



South Eastern Europe's Private Equity Association  
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## **Investment funds invested 110 million euros in Romanian companies in 2006**

Private investment and venture capital funds invested 110 million euros in Romania, last year, and the forecast for 2007 shows a level above this value, declared yesterday the Secretary-General of the European Private Equity and Venture Capital Association, Javier Echarri.

"It is very difficult to make provisions with regard to the investments to be achieved by acquiring Romanian companies this year. Given the data we have by now, I think we will see at least last year's level. But much can happen until the end of the year. Many transactions are concluded especially in December", said Echarri, at the first meeting of the South-East Europe's Private Equity and Venture Capital Association (SEEPEA), held on Tuesday.

Thus, Romania occupies the fourth place in the Central and Eastern Europe region by venture capital investments, after the Czech Republic, with 354.2 million euros invested last year, Hungary - 734 million euros, and Poland - 803 million euros.

In 2005, 70 million euros were invested in Romania, according to data from the European Private Equity and Venture Capital Association. The largest part of the funds allocated by investment funds in Romania, over the last two years, 38.1 million euros, envisaged acquisitions of companies, for further expansion.

"Romania has a huge potential but, for the time being, only medium-sized funds will function in the market. The big funds, with capitals of several billions euros, will delay their entry in the Romanian market, as there are no companies to meet the criteria considered by these investors, respectively the capital value", Echarri said.

According to the association's data, at the level of last year, venture capital investments in Romania represent 0.115% of the Gross Domestic Product, which is half of the average value in Central and Eastern Europe.

The biggest weight in the GDP in the region is registered in Bulgaria, 0.15%, followed by Slovenia and Poland, 0.13%, respectively 0.118% of the GDP. In Europe, the biggest weight of venture capital investments in the GDP is registered in Sweden - 1.437%.

"The Central and Eastern Europe region will grow very much in the forthcoming period, following last year's trend", added Echarri.