city
and its inhabitants

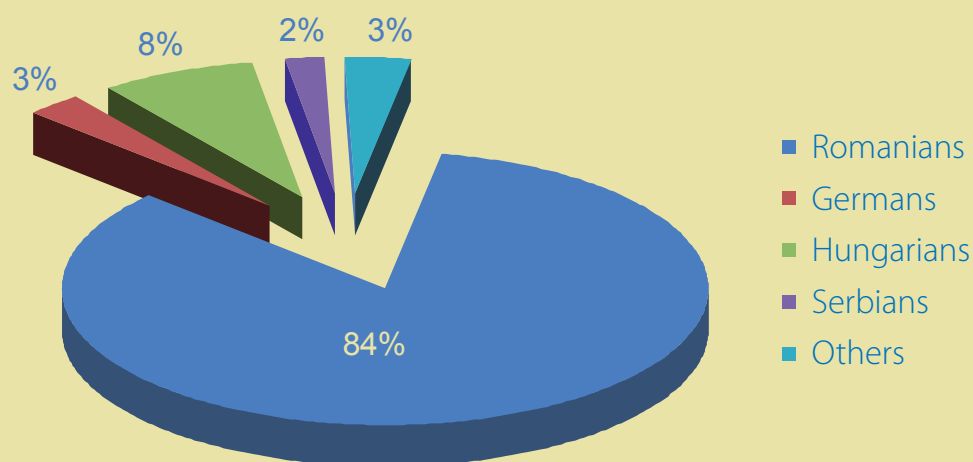
Tolerance & Cooperation

Long before the town was established, in the region there lived the Dacs who were, later on, defeated by the Romans. Colonists who came here from the entire Roman Empire set the foundation for the ornamental and culinary traditions.

Timișoara was mentioned in documents for the first time in the XIth or the XIIIth century as *Castrum Temesiensis*, and it belonged to the Kingdom of Hungary. The town was for centuries the matter of dispute between the Habsburg and

Empires. Lying at the heart of the Banat region, Timișoara could rapidly connect to industrialisation and use the advantage of its position close to the border.

The multi-ethnic population is tolerant and open to the world. Here live in good understanding 17 minorities and ethnic groups and 16 different religious denominations, without ethnic or religious conflicts.



The bloody Revolution of December 1989 against the communist dictatorship started in Timișoara. The freedom from the regime of Ceaușescu was announced

after one week full of events of the resistance in the Opera House Square in the centre of the city.



Tradition and future



Already in the Middle Ages in Timișoara workshops and manufactures developed. The agricultural tradition of the region, the early successes, as well as the beer factory built between 1717-1718, the gas illumination at mid XIXth century and the introduction of the street electric lighting in 1884 are the proof of the dynamic economic life of the city.

Timișoara had, beginning with 1884, as the first town on the European continent, a network of street lighting.

The city was between 1716-1780 under the Viennese administration, thus developing a stable bourgeoisie, and from the point of view of small industries – the middle class – a balanced economic structure. Although later on here were over 40 years of socialist planning, the initiative and responsibility are felt even today.

The first mini and micro-computers in the Romanian electronic industry that developed starting with 1970 were made in Timișoara in 1978, later going into mass production.

Timișoara's role as a technical predecessor is seen even today in the IT era. Direct significant investments in this field from Germany and the USA fully state this vision.





Schools and universities

Generally the education level in Timișoara is high. The illiteracy rate is just 0,6% (compared to Romania where it is 2,6%). When questioning foreign investors, it is proven that the most important criterium for staffing is the initial level of education and the permanent capacity to professional formation.

Highschools and institutions of professional formation offer the most important professions in different areas of expertise. Alongside a high quality in the academic formation field, specialists in the industrial and economic fields are also formed, as well as mechanics in professional schools.

Education form	Number	Number of pupils and students	Number school teachers and academics
Kindergartens	70	7120	539
Secondary schools	27	12663	1642
Highschools	39	28417	1526
Professional schools	5	4286	204
Universities	8	48537	2658



Students' Campus & Practice!

With 8 universities, out of which 4 are state universities, Timișoara is one of the most important university centres in the country. Annually, over 48.000 students attend the courses of 42 faculties that cover a wide range of subjects in different fields. A proof of international recognition of the universities in Timișoara is also the big number of foreign students.

The Polytechnic University offers in some fields (e.g. Constructions and Electromechanics), with the help of DAAD (Deutschen Akademischen Austauschdienstes), courses in German, thus offering the possibility to learn the specialty terms directly during the courses, facilitating the staff hiring in the German linguistic field.

Low production costs

The social partners will take into account the following supplementary costs when calculating the gross venue of the employee:

Tax-costs	Employee	Employer
Health Insurance	5.5%	5.2%
Pension Insurance	10.5%	20.8%
Unemployment Insurance	0.5%	0.5%
Holiday money and money for health leave	-	0.85%
Money for work accidents and professional diseases	-	0.4%
Income tax	16%	-

Due to the big number of investments and to the existence of high qualified working personnel, the unemployment rate fell from 9,4% (1998) to 1,64%. In the

region there is still great potential for labour force if we take into account the 15.000 unemployed people and about 12.000 university graduates each year.

Unemployment Map



Average net salary in 2012 (lei/month)



Employers find a productive labour market on a long-term basis.

- Highschools and universities annually bring a big number of qualified work force
- Due to the high quality of life Timișoara is a location preferred in Romania and in the region. People from other areas establish themselves here if they are offered jobs.

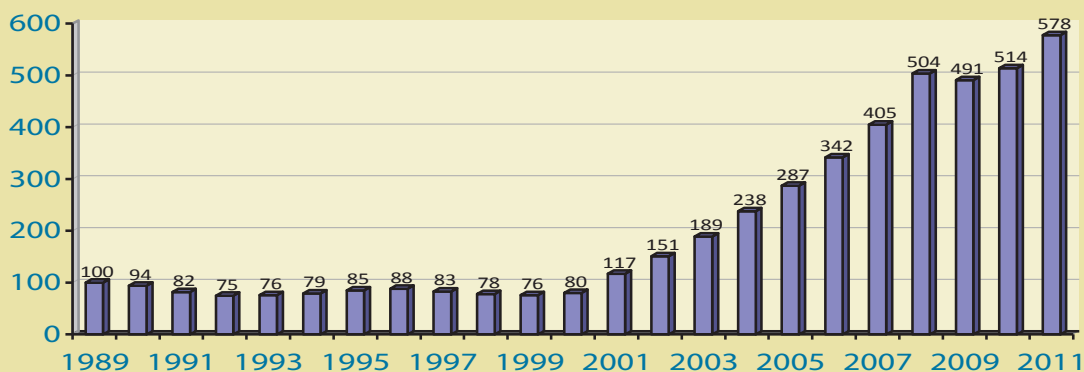
- In spite of the good quality of the location and of the rich cultural offer, the upkeep costs are far lower than in Bucharest

Salaries are an average of 350 euros in Timișoara and in the country. The tax income for physical bodies is 16% regardless of the income.

The evolution of economy

Because of a difficult transformation process, in the first years after the country's opening (1992), the economy fell to 75% of the level of national economy of 1989. With a hesitant reform politics, the government followed a social and political stability between 1992 and 1999.

Starting with the year 2000 the gross domestic product (GDP) of Romania increased significantly. Between 2008 and 2010, despite the global economic crisis, the GDP registered an increase, although at a lower rate, which proves a consolidation of the national economy.

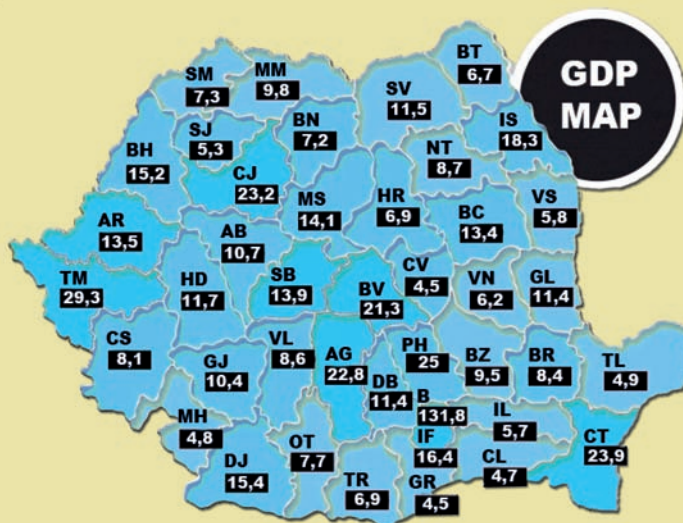


Timișoara, from an economic point of view, is the most attractive city in Romania after Bucharest

The study performed by the National Prognosis Commission (NPC) in 2011 shows that from the point of view of the standard of living and the economic attractiveness, the Timișoara metropolitan area was 2nd after the capital city Bucharest.

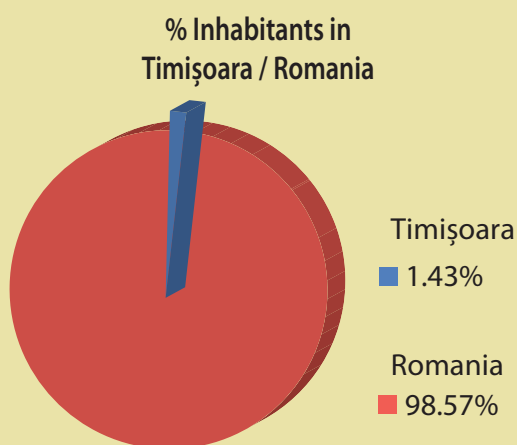
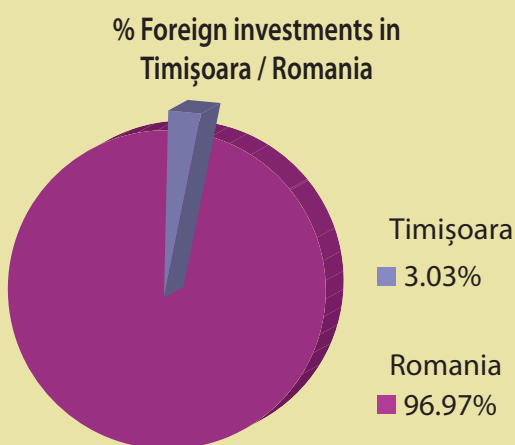
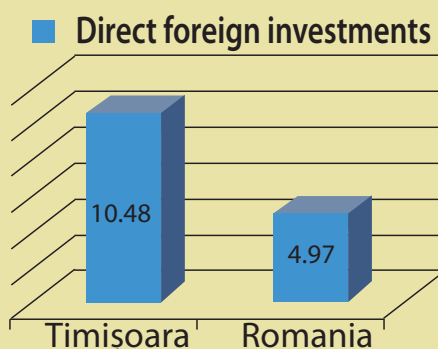
The high level of productivity and work quality, as well as the low salary costs allowed the attraction of important international companies, this situation being also sustained by the relatively good situation of the investment climate in Timișoara.

The GDP of the Timiș County is 29,3 billion lei, followed by Prahova – 25 billion lei, Constanța – 23,79 billion lei, Cluj – 23,2 billion lei and Argeș – 22,8 billion lei. Over 90% of the companies in the Timiș County function in the residential city Timișoara and make 82% of the County's economy. This fact proves one more time Timișoara's role of economy engine, at a local level as well as at a regional level.



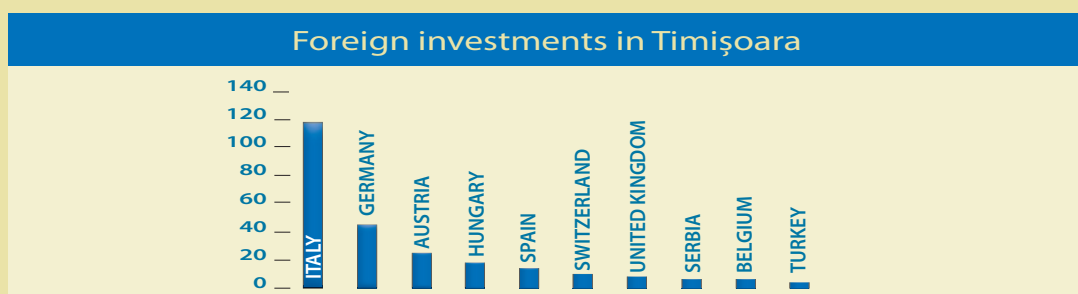
Direct investments in Timișoara

In the past decade the economy of Timișoara has developed at a fast pace. This dynamics is based on the direct foreign investments that Timișoara has attracted starting with its opening to the market economy, as well as on the economic and development policy of the city, a policy that is pragmatic and oriented towards investments.



From the point of view of the attracted foreign investments, Timișoara represents an important attraction pole for the foreign investors, at a county level and at a national level. More than 70% of the new foreign companies established in the Timiș County have their headquarters in Timișoara.

Timis County is the second important city in Romania, after Bucharest, if considering the number of companies with foreign participation to share capital; if considering the total value of shared capital, Timis County is the third region in the country, after Bucharest and Ilfov.



Investors from over 90 countries invested in Timișoara more than 1 billion euros. At the top of the first countries according to

the number of companies with equity investment are Italy, Germany and Austria.

Global leaders in Timișoara

Due to its location close to the border, Timișoara is also a place for international services.

More than 33 banks such as **ABN-AMRO**, **BRD Groupe Société Générale**, **BCR Erste Bank**, **Volksbank**, **Citibank**, **Millenium Bank**, **Carpatica**, **San Paolo IMI Bank**, **RBS Bank**, **ING Bank** opened offices in Timișoara, and other banks will soon open subsidiaries.

Top insurance companies such as **ALLIANZ-Tiriac**, **AIG Life**, **Ardaf**, **Asirom Astra**, **Aviva**, **Eureco**, **Euroins**, **Generali**, **Groupama**, **ING**, **Omniasig**, **OTP**, **Unita**, but also companies in the logistic and transport field are present here (**Edy Spedition**, **Dunca**, **FM Logistic Romania**).

Last but not least the international airport with daily flights to **München**, **Milano**, **Frankfurt**, **Düsseldorf**, **Vienna**, **Paris**, **Verona**, **Treviso**, **Bergamo**, **Chișinău** and other destinations, as well as the agile handling highly praised by all the interviewed investors represent an essential advantage of the city.

These hi-tech successes and global services should not shadow the agricultural industry. The Timiș County has a great agricultural potential. Over 90% of the county's land is arable land, this fact placing the county on top of all Romanian counties.

Starting with 2006 there is a Wholesale Market in Timișoara, market that was financed from KfW. The project was initiated by the local public authorities in order to give support to the local agriculture producers and to improve the market valorisation of agricultural products. The authorities intend to enlarge and modernise this market through a cooperation project with Szeged, Hungary. Other investments could be done here in the future.

Well-known international companies have subsidiaries in Timișoara. A shared capital of over a billion euros was invested in Timișoara between 1990 and 2011.



Company	Field
Toluna Romania	Communications services
Price Waterhouse Coopers	Communications services
Alcatel	Telecommunications
Flextronics	Electronic, integrated plate
Denkstatt Romania	Services in the fields of sustainable development and environmental management
Deloitte Audit	Consulting
Coca Cola	Beverages
Continental	Tire production
Continental VDO	Automotive software
Elster Rometrics	Electrotechnics
Kromberg & Schubert	Electric cables
Helvetica Profarm	Pharmaceutics
Lisa Dräxlmaier	Cables for the car industry
Mc Donalds	Restaurants
Metro	Wholesale commerce C&C
Kathrein	Anntenae
Elba	Bulb production
Procter & Gamble	Chemic Industry
Smithflied	Food Industry
Willy Kreutz	Lamps and lighting

Domains of present-day

After the year 1998 the city's economy rapidly developed, but the fields of expertise were affected in a different way. While agriculture came to a standstill, the car production, the metal production industry, the electrotechnics and electronics increased significantly.

But the quality and the performance capacity, compared to the low level of salaries, permitted the positioning on the market of the companies established in the clothes and shoes production field.

Foreign investments, especially from Italy, brought to the establishment of several shoe factories. Clothes, shoes, soft toys, textiles for home, etc. are produced for the EU and North America markets.

Land restitution after the 1989 Revolution led to the extreme division of

agricultural areas, which caused great troubles in agriculture. The transfer to new economic organization forms, based on the cooperation between producers' private associations and the food industry proved to be a real success.

Companies for the production and fitting of car components were established in the car industry field. They employ high qualified specialists, thus their products correspond to the highest quality norms in the international car industry.

Well-known companies that established factories in Timișoara are **Continental AG, Continental VDO, ContiTech, TRW, Lisa Dräxlmaier, Kromberg&Schubert, Dura Automotive, Mahle, Dymler Chrysler, Hella**. A special example is Lisa Dräxlmaier from Bayern, an international producer and supplier of cables. This company alone provides jobs for 3000 people in a brand new factory.



**Growth according to
domains in Timișoara**



Reduced bureaucracy

According to the development strategy of the local public administration, making the administrative system and the reduction of bureaucracy efficient in order to accelerate and facilitate the access of investors on the market represents a priority. Since the 2000s the public administration in Timisoara has been preoccupied with the improvement of the business environment inclusively by reducing the bureaucratic procedures and offering facilities to investors for the establishment and development of companies through the implementation of the project „Let's make business easily and rapidly”.

When the programme finished Timisoara was the first city in Romania to have received the qualification „5 stars city”, that is „city open to investments”.

The Local Council Decision no. 267/26.07.2011 established that investments over 1 million Euros should receive all the certificates necessary for the investment development, which lie within the competence of Timisoara City Hall, within 7 working days from the date when the application was filed.



Fiscal Incentives

By Local Council Decision no. 132/28.09.2012 the local authorities of Timisoara approved a minimis aid scheme for the attraction of investments and the creation of new jobs in Timisoara. The fiscal facilities that can be granted to companies within this minimis aid scheme, for the initial investment, are the tax reduction or tax exemption from the payment of property and land taxes, according to the value of the investments and the numbers of jobs created as a result of the investments, with the condition to maintain the investments and the new jobs created for a period of minimum 5 years.

Thus:

For investments with a value higher than the equivalent in Ron of 5.000.000 Euros and the creation of at least 100 new jobs in Timisoara, as a result of the initial investment, a 10% deduction is given for the property tax and tax exemption for the land pertaining to the investment;

For investments with a value higher than the equivalent in Ron of 10.000.000 Euros and the creation of at least 300 new jobs in Timisoara, as a result of the initial investment, a 20% deduction is given for the property tax and tax exemption for the land pertaining to the investment;

For investments with a value higher than the equivalent in Ron of 15.000.000 Euros and the creation of at least 700 new jobs in Timisoara, as a result of the initial investment, a 30% deduction is given for the property tax and tax exemption for the land pertaining to the investment;

For investments with a value higher than the equivalent in Ron of 20.000.000 Euros and the creation of at least 1.200 new jobs in Timisoara, as a result of the initial investment, tax exemption is given for the property tax and for the land pertaining to the investment;

By Local Council Decision no. 133/28.09.2012 the local authorities approved a minimis aid scheme for exemption from the payment of delay increments pertaining to fiscal obligations unpaid in due time, consisting of the property tax and/or land tax, owed to the local budget by the companies established in Timisoara.

By Local Council Decision no. 134/28.09.2012 the local authorities approved the procedure regarding the exemption from the payment of delay increments pertaining to fiscal obligations unpaid in due time, consisting of the property tax and/or land tax, owed to the local budget by legal persons without profit that do not have economic activities.





Other facilities offered

Employment facilities

In order to encourage employment, according to the Law 76/2002 regarding the insurance system for unemployment and employment encouragement, with the subsequent amendments and additions, employers are granted a series of facilities through the County Agency for Employment Timis:

- encouragement for the employment of graduates, unemployed people aged over 45, sole providers of monoparental families, disabled persons, unemployed persons who within 3 years meet the conditions for age limit retirement or partial early retirement, within the conditions of law;
- encouragement of employers to employ unemployed persons and keep them for at least 6 months in order to benefit from the reduction of the contribution to the unemployment insurance budget;
- granting advantageous loans and irredeemable funds from the unemployment insurance budget for the creation of new jobs;
- making a preliminary selection of candidates for employment.

Employing unemployed persons:

Employers who employ unemployed persons and keep them for at least 6 months benefit from the reduction of the sum representing the 0,5% contribution owed to the unemployment insurance budget. The reduction is given starting with the next fiscal year, for a period of 6 months, and consists of the decrease with 0,5% of the monthly sum for every percent of the new personnel employed in the above mentioned conditions from the average number of personnel employed with an individual working contract in the respective year.

Employers who employ unemployed persons aged over 45 for an undetermined period of time or unemployed sole providers of family receive monthly, for 12 months, from the date of the contract, for every person employed an equal sum of money with the value of the reference social indicator in force, with the obligation to maintain the working relations for at least 2 years.

Employers who employ, according to the law, unemployed persons who within 3 days from the employment date, meet the conditions for partial early retirement or age limit retirement, if they don't meet the conditions for partial early retirement, monthly benefit, for the period of employment from the date of the contract to the date they meet the respective conditions, from a sum equal to the counter value of a reference social indicator in force, granted from the unemployment insurance budget.

If they employ a person who is unemployed for at least 3 months, the company does not need to pay the contributions for that person for 6 months.



Employing graduates:

Employers who employ for an undetermined period graduates from educational institutions monthly receive, for 12 months from the date of the contract (18 months for the disabled graduates), for every graduate:

- the counter value of the social reference indicator (500 lei now) in force at the date of the contract for the graduates of high school or arts and crafts schools;

- 1,2 of the value of the social reference indicator in force at the date of the contract for graduates of higher education or post high school education;

Other conditions:

Companies with over 50 employees are obliged by law to employ persons with disabilities as well. If they employ graduates or unemployed persons with disabilities the employers will benefit from the same facilities mentioned before.

- 1,5 of the value of the social reference indicator in force at the date of the contract for graduates of higher education.

Employers who employ pupils and students over the school holidays benefit from a monthly financial incentive equal with 50% of the value of the social reference indicator (500 lei now) for every pupil and student according to the Law 72/2007. The maximum period of giving the financial incentive is 60 working days in a calendar year.

Further details regarding the facilities granted for the encouragement of employment can be asked at the County Agency for Employment Timiș www.timis.anofm.ro



Duration of a company establishment procedure

According to the provisions of the Law no. 359/2004, article 8, paragraph 3 with the subsequent amendments and additions, the issue period of the register certificate by the Registry of Commerce Office is 3 days starting from the registration date of the application according to the provisions of the Civil Procedure Code.

Taking into consideration the legal provisions mentioned, the registration application having as object the registration and authorization of a commercial society has as solution term the day following the registration of the application.

The registration of the company in the registry of commerce is operated within 24 hours from the date of the registration authorization, according to the Law no. 26/1990 art. 26.

The necessary documents for the registration and authorization of a commercial company can be downloaded from www.onrc.ro, pages Formalities and Forms.

Future projects

Timișoara is a polarizing city having tight relations with the towns in the neighbouring area. Timișoara and its influence area were accredited as metropolitan area within the framework of the EU development policy.

The economic development of the city influences the entire western area of Romania, as well as other neighbour areas from Hungary and Serbia. That is why Timișoara received the title of 'national growth pole'.

The dynamic economy of the city represents 80% of the Timiș County economy and 30% of that of the western region of Romania.

Fields like IT&C or the car industry are well represented at a local level as well as at regional level with prestigious Romanian and foreign companies.

In order to ensure a sustainable development, according to the Europe 2020 strategy of the EU policy, competitive top field technologies are implemented in Timișoara. These technologies provide the

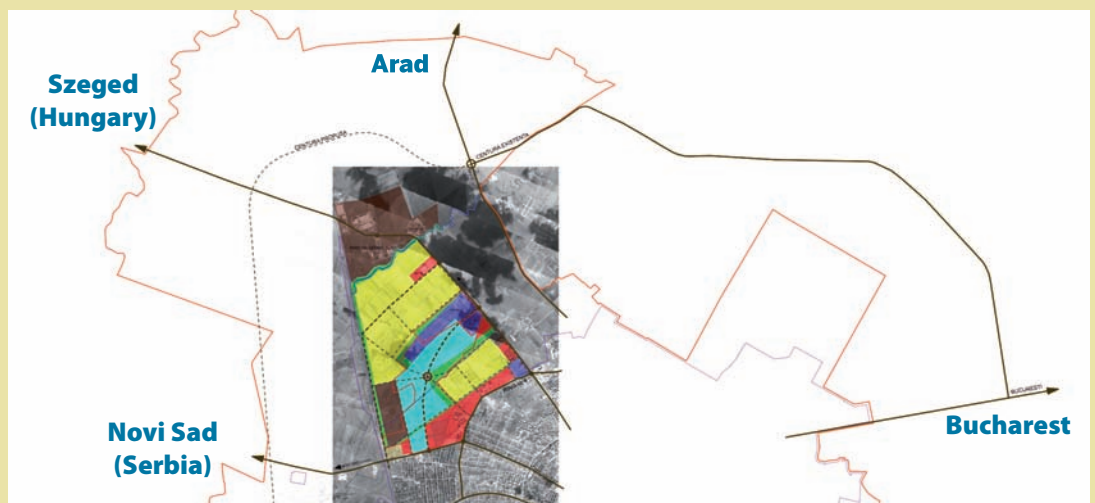
products with a great added value and are based on inventions and research.

The objective of the development strategy of the 'national growth pole' is the consolidation of the IT&C and car industries, as well as that of renewable energy and biotechnologies.

The integrated development programme of the 'national growth pole', financed by European Regional Development Fund and by local budget funds, foresees a 100 million Euro investment over the next few years.

The projects of this programme will create structures for the development in the IT&C and car industries, as well as in the renewable energies and biotechnologies industry.

These structures will complete the existent economic infrastructure: the Technologic Park TIM SCIENCE PARK Timișoara, the software business incubator Timișoara, the Freidorf Industrial Park and the Technologic Transfer Park Timișoara.



Timișoara – Technologic Pole

Timișoara's administration knows that the basis of the competitive capacity of the industry and commerce must be permanently renewed, that productivity must be increased through research, innovation and optimization of the human potential. In order to accomplish these objectives, the city's administration has implemented a coherent and unitary strategy to ensure a sustainable development of the city.

Timișoara's administration elaborated a detailed development concept for inventions and innovation together with several universities from Timișoara. The concept targets the IT&C field, the car industry, bio technologies, renewable energies and environment-friendly technologies.

A big help was the know-how transfer and the collaboration with universities and partners from Germany, Great Britain, Austria, Spain and Italy. This concept provides the implementation of structures meant to support businesses that operate in innovative fields.

These are considered important 'engines' for the development of Timișoara's economy.

The project provides the implementation of these structures from the start-up stage to the completion stage:

Incubation stage (3-5 years)

The business incubator will support the entrepreneurs to accomplish their start-

up projects. The objectives are: the assurance of a part of small and medium-sized companies, the consolidation of the entrepreneurs' structure and the increase of the local entrepreneurs, especially the young ones.

Consolidation stage (3-10 years)

The business centre provides the necessary space for the development and consolidation of the business. The main objective is the support of entrepreneurs and the cooperation among the local, regional and foreign entrepreneurs.

Maturation stage (25 years and more)

In the innovation park, the local administration offers the possible investors lands with complete connections, like 'greenfield', that have a total surface of approximately 92 hectares with good connections to the roads towards Hungary and Serbia.

The investors can build company headquarters on these lands that can be leaseheld at advantageous prices.

New jobs are thus created, and the local labour force, especially young people, will find a job and not emigrate.

The expected result is the increase of the competitive capacity in the top technology fields at a local level and at a regional level through competitive products and services.





High-Tech in Timișoara!

The fields oriented towards technology are currently registering the greatest growth. That is why the IT industry, the production of components and international services will have the greatest importance.

After the year 1990, about 2000 German and Austrian companies settled in the area, bringing 260 million euros foreign capital.

We mention: **Continental (Siemens), Kathrein, Lidl&Schwarz, Lisa Draxlemier, Hella, Contitech, Kromberg&Schubert, Willy Kreutz**, and others.

At a local level, partnership structures were developed among producers, universities and research centres. These structures bring together education and research in order to ensure the know-how transfer to the commercial companies and to the producers respectively. Worth mentioning are the partnership relations between the Polytechnic University Timișoara and several big companies, according to which seminars or post-graduate courses in specific fields are organized.



Here is an enumeration of some successful investments in Timișoara:

- Alcatel-Lucent, a company based in Timișoara, is the main supplier of 'turnkey solutions' in the telecommunications field in Romania, with an extensive activity that comprises research and development, design and implementation, maintenance and counseling. Even more, Alcatel-Lucent also functions as a regional competence centre for mobile broadcast in the Balkans area.



- Flextronics is a supplier of integrated solutions for the IT field and a producer of electronic components and telecommunications equipment.

- Lasting Software is the producer of ABB-Rometrics counters and the producer of Kathrein antennae. These are all successful stories of information and communication technologies oriented towards the market.

Regional business infrastructure and innovation in the IT&C

The regional business infrastructure and innovation in the IT&C sector will be situated in the centre of Timișoara. It represents an answer to the necessity of creating a support regional infrastructure for businesses and innovation in the IT&C field in the West Region.

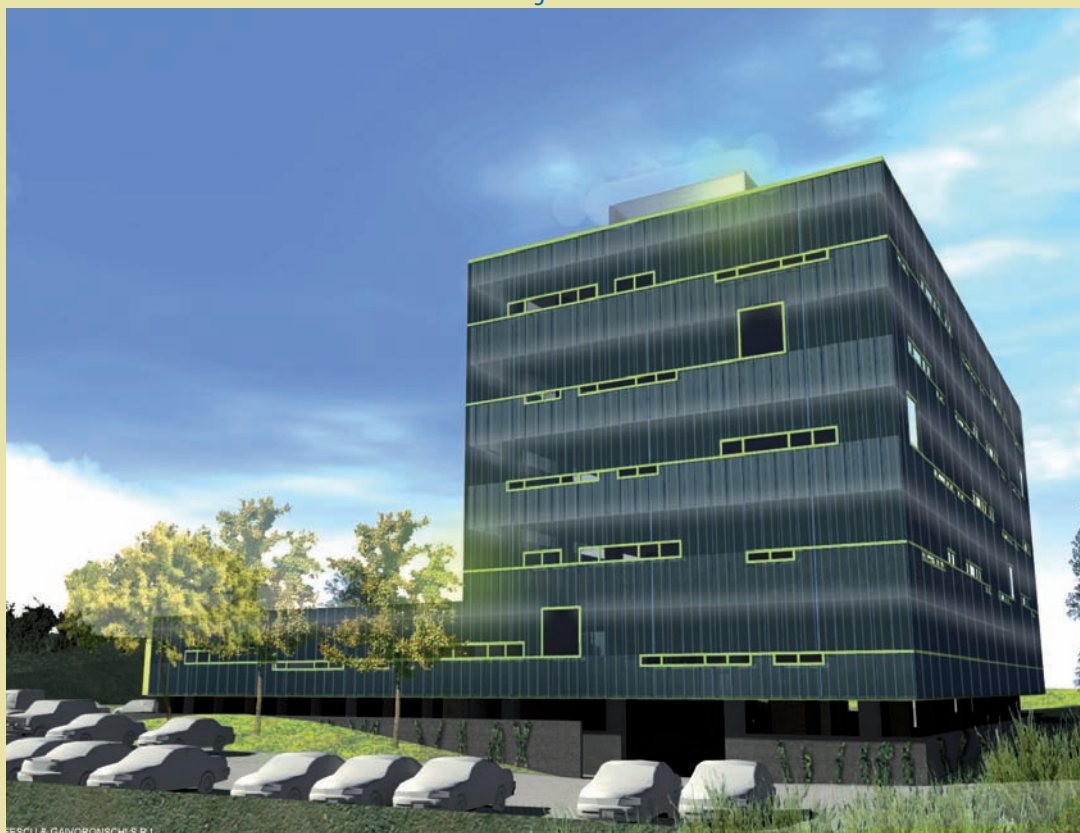
The important resources existent at a regional level are thus mobilized, and according to some joint development strategies the innovative activities in the IT&C field in the region are coordinated. The infrastructure has a new and modern building, attractive for young investors, building that comprises spaces for the start-up of micro-enterprises and a business centre for the consolidation of small and medium-sized companies.

The users of these spaces have state-of-the-art technical infrastructure for an optimal usage – Internet, high-speed network connections, copy centre, etc. There are also spaces for seminars, conferences, exhibitions, a space for sport and recreation, and a fast-food.

The building has 34 spaces for micro-enterprises for the incubation stage. Other 20 spaces are available for the small and medium-sized companies for the consolidation stage. The rental prices are under the market prices and start from 4 euros/sqm.



Regional business infrastructure and innovation in the IT&C





The regional centre for competence

The Regional Competence and Development Centre of Suppliers in the Automotive Sector will be located in Timișoara in the Freidorf Industrial Park on an area of 8.000 sqm.

The competence centre targets the development of the local suppliers, in view of the growth of competitiveness of Romanian companies and the stimulation of multinational companies to maintain their production units in the area.

The competence centre provides the necessary conditions for the functioning of companies in the automotive field regarding the prototyping and the small series production, the quality testing and measurement, the organization of fairs and exhibitions, conferences and seminars, the organization of qualification courses for the companies' employees in the automotive field.

The building complex will have 3 independent connected buildings with a built area SC = 1600 sqm (one three-story building and two one-story buildings). The centre is equipped with state-of-the-art equipment used in the automotive industry, as well as with the arrangements necessary for the optimal functioning of the centre.



The built area has an administrative and information space (50sqm), a measurement/testing lab (150 sqm), a plastic injection lab (700 sqm), a CNC machines lab (700 sqm), and a conference room.

These spaces are lent to companies for prices that are under the market price.



Industrial parks and services

In the metropolitan area Timișoara and in the Timiș County area there are attractive industrial platforms with good connections to the infrastructure at prices between 30 and 150 euros/sqm.

The industrial platforms in the west and southwest of the city, respectively the ones in the industrial areas Șagului Avenue, Freidorf, Torontalului Avenue developed mostly due to the settlement of some important companies along the main roads of access in the city. The prices of the industrial platforms and storage are different, depending on the distances from the roads and the existent infrastructure.

Another industrial area, where the strategic investors established companies, is on the ring road of the city, on the section between the national road Timișoara – Lugoj and the international airport Timișoara. A new logistic park will soon be developed here.

Alongside these industrial parks, the city's administration established other industrial parks that are very attractive because:

- they have optimal supply and exhaust structures
- they allow synergetic effects with the neighbouring companies that operate in similar fields and are international
- they can be leaseheld in very advantageous conditions

Freidorf industrial park

Size of plots	Leasehold period	Price/sqm
0,5 – 6 hectares	49 years It is possible an extension of 25 years	minimum offer 0,1 euros/sqm/year

Freidorf industrial park is an industrial area established by Local Council Decision.

The reason of its establishment was the attraction of foreign investors, the creation of new jobs and the introduction of new technologies. The industrial park is the property of the municipality and lies on an area of 47 ha and 9015 mp.

The location has very good transport connections, being at 7,2 km away from the city centre and at 15 km away from the international airport. The ring road of the city borders the western part of the industrial park, while on the north-western part of the park a new port on the river Bega is being built. Also, the entire urban infrastructure is already existent (water, sewage, electricity, gas, phone connection by fibreglass).

Timisoara Municipality is leasing parcels of 1ha, 4 ha, 5 ha and 6 ha or recalibrated/divided according to the investor's needs.

The land is leased for a period of 49 years with the possibility of extending the lease for another 24,5 years, which amounts to a total of 73,5 years. The land is acquired by a simple bidding procedure/ auction, the starting price is of 0,1 EUR/sqm/year. The auction takes place according to the current legal provisions and in accordance with the terms of reference of the lease:

- The built area should cover between 30% and 70% of the total leased area;
- At least 20% of the leased field should be green area;
- At least 50 new jobs for 1 ha leased.

However, the division of the area, its removal from the agricultural circuit and the modifications in the land register are carried out after the auction at the expenses of the investor.





The business incubator in Dumbrăvița



The business incubator 'Local structures for the support of businesses in Dumbrăvița – business incubator' is the property of the public authority of the Municipalities of Timișoara and Dumbrăvița, and encourage the local entrepreneurial initiative that targets the preservation of traditional crafts and the support of small and medium-sized companies' start-up, including micro-enterprises.

It is located in the northwestern part of the Growth Pole Timișoara at about 5 km away from the city centre, outside the built-up areas of Dumbrăvița on an area of 27.977sqm.

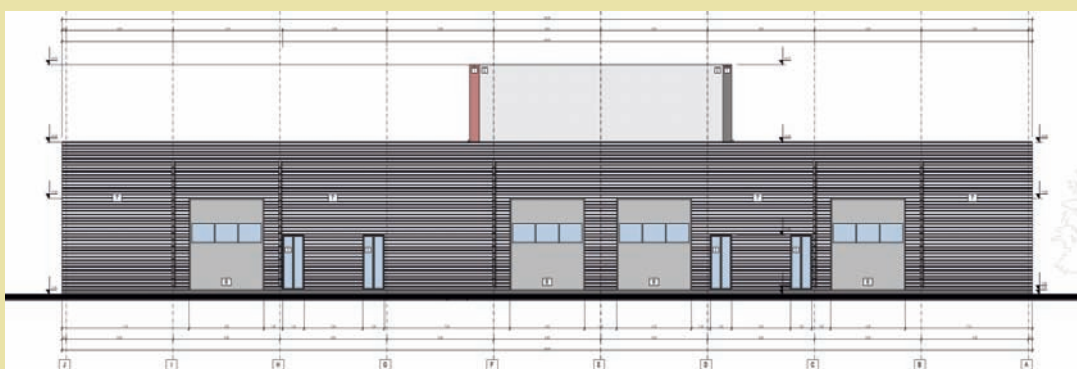
The incubator has spaces for production and services.

The building with a built area of 1.393,54 sqm is made of two adjacent buildings

with different functions: building A – a two-story building for the incubation of companies operating in the services field and building B – hall type building for the incubation of productive companies.

The incubator provides hosting for a maximum number of 17 companies, out of which 4 small and medium-sized companies with production activities in the traditional crafts field, 5 small and medium-sized companies with activities in the services field, especially services for companies, inhabitants, intelligent and creative services., 8 small and medium-sized companies in the services field that will benefit from equipped working spaces lent for short periods of time.

The incubator is thought to function with minimum costs, which allows the renting of spaces at low prices, under the market prices.



THE MINIMIS AID SCHEME

The Local Council Decision no. 614/10.12.2013 brought changes to the annex of the Local Council Decision no. 132/28.09.2012 regarding the approval of the minimis aid scheme for the attraction of investments and the creation of new jobs in Timisoara as follows:

The fiscal facilities that can be granted to companies within this minimis aid scheme, for the initial investment, are the tax reduction or tax exemption from the payment of property and land taxes, according to the value of the investments and the numbers of jobs created as a result of the investments carried out.

Thus:

a) For investments with a value higher than the equivalent in Ron of 2.500.000 Euros and the creation of at least 30 new jobs in Timisoara, as a result of the initial investment, a 15% deduction is granted for the property tax and exemption for the land tax;

b) For investments with a value higher than the equivalent in Ron of 5.000.000 Euros and the creation of at least 60 new jobs in Timisoara, as a result of the initial investment, a 20% deduction is granted for the property tax and exemption for the land tax;

c) For investments with a value higher than the equivalent in Ron of 10.000.000 Euros and the creation of at least 140 new jobs in Timisoara, as a result of the initial investment, a 30% deduction is granted for the property tax and exemption for the land tax;

d) For investments with a value higher than the equivalent in Ron of 15.000.000 Euros and the creation of at least 250 new jobs in Timisoara, as a result of the initial investment, a 40% deduction is granted for the property tax and exemption for the land tax;

e) For investments with a value higher than the equivalent in Ron of 20.000.000 Euros and the creation of at least 500 new jobs in Timisoara, as a result of the initial investment, a 80% deduction is granted for the property tax and exemption for the land tax. In this case the property tax deduction and exemption for the land tax cannot exceed 708.000 lei/year.