

Romania's South-East Region

(The area of Romania with the highest development potential)

Presentation of the Galati-Braila Region

(June 2008)

1. General Presentation

Due to the strategic emplacement at the crossroads of the most important commercial routes coming from all over the country (North, South, West, East), to the existence of wide ports areas on the Danube and due to the high-skilled work field, the Galati-Braila area may be extremely interesting for the potential investors.

The economic network consists in small and medium enterprises, the majority of the larger firms are active in industry, construction, transport and services.

During the last few years, the economy of Galati and Braila cities has encountered an important growth and the transition process to a market economy is now completed.

2. Natural Resources

The land: is the main resource of the area, due to the high grade of fertility (rich in chernozem, also called "the black soil"). According to the official classification, 70 % of the land soil is extremely fertile. The private sector owns 55% of the entire area used for agriculture.

The structure of the area:

- Agricultural area – 80%
- Arable land – 70%
- Graze – 7%
- Vineyard – 4%
- Forrest – 6%
- Irrigate land – 70%

The **climate:** tempered- continental climate. The annual average temperature is about 11 degrees Celsius. The sun shines 22.000 hours a year, less than the Black Sea.

Summer is hot and dry (average 21°C) and the winter cold (average -1,5°C), without permanent snowing. The amount of rain falling annually is 4561 cubic meters (about 66 days a year).

The **hydrographic network** includes the Danube with its afluentes Macin (96 km), Cremenea (70 km) and Valciu (40 km) and the rivers Siret (97 km, with the afluentes Barlad, Buzau (141 km)) and Prut (110 km, with the affluent Calmatui (70 km)).

There are lakes, a characteristic element for Romanian planes. The most known lakes are Brates Lake, and Lacu Sarat (Salty Lake) known for the thermal treatments due to its mineral water and terapeutical mud. Caineni and Movila Miresii Lakes are similar to Lacu Sarat Lake. Ianca, Maxineni and Jirlau Lakes are used for fishing. Finally, Brates and Blasona lakes are tourist attractions.

Subsoil Resources: the area of Schela, Slobozia Conachi and Oprisenesti has a few hydrocarbon depots (including oil).

3. Infrastructure

The area is connected to all the regions of the country by a road and railway network. 20% of the road network has been renewed recently.

Faurei is an important railway junction.

Galati and Braila cities allow the fluvial transit of ships and barges. The drinking water distribution network covers 71% of the population. Investments for enlarging the aqueducts are in progress. A waste water purifying system exists only in Braila City. The sewage system needs fulfillment and maintenance actions. The electrification and natural gas distribution network covers the entire region.

4. Technical potential

Seeing that the large industrial unities have been shut down or resized, there is an unused technical potential consisting in structures and buildings having all the equipments and machinery for different types of activity.

5. Human Resources

The Galati-Braila area has more than 1 million inhabitants and 66% of the population is condensed in the city. The total workforce corresponds to nearly 62% of the total population but only half of it is working in productive unities. The rate of unemployment is almost 6.5%. The labor local market presents a surplus of specialized workers in fields such as chemical, metallurgical and agricultural sectors.

Galati city is a remarkable university center in Romania and has the following faculties: Engineering, Material Science, Food Processing, Aquaculture and Fishery, Philology, History, Economics, Administrative Sciences, Law and Medicine.

6. The Economy

The foreign investments are condensed especially in Galati where the iron and steel complex, the shipyard and the free zone exist, Braila being the agricultural leader.

Agriculture is the most important factor in the local economy. The main cereal crops are the wheat, corn, sunflower and vine.

In the livestock field, the main activities are raising cattle and sheep, followed by honey production.

The most important foreign investments done in the industrial field were focused on the iron and steel complex and the shipyard – for Galati and in the textile and agricultural fields, followed by food industry - for Braila.

The most important tourist attractions for the area are:

- the Danube river, one of the largest rivers in Europe;
- spa and thermal clinics in Lacu Sarat area.
- fishing and hunting in the legal fishing and hunting season in areas like Small Isle of Braila, Big Isle of Braila, Jirlaru and Viisoara Lakes;
- Greek, Roman, Gothic, Byzantine fortresses and ruins;

7. Disadvantages

- the difficulty of using the large productive potential at its maximum;
- the low salary level generating a low consumption level;
- most part of business firms have been inefficiently made private.

8. Advantages

- natural resources (agriculture tradition, good tourist potential);
- flexible and specialized human resources;
- remarkable university and industrial center;
- Galati, the largest river port in Romania and Braila, the last navigable river port, enjoys a privileged position, having access to the main transport and commercial routes.
- tax breaks in the Free Zone of Galati and Braila.
- proximity of great markets of the country (Bucharest, Black Sea, Prahova County);
- they are situated at the border with Republic of Moldavia and Ukraine.

9. Launched or in Progress Projects

- The metropolitan area of Galati-Braila, an unification project of the 2 cities; at present time, the infrastructure is being set up, and the first apartment block “Dimitrie Cantemir” has been built up.
- Braila’s airport, a project in the faze of outsourcing;
- Bridge over Danube, a project in the faze of approval.