

# The Buzz in Romania: Interview with Gelu Maravela of Maravela | Asociatii

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Gelu Maravela, the Co-Managing Partner of Maravela | Asociatii, waives away the potential impact of politics on investment in the country. “There’s no election scheduled for this year anyway,” he says, “so for the next six years we’re ‘at bay’ on major changes.” In any event, “in terms of politics, we don’t care about it. They have their own agenda. Obviously they have some influence on it, but they can’t really contribute to our business. The private sector moves by itself.”

And it appears the private sector is moving quite well in Romania at the moment. Maravela says there are few large M&As going on at the moment and no privatizations (“there were two or three put on the table last year,” he says, “but then they were withdrawn (more likely for political than

economic reasons)”), but the market is witnessing a substantial amount of small and medium transactions. “We still have some greenfield projects from companies investing in the country from scratch, especially in the automotive industry,” and the agricultural sector is also active, describing it as “in a time of consolidation – finalizing the fragmentation-of-the-land process.” Maravela notes that modern farming requires large tracts of land, “so large investors are buying farms to make their businesses more profitable.”

He also points to the new Prevention Law about to come into force in the country, which, he says, “means that when authorities come to investigate/examine you, they will not jump on you immediately [for administrative or record-keeping oversights], but will grant a period in order to remediate the irregularities.” He also cites the country’s flat-rate on VAT. “Various things have improved,” he says, “giving us the opportunity to be seen better in the eyes of foreign investors.”

The sale of NPL portfolios that were booming for a while seem to have burned themselves out. Maravela notes that in the last year or two Romanian private banks sold about EUR 5 billion of NPLS, but the work coming from the sales is decreasing now. By contrast, insolvency work is up, at least at Maravela’s eponymous firm. Indeed, Maravela notes that 2016 was “the best year yet” for his four-year old law firm, “and each month this year has been 30% better than the same month last year.” He says, “to be honest with you, I wasn’t expecting it. I thought we’d keep the trend, but we have at least four large M&As going on in parallel at the moment.”

