

Mugur Isărescu: Financing investment projects in the Danube region

Speech by Mr Mugur Isărescu, Governor of the National Bank of Romania, at the 3rd Danube Financing Dialogue, Bucharest, 30 October 2013.

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Distinguished guests,

Ladies and gentlemen,

I am pleased and honored to welcome you at the National Bank of Romania. Allow me thank the organizers for giving me the opportunity to open the 3rd Danube Financing Dialogue.

Time has come for Bucharest to host this important event, after Vienna and Belgrade. The place has changed, but the venue remained the central bank, the agenda and the conference framework being quite the same. This gathering enables both European and local financing institutions and small and medium enterprises from the Danube Region to reach a common language in order to find the most suitable solutions to specific projects.

This conference, like the two others that preceded it, would like to put an emphasis on Danube's enormous potential for doing business.

- Danube rises in the Black Forest mountains of western Germany and flows for 2,857 km to its mouth on the Black Sea. Danube is Europe's only major river, flowing west to east, from Central to Eastern Europe and having its basin roughly twice the size of California.
- In addition to the 83 million people that live in the river basin, Danube is home to 47 cities and 10 countries, passing through 4 national capitals (Vienna, Bratislava, Budapest and Belgrade) and 20 cities only in Romania,
- There are 120 tributaries that drain 805,000 square kilometers of basin into the Danube river, the most prominent and fully navigable being Inn, Drava, Morava, Tisa, Sava and Prut rivers.
- Danube played a vital role in the settlement and political evolution of central and southeastern Europe. Its banks, lined with castles and fortresses, formed the boundary between great empires, and its waters served as a vital commercial highway between nations.
- The river's majesty has long been celebrated in music, poetry, painting and other forms of art. It inspired famous artists such as the Strauss family, the Danube School of painters, Richard Wagner and Franz Liszt, etc.

The Danube Delta includes exceptional habitats and globally important species of flora and fauna (*including the white pelican and the Beluga sturgeon*). It has been explored by many scientists. Perhaps, the most complete survey of the river was carried out by Captain Jacques Cousteau and a team of forty European researchers and experts, from 1990 to 1992. They investigated the problems linked to energy, pollution, navigation and the protection of natural areas. The outcome was a large amount of conclusions that were distributed to over a thousand scientists, decision-makers and journalists. It had specific recommendations for each country involved.

It was for the first time when such a complete vision of the Danube was unveiled.

All these facts constitute reasons that lead the European Commission to recognize the importance of Danube as being "the single most important non-oceanic body of water in Europe" and "a future central axis for the European Union". But there still remains a major issue regarding this subject –the Danube basin is still not used to its full potential. Its remarkable business prospective is yet to be taken advantage of in terms of agriculture,

energy sources, wastewater disposal, industrial or even recreational purposes. This massive potential alone is not enough to implement a business plan; it certainly needs vision and funding. And financing is exactly the main issue upon which the today conference focuses.

For instance, one could take inspiration in the Rhine basin management project which turned the Rhine into Europe's most densely navigated shipping route. It connects world's largest seaport, Rotterdam, with world's largest inland port, Duisburg, although the Rhine's length is less than a half of Danube's.

And while large sections of the Upper Danube in Germany and Austria have been regulated, the areas of the lower and middle Danube were not. I strongly believe that middle and lower Danube and the Danube Delta offer a great business potential for investment projects. To refer only to big projects some have been finalized, as it is the case of the Danube-Black Sea Canal, which runs from Cernavodă, on the Danube, to Constanța (southern arm, as main branch), and to Năvodari (northern arm), on the Black Sea. Other big projects are still in progress, such as the Danube–Bucharest Canal, a 73-kilometre long canal project that is planned to link Bucharest to the Danube via Argeș River. Thus, at the completion of this project Danube could become home for five capitals, including Bucharest.

This conference has two main objectives. One is to bring together Romanian financial sector representatives and project initiators; the other one is to find appropriate financial instruments to better highlight the remarkable business potential of the lower Danube basin.

I do hope this conference is going to offer you all the opportunity for successful networking and may you find appropriate solutions for vital issues regarding the agenda.

I desire you all success with the materialization and accomplishment of your present and future projects and I conclude by wishing all the foreign guests at this conference a good stay in Romania.

I am now giving the floor to Mr Kurt Puchinger, Coordinator of the EU Strategy for the Danube Region and chair of the first session, to start the conference.

Thank you.