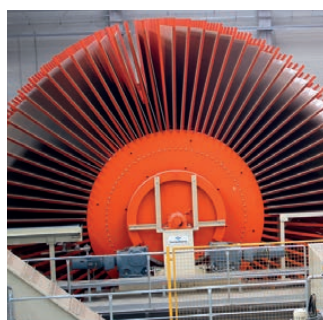
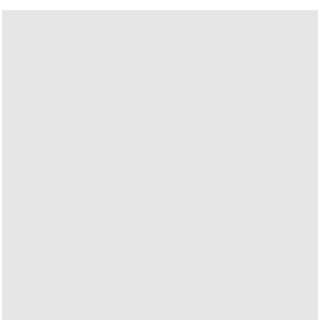
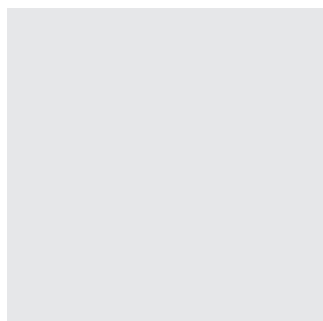
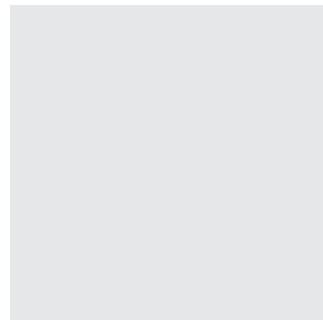
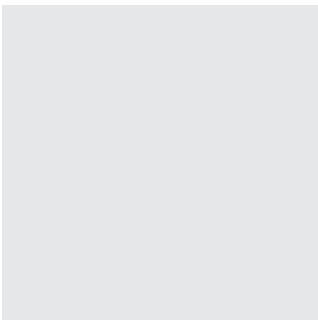
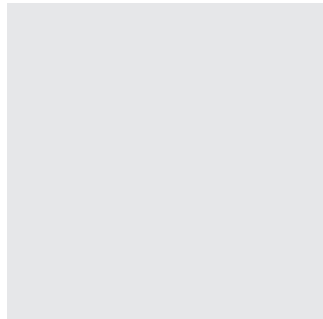
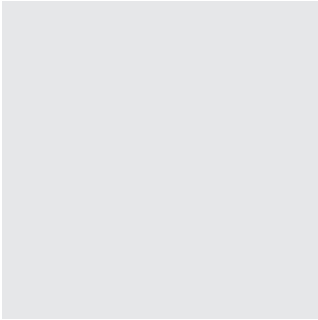


# Sebes Furniture Cluster Romania



# Production Sites

with Furniture Clusters

- 1

**SZCZECINEK FURNITURE CLUSTER**
  - TVILUM
  - STOL-TAP
  - GRZEŚKOWIAK
  - BHK
  - GREEN ANGEL
  - WOOD TECHNOLOGY INSTITUTE - POZNAŃ
  - ABO

- 2

**SMORGON FURNITURE CLUSTER**

- 3

**LAPOVO FURNITURE CLUSTER**

- 4

**SZOMBATHELY FURNITURE CLUSTER**

- 5

**OXFORD FURNITURE CLUSTER**

- 6

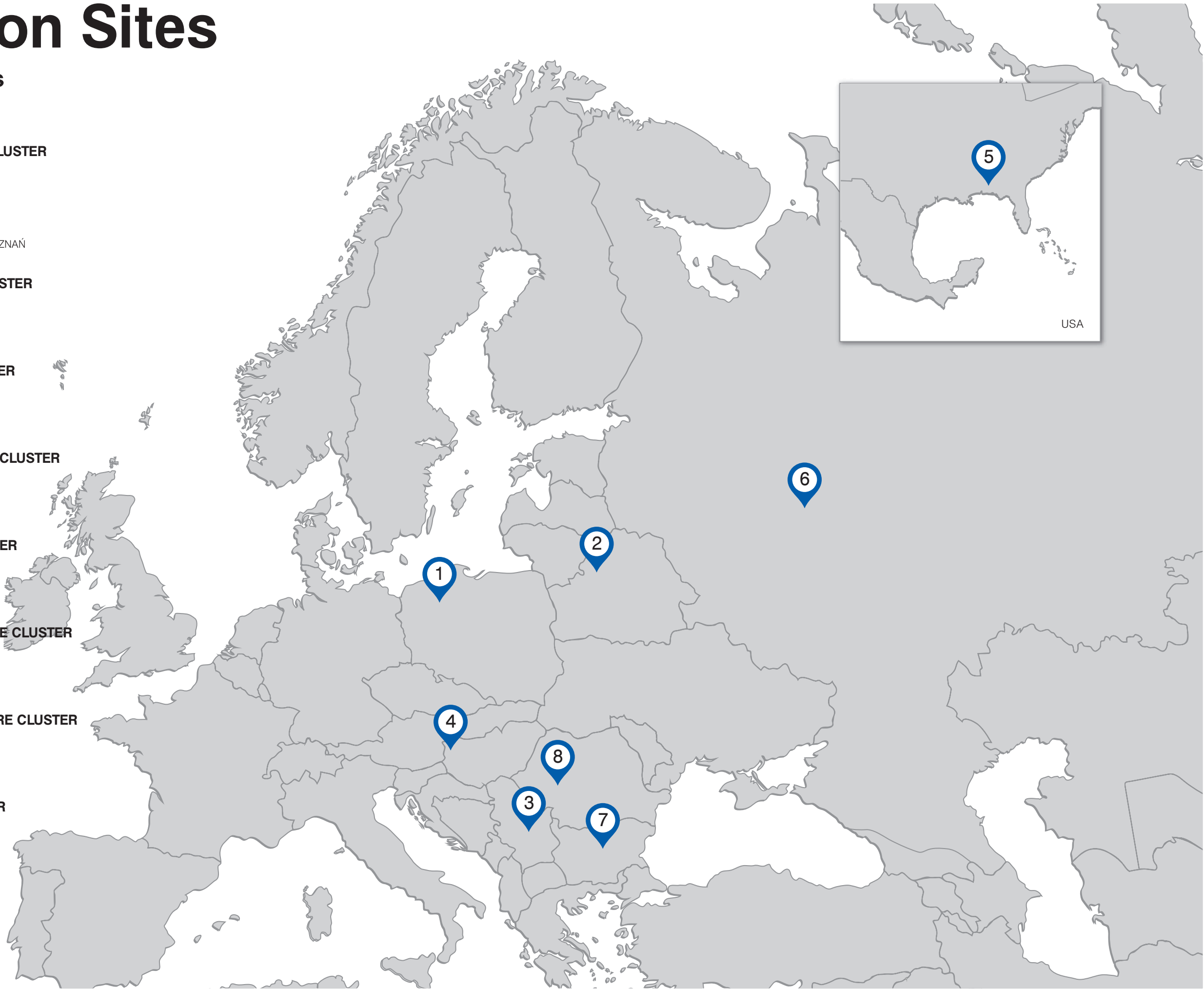
**ELEKTROGORSK FURNITURE CLUSTER**

- 7

**VELIKO TARNOVO FURNITURE CLUSTER**

- 8

**SEBES FURNITURE CLUSTER**





# Support for businesses

- We would like to share our location and extend our premises in order to provide our partners with a built area to install furniture production facilities.
- The required infrastructure is already in place: Our location is equipped with high voltage power supply, gas supply, adequate water supply and waste water treatment facilities. Separate meters will be provided for the furniture factory.
- Property tax and local fees are administrated by Kronospan.
- Close proximity between the two manufacturing sites results in near zero transportation costs.
- Just in time delivery of raw and melamine-faced particleboard will result in no stock – which eliminates the burden on cash flow.
- Kronospan will keep the agreed minimum stock levels.
- We would provide you with access to our extensive product portfolio.
- You could benefit from technical support in material processing on-site. Our engineers are experienced in both furniture production technology and equipment – whether that's mechanical, electrical, automation software or robotics.
- Kronospan will support you with administrative issues, including registration of a legal entity, the local register and banks.
- We could also provide support with accounting, tax and payroll regulations as well as reconciliation of local accounting with internal reporting.
- We will assist you with your recruitment process with our HR specialists and database.
- You could receive support from the on-site Kronospan design and marketing department.



# Kronospan Worldwide

## Production Sites:

- 1

Lungötz, Austria
- 2

Salzburg, Austria
- 3

Chirk, United Kingdom
- 4

Sandebeck, Germany
- 5

Szczecinek, Poland
- 6

Poznan, Poland
- 7

Lampertswalde, Germany
- 8

Sanem, Luxembourg
- 9

Jihlava, Czech Republic
- 10

Pustków, Poland
- 11

Burgas, Bulgaria
- 12

Mielec, Poland
- 13

Danyang, China
- 14

Bischweier, Germany
- 15

Zvolen, Slovakia
- 16

Egorievsk, Russia
- 17

Sebes, Romania
- 18

Bjelovar, Croatia
- 19

Novovolynsk, Ukraine
- 20

Mohacs, Hungary
- 21

Oxford, USA
- 22

Riga, Latvia
- 23

Veliko Tarnovo, Bulgaria
- 24

Ponterosso, Italy
- 25

Spremberg, Germany
- 26

Szombathely, Hungary
- 27

Lapovo, Serbia
- 28

Strzelce Opolskie, Poland
- 29

Brasov, Romania
- 30

Kastamonu, Turkey
- 31

Smorgon, Belarus
- 32

Burgos, Spain
- 33

Salas de los Infantes, Spain
- 34

Elektrogorsk, Russia
- 35

Ufa, Russia
- 36

Mogilev, Belarus
- 37

Auxerre, France
- 38

Le Creusot, France
- 39

Ryomgaard, Denmark
- 40

Clarion, USA
- 41

Grodno, Belarus
- 42

Jaslo, Poland

## Furniture Clusters:

- 5

Szczecinek, Poland
- 17

Sebes, Romania
- 21

Oxford, USA
- 23

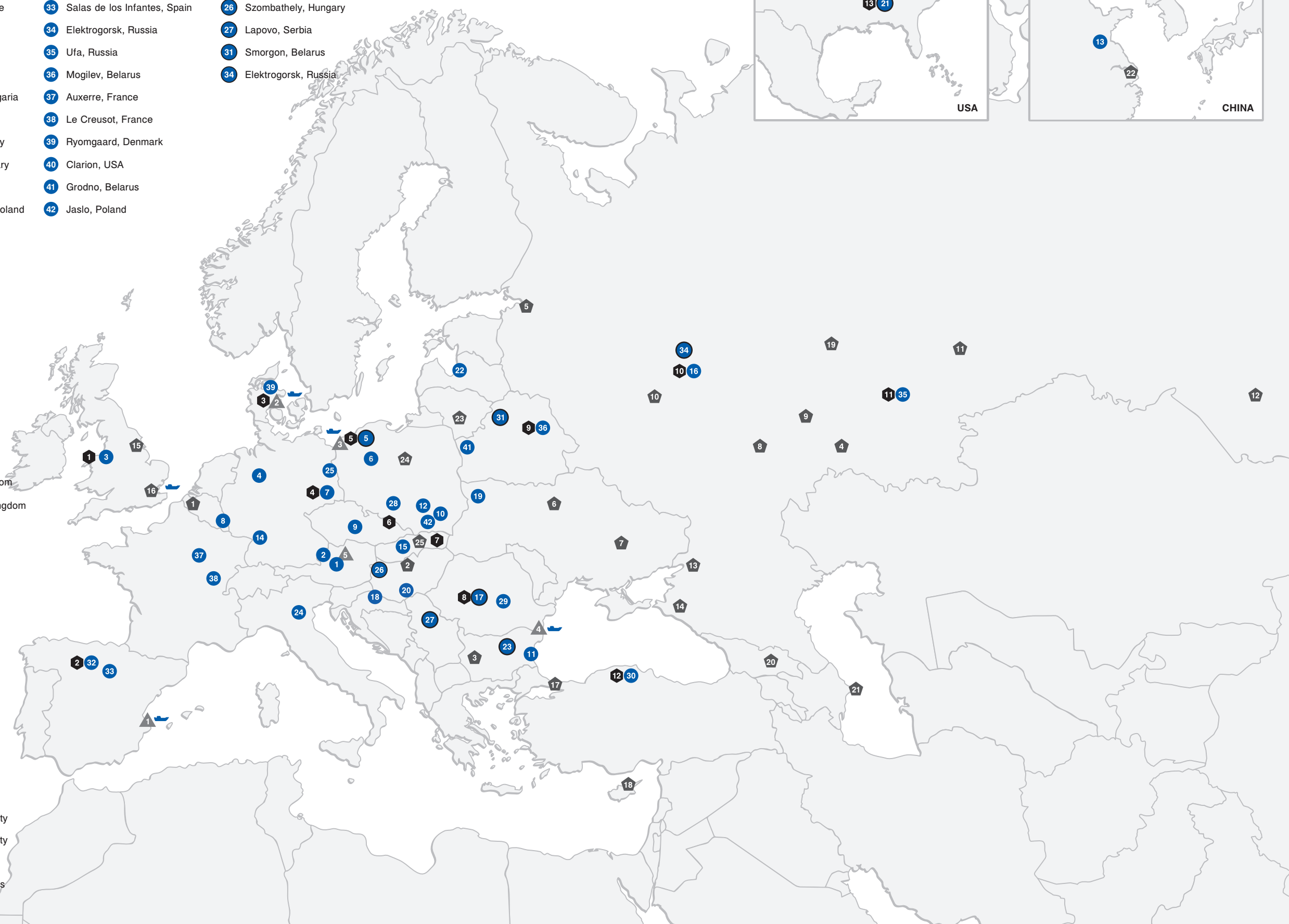
Veliko Tarnovo, Bulgaria
- 26

Szombathely, Hungary
- 27

Lapovo, Serbia
- 31

Smorgon, Belarus
- 34

Elektrogorsk, Russia



## Chemical Plants:

- 1

Chirk, United Kingdom
- 2

Burgos, Spain
- 3

Aarhus, Denmark
- 4

Lampertswalde, Germany
- 5

Szczecinek, Poland
- 6

Ostrava, Czech Republic
- 7

Strazske, Slovakia
- 8

Sebes, Romania
- 9

Mogilev, Belarus
- 10

Egorievsk, Russia
- 11

Ufa, Russia
- 12

Kastamonu, Turkey
- 13

Oxford, USA

## Distribution Centers:

- 1

Mouscron, Belgium
- 2

Tárnok, Hungary
- 3

Sofia, Bulgaria
- 4

Samara, Russia
- 5

Saint Petersburg, Russia
- 6

Kiev, Ukraine
- 7

Dnepropetrovsk, Ukraine
- 8

Penza, Russia
- 9

Ulyanovsk, Russia
- 10

Moscow, Russia
- 11

Yekaterinburg, Russia
- 12

Novosibirsk, Russia
- 13

Rostov-on-Don, Russia
- 14

Krasnodar, Russia
- 15

Goole, United Kingdom
- 16

Chatham, United Kingdom
- 17

Istanbul, Turkey
- 18

Nicosia, Cyprus
- 19

Kazan, Russia
- 20

Tbilisi, Georgia
- 21

Baku, Azerbaijan
- 22

Shanghai, China
- 23

Kaunas, Lithuania
- 24

Torun, Poland
- 25

Vtachikon, Slovakia

## Ports and Own Ships:

- 1

Gandia, Spain
- 2

Aarhus, Denmark
- 3

Szczecin, Poland
- 4

Constanta, Romania
- 5

Enns, Austria
- m/v Spanaco Loyalty
- m/v Spanaco Reliability
- m/v Spanaco Simplicity
- m/v Spanaco Fidelity
- m/v Spanaco Progress



# Kronospan

## Excellence in Transforming Wood

### Over 120 years of manufacturing experience

Our core activity is the manufacture of wood-based panel products (particleboard, MDF and OSB) and related value added products. Vertical integration enables Kronospan to lead the way in both cost and innovation. We have invested in developing a vertically integrated supply chain that allows us to constantly improve upon and perfect every aspect of our products.

### Focus on the European Market

Kronospan has more than 40 production facilities and is the world leader in the manufacture of wood-based panels. For the last 20 years our major projects have been undertaken in Eastern Europe and Russia.

### Wealth creation in the medium and long term

Being privately owned means that we take a long term view rather than focusing on short term achievements.

### Decentralized organization

Kronospan is made up of several manufacturing groups. This allows decision making by local management. As a result we can be close to our customers, our suppliers of goods and services and our people. This provides a strong platform for growth. The structure also allows us to ring fence political and economic risks where appropriate. With this we get more commitment, more ideas which allow individuals and the company to grow.

### Customer service

We aim to be the most service-oriented supplier in our sector. Our extensive market coverage and wide product range give us a significant competitive advantage. At Kronospan, we are close to our customers and our locations are a maximum of 400 km or 8 hours by truck from our customers which is a key advantage resulting in reduced transport costs, hence Kronospan can offer the best package.

### Advanced technology

We have pioneered many of our industry's key advances and will continue to lead product development and innovation in the future. Our production asset quality is also first class. We are here to lead, not to follow; using for example state-of-the-art filter technology.

### Cost leadership

Although our structure is decentralised we benchmark our production sites and with the support of our technical shared service centre ensure that they remain efficient low cost producers.

### Local financing

Financing is obtained at a local level and we look for long term banking relationships. Our aim is to keep foreign exchange risks under control and therefore require finance as much as possible locally.

### Central support

We use shared services where it is important and only centralise when and where it makes sense.

### Environmental responsibility

Our aim is to manufacture with the least environmental impact and the maximum raw material yield – no waste.





# Inspiration and innovation

Kronospan is the global leader in the production of wood-based boards and panels. Our products are used everywhere: from floors and furniture to frame constructions. With over 100 years of market presence, we have accumulated a wealth of experience in many markets, continuously innovating and investing ever since the inception of our firm. All of this continues to translate into Kronospan's new products, systems and advanced technologies.

Kronospan's global product range, which is divided into Kronodesign, Kronobuild and Krono Original, offers unlimited design opportunities to make high-quality furniture, interiors or buildings.





# Accessibility

The town of Sebes lies in the central part of Romania, in the south-west of Transylvania, in the district of Alba. Sebes lies at a distance of 15 km to Alba-Iulia, 55 km to Sibiu and 63 km to Deva, near the inflow of the Sebes river into the Mures river.

- E70
- E85



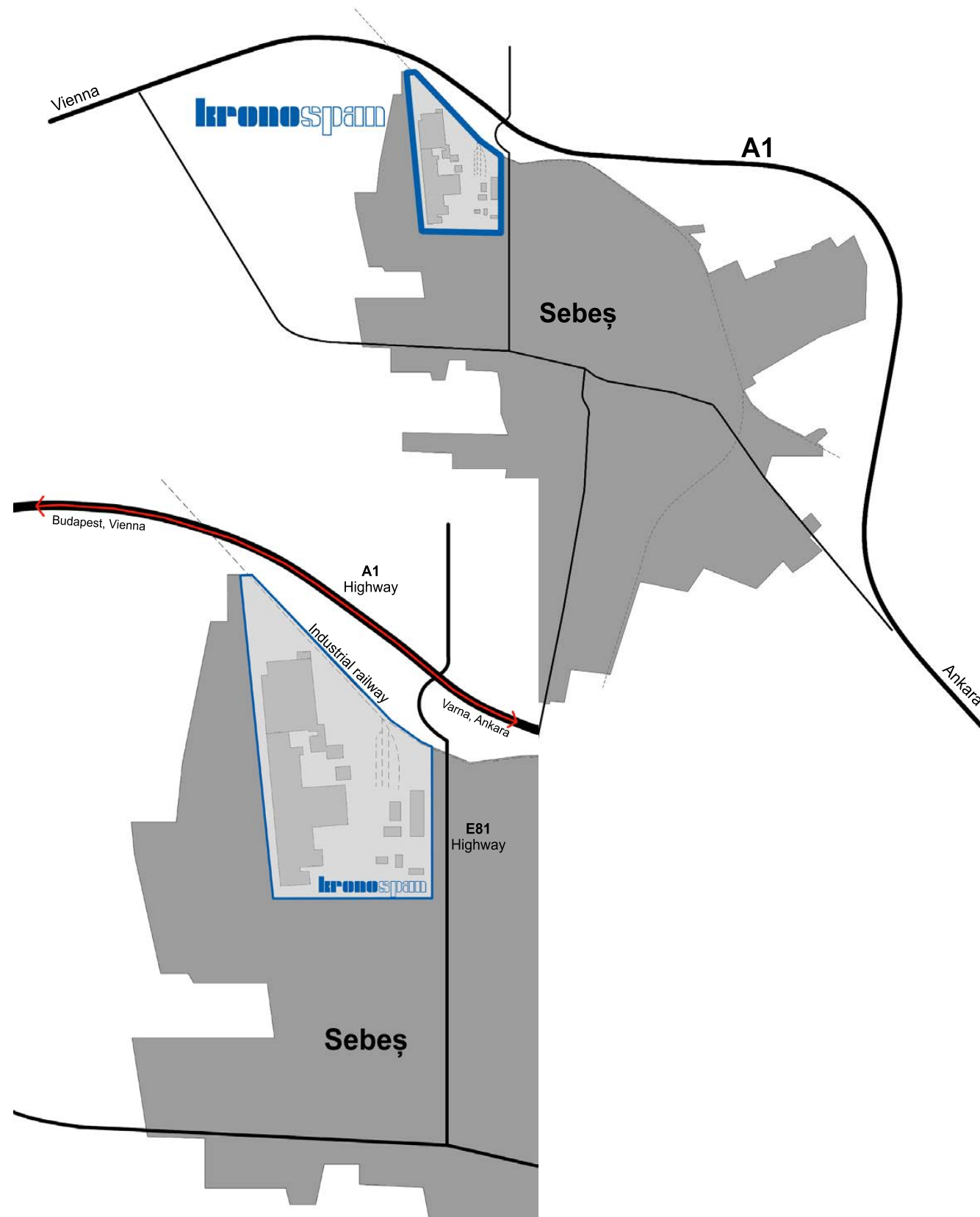
## Key facts

Population	19.50 million
Area	238 391 km <sup>2</sup>
Official Language	Romanian
Main Religion	Orthodox Christianity
Capital City	Bucharest: 1.88 million people
Currency	Romanian leu
GDP (2018)	\$ 239.44 billion
GDP pc (2018)	\$ 10 786



# Economic zone

## in Sebes



# Development

## facts and figures

### Economic outlook

Romania's economic path stands for solid proof that our country is currently a reliable partner for profit-oriented worldwide entrepreneurs to take upon.

- A 2.8% GDP growth in 2014 (the 3<sup>rd</sup> in CEE and 6th in EU) and a 61% FDI increase in the first 8 months of 2015 against the same period of 2014 guarantees sustainable growth of the Romanian economy; a targeted 0% inflation for 2015 ensures Romania's positive trend in economic performance.

### Setting up a company

Individuals and legal entities may freely enter into partnerships for business developing in Romania and set up companies.

There are no specific investment approvals required for setting up a business in Romania. The procedure requires fulfilling certain legal formalities such as getting registered with the Romanian Trade Register Office and the Fiscal Administration.

The commercial companies may be established as follows:

**Limited liability company (SRL)** – The shareholder liability is limited to the amount subscribed as participation to the company's share capital. The share capital of an SRL must be of at least RON 200 (approximately EUR 45), divided into shares with a minimum face value of RON 10 each. A SRL may be formed by a minimum of one shareholder and a maximum of 50 (fifty). These shareholders may include individuals and/or legal entities.

A SRL is managed by one or more administrators who may have full or limited powers and who may be Romanian or foreign nationals. There is no distinction between companies operating with or without foreign share capital.

**Joint stock company (SA)** – The minimum statutory capital for a joint stock company shall be RON 90,000. Shares must be held by a minimum of 2 (two) shareholders, individuals and/or legal entities (there is no maximum limit), and can be open to either public or private participation. The minimum face value of one share shall be RON 0.1.

**Partnership** as a legal form is seldom used in Romania. The three kinds of partnerships provided by law that lead to the creation of an entity with legal personality are:

- general partnership
- limited partnership
- partnership limited by shares

The partners in a general partnership and the active partners in a limited partnership have unlimited liability with respect to the obligations of the partnership toward third parties. Among themselves, each partner is individually and collectively responsible for these obligations.



# Current potential

of Kronospan in Romania

**1 000 000 m<sup>3</sup>** of Particleboard

**450 000 m<sup>3</sup>** of MDF

**30 000 000 m<sup>2</sup>** of Melamine Faced Boards

**900 000 m<sup>3</sup>** of OSB

**157** decors in Laminated Boards

# Kronospan

in Romania

## Kronospan facilities in Romania

### Timeline

**1998** - Kronospan started its investment in Romania with the purchase of the field from Brasov and by selling all the group's products

**2004** - Kronospan acquires plant in Sebes

**2007** - Kronospan Zona Libera Constanta is founded

**2009** – begins the production in the Brasov plant

### Kronospan Trading

General investment: 600 million EUR

Investment in environmental protection technology: 100 million EUR

### Alfa Terminal Constanta

- Located in the Port of Constanța Sud -Agigea.
- Connections: road, rail, sea, river
- 2 modern warehouses
- 5000 m<sup>2</sup> platform
- Close to the DP World Container Terminal
- New facilities and equipment for handling and storage of general cargo available
- Modern equipment for container stuffing / stripping
- Services
  - Handling and storage of any kind of palletized cargo
  - Inside and outside storage
  - Customs bonded warehouse
  - Loading and unloading of conventional vessels
  - Brokerage services





# Business environmen

## Labor market

Investors deciding on Romania have access to an extensively creative potential of highly skilled workforce enjoying reduced cultural and language barriers. Born at the crossroads of different cultures and civilizations, where East meets West, Romanians are multilingual, flexible, innovative, and future-oriented. In terms of foreign language studies, Romania is above the EU average with 99,2% in first foreign language studied among middle school students as against the 95,6% EU rate, according to Eurostat statistics released on September 29th 2015, the European Day of Languages. Romania enjoys an amended Labor Code allowing enhanced flexibility of the labor market improving the country’s competitiveness and stimulating development. Romania’s talent has a unique capacity to innovate, leveraging business for a more dynamic, more efficient and ultimately more profitable investment climate.

## Average Costs in 2018

- Electricity: 0,083 EUR / kWh
- Gas: 0,030 EUR / kWh
- Gross average salary paid – January 2018 (according to the National Institute for Statistics): RON 2700(EUR 570)

## Foreign investors rights

- National favorable treatment for foreign investors
- Foreign investment allowed in all sectors of economy
- Possibility to freely manage the company with full ownership rights
- Full repatriation of capital and profits
- Full protection against expropriation and nationalization
- Access to incentives and funds provided by EU and Romanian legislation

## Investment incentives

Companies doing business in Romania could benefit from the following incentives:

- Tax facilities regarding R&D expenses  
Companies may benefit of an extra 50% tax depreciation for the eligible R&D expenses\* and also may apply the accelerated depreciation for these expenses.
- Tax exemption on reinvested profit  
The facility refers to the exemption of corporate tax of the profit re-invested in certain types of assets.
- EU grants

State aid scheme for the creation of new jobs: the project has to create at least 10 new jobs for every location of the new investment. The jobs have to be maintained for 5 years for large companies and for at least 3 years by SMEs; the state aid consists in a refund of a certain percentange from the eligible salary expenses\* for 2 years. The percentage varies according to the region, 10% for Bucharest, but not more than EUR 7.5 million, 35% for West and Ilfov, but not more than EUR 26.25 million, 50% for the other regions, but not more than EUR 37.5).

State aid scheme for large investments: the investment must be of over EUR 3 million; the state aid represents a direct financial contribution by the state; the percentange of the stait aid varries according to the region 10% of the eligible expenses\* for Bucharest, but not more than EUR 7.5 million, 35% for West and Ilfov, but not more than EUR 26.25 million, 50% for the other regions, but not more than EUR 37.5 million.

For more information please visit the Ministry of Public Finance website (Romanian version only).

\* eligible expenses: costs without VAT for making/buying tangible and intangible assets, as well as the expenses related to the rental of the constructions needed for the innital investment

Type of Tax	Rate	Comments
Personal Income Tax	The flat income tax rate is 10%	The main categories of tax-exempt income are: <ul style="list-style-type: none"><li>• allowances for maternity leave, maternity risk and for child care leave paid from the health fund;</li><li>• incentives granted as aid to families for child care leave;</li><li>• salaries obtained by seriously disabled individuals;</li><li>• salary income obtained from employment activities rendered abroad, irrespective of the tax treatment of the income in that foreign country;</li><li>• stock option plan advantages, at the moment of being granted and exercised;</li><li>• allowances and any other amounts of the same nature, received by employees during delegation / secondment, limited to 2.5 times the level set for employees of public institutions, as well as amounts received to cover transport and accommodation expenses incurred;</li><li>• salary income derived from software development and design (some criteria need to be met, both by the employer and the employee) and for Construction activities (at least 80% of a company turnover should be generated by the construction activities;</li><li>• sponsorship and donations;</li><li>• inheritance;</li><li>• income from the sale of movable assets from personal patrimony (with the exception of those described as "capital gains").</li></ul>
Social contributions due on employment income - Employee contributions	<ul style="list-style-type: none"><li>• Social Security (pension) contribution: 25%</li><li>• Personal income tax: 10%</li><li>• Health insurance fund: 10%</li></ul>	
Social contributions due on employment income - Employer contributions	<ul style="list-style-type: none"><li>• Labour insurance contribution: 2,25 %</li></ul>	
Corporate Income Tax	<ul style="list-style-type: none"><li>• The standard corporate income tax rate is 16%.</li><li>• The tax due for nightclubs and gambling activities is either 5% of the revenues obtained or 16% of the taxable profit, whichever is higher.</li><li>• Micro-companies are subject to a a mandatory revenue tax rate (see details below) in lieu of the standard profit tax. The condition for a company to be considered a micro-company is to have a maximum revenue at the end of the previous year of 1 million EUR.</li></ul>	Entities subject to corporate income tax: <ul style="list-style-type: none"><li>• Legal persons tax resident in Romania</li><li>• Foreign legal persons doing business in Romania through permanent establishments;</li><li>• Foreign legal persons which derive revenue from or in connection with real estate located in Romania or from sale-transfer of shares held in Romanian companies;</li><li>• Foreign legal persons and individuals doing business in Romania in partnerships with or without legal personality;</li><li>• Resident individuals associated with Romanian companies for revenues derived in or outside Romania from partnerships without legal personality;</li><li>• Legal persons with their registered head office in Romania, established in accordance with EU legislation.</li></ul> The tax rates used for micro-company income tax are: <ul style="list-style-type: none"><li>• 1% for micro-companies with one or more employees.</li><li>• 3% for micro-companies with no employees.</li></ul>
Local taxes	Local Councils can increase tax rates by up to 20% per year over the statutory cap (except for the subcategory of tax for large, heavy load transporter vehicles)	Local taxes include building tax, land tax, registration, licensing, certifications, authorizations issuance taxes, tax on means of transport, tax on means of promotion and advertising, tax on revenues from public performances, hotel occupancy tax
Building tax	<ul style="list-style-type: none"><li>• For buildings owned by individuals, the tax rate is 0.1% and is levied on the taxable value of the building, determined depending on the structure, zoning and locality rankings.</li><li>• For buildings owned by companies, the building tax rate is<ul style="list-style-type: none"><li>- Between 0.08% and 0.2% of the buildings tax value for residential buildings</li><li>- Between 0.2% and 1.8% for non-residential buildings</li></ul></li><li>• If a building has not been revaluated, the tax rate is set as follows:<ul style="list-style-type: none"><li>- between 10% and 20% for buildings not revaluated within the last three years;</li><li>- between 30% and 40% for buildings not revaluated within the last five years.</li></ul></li></ul>	The Local Council may grant an exemption from or a reduction of the building tax, for a period of a minimum of seven years, to owners which have performed energy rehabilitation work on their apartments or buildings at their own expense. Exemptions from building tax can also be granted for a period of five consecutive years for owners performing architectural improvement work on their buildings.
Tax on constructions	The tax on construction is calculated by applying a 1.5% (1%, Art. 498, alin. 1) rate to the value of the construction recorded in the taxpayer books as at 31 December of the previous year	Taxpayers are obliged to declare the tax on construction by 25 May of the year for which the tax is due and pay it in two equal installments, by 25 May and 25 September
Land tax	Owners of land are subject to land tax set at a fixed amount per square metre, depending on the rank of the locality where the land is located and the area and / or category of land use, in accordance with the classifications made by the Local Council	Companies are not subject to land tax on land where buildings are sited. Similar to building tax, land tax is paid annually, in two equal installments, by 31 March and 30 September. A tax reduction of up to 10% is granted to individuals for full advance payment of this tax by 31 March
Value Added Tax (VAT)	20% - All other taxable goods and services. 5% - Social housing. 9% - Some foodstuffs; certain pharmaceutical products; medical equipment for disabled persons; books; newspapers and periodicals; admission to cultural events and amusement parks; hotel accommodation.	





[kronospan-express.com](https://kronospan-express.com)

