

# European Gateway Project (EGP)

The European Gateway Project consist of a number of elements that form key building blocks to enhance the competitive position of Romania as a significant production, assembly, trade and logistics hub of Central & Eastern Europe, and the wider the Black Sea region.

The European Gateway Project is based on international best-in-class experiences and especially on the large successes realized in The Netherlands during the last 20 year with the concept around "Holland International Distribution Country" to generate significant numbers of new jobs, GDP contributions and additional income to the State.

In April 2010 a "White Paper" was presented and handed over to the Romanian Government which acted as a roadmap and work plan for Joint Taskforces<sup>1</sup> to work out the details, consequences, implementation elements and actions required to develop, implement and realize the key building blocks.

These building blocks are centred on 4 vectors:

- Soft Infrastructure
- Hard Infrastructure
- Efficient Logistics
- Education & Training

The Joint Taskforces worked above elements into practical policies, projects, budgets and actions plans. The key documents and reports generated are:

- Trade Benefits

The implementation of the European Gateways project is focused on exploiting the strengths of Romania, its location and its labour force. Given this, Romania is very well positioned to grow into the major assembly- and valued added services hub of Europe and the Black Sea region. Using international experience figures, the trade benefits for the Romanian economy and for the Romanian businesses are calculated. These benefits relate to GDP growth, State income and jobs. The international experience figures show that Romania can expand its economy with over 10% through the implementation of the European Gateways project.

- Savings for Europe

The implementation of the European Gateway project has effects on the Total External Costs and on the CO<sub>2</sub> emissions in Europe. The calculations have used the research of renowned European institutes and detailed assessments of the transport flows that can be redirected to a direct route into Central & Eastern Europe via the Port of Constanța. The overall results are very significant and provide Europe very strong reasons to accelerate logistics infrastructure investments in Romania.

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<sup>1</sup> Consisting of experts from representative Ministries and public entities (e.g. Constanța Port Authority) and experts from the European Gateway Platform foundation

- Tax Measures

The objective to establish Romania as a highly attractive location for assembly & product customization activities, serving the Central and Eastern Europe (CEE) and Black Sea markets requires the implementation of a number of measures, led by VAT-deferment for AEO-companies. The absence of the VAT-deferment system, as used in many other European countries, leads to significant extra costs for companies, of €480 per TEU. The VAT-deferment solution can be implemented swiftly in Romania against zero costs and detailed practical recommendations are worked out to this effect, ensuring full controllability from a tax collection and customs point objectives. Absence of implementation is costing the Romanian State €92.000 and the Romanian businesses €286.000, per day.

- Inter-Modal Strategy Romania

An Inter-Modal Strategy is a key cornerstone for the development of an efficient and effective total logistics system in Romania, and as such it is an important ingredient in the overall European Gateways project. A strategy has been worked out, with an overall target for 2020 is to realize that the Romanian inter-modal transport system (unaccompanied and accompanied traffic) is accounting for 40% of the movement of relevant goods. Design criteria for inter-modal terminals and a practical action plan are worked out as instruments for public and private partners to ensure a soonest effective development of inter-modal transport in, and through, Romania.

- Expansion Port of Constanța

The Port of Constanța must upgrade its effectiveness and efficiency in order to maintain and grow its competitive position. All port activities are forecasted to grow, and the highest growth is expected in the container sector, especially with the implementation of the European Gateway project. The project has worked out the most suitable and effective development of the container facilities in the port. The total South Port area development is to include the development of a logistics park, for which demand is pressing. Such logistics park has been worked out as part of the total project, leading to an efficient integrated development focused on containerized transport.

- Inter-Modal Hubs Danube

The Danube is seen by all experts as a potential trade corridor of high importance to offer in Europe an efficient green transport solution. The project analyzed the potential for inter-modal terminals along the Romanian section of the Danube, the preferred location and how and when to develop. A successful inter-modal transport development along the Danube requires the implementation of new inter-modal terminals. Their presence is a pre-requisite for developing inter-modal transport. Critical for this is the soonest development of a new terminal South of Bucharest, and a terminal in the Southwest part of Romania.

All of the above documents and reports are available and can be downloaded via:

[www.logisticsportal.ro](http://www.logisticsportal.ro)

[www.europeangatewaysplatform.nl](http://www.europeangatewaysplatform.nl)