

FOREIGN INVESTMENTS IN THE FIELD OF WASTE MANAGEMENT AT THE ROMANIAN-HUNGARIAN BORDER

Bocoi Florina-Mariana*¹, Horga Ioan**

*Babes-Bolyai University, Doctoral School: International Relations and Security Studies, 1 Mihail
Kogălniceanu St., 400084,

Cluj-Napoca, Romania, e-mail: mariana.f.bocoi@gmail.com;

**Babes-Bolyai University, Doctoral School: International Relations and Security Studies, 1 Mihail
Kogălniceanu St., 400084,

Cluj-Napoca, Romania, e-mail: ihorga@uoradea.ro;

Abstract

At present, waste management has become a priority and the measures and solutions for very efficient waste control must be provided by both the population and the companies in the field.

The Romanian-Hungarian border area benefits from attracting foreign investments, including in the field of waste management. There are a number of important companies that stand out for the quality and originality of the services offered, and this can be seen in their turnovers.

In terms of turnover, some of the foreign companies established in this area are on the first places in the ranking of waste field companies.

The German, Hungarian, Austrian, Italian, even Russian, Swiss and Chinese capital stand out in this area. Within the border area, we find the largest foreign companies in Arad County, followed by a company from Bihor.

Taking into account the foreign companies in the border area that cross the threshold of turnover of EUR 500,000, we find foreign investments, presented in this paper, with a turnover located between EUR 750,000 and over EUR 120 million. Each of these companies has between 0 and about 150 employees.

Key words: foreign investment, waste, recovery, border, romanian-hungarian border

INTRODUCTION

Direct investment is considered a category of cross-border investment made by a resident in an economy (direct investor) in an enterprise (direct investment enterprise) resident in an economy other than that of the direct investor, in order to establish a long-term strategic relationship with a significant degree of influence by the direct investor in the management of the direct investment enterprise. Owning at least 10% of the voting power of the direct investment enterprise by the direct investor reflects the long-term interest. (OECD, 2008)

Waste management provides a hierarchy that is applied in the following priority: prevention; preparation for reuse; recycling; other recovery operations, for example energy recovery; elimination. (Official Gazette, 2014)

¹ Corresponding author

MATERIAL AND METHOD

In this paper we referred to foreign direct investment as companies with a foreign capital of at least 10 %.

Although we are discussing the area of the Romanian-Hungarian border, we refer only to the „Romanian” part of the border, made up of the counties of Satu Mare, Bihor, Arad and Timiș.

In the attention of our analysis were the companies with foreign capital with a participation of at least 10%, taking into account for presentation the companies with a turnover of at least EUR 500,000 at the end of 2019, having NACE codes from subgroups 381, 382, 383 and 467 - Collection of non-hazardous waste; Treatment and disposal of non-hazardous waste; Dismantling of wrecks; Recovery of sorted materials; Wholesale of waste and scrap. (Official Gazette, 2011)

We collected the financial data of the companies from websites such as the official page of the Ministry of Public Finance. (www.mfinante.gov.ro) For a better understanding of companies' activity, we used also relevant information available on companies' websites.

Our research is a quantitative research. In interpreting the data, we relied on comparisons and rankings.

RESULTS AND DISCUSSION

Brela Int is a German-Romanian company, located in Satu Mare County, which deals with the recycling of pallets and metal packaging. The company has a turnover of over EUR 1,5 million and has offices both in Romania (Sibiu, Mureș, Arad, Brașov, Hunedoara counties) and in Germany (Weistrach). (www.brelaint.ro) This is also the only important foreign company in the county, the next company that follows it having a turnover of approximately EUR 2,500.

In Bihor county there are two large companies in the waste field. The largest company, under the name of Eco Bihor, has a turnover of over EUR 8 million, and the next one has a turnover of almost EUR 2 million, being represented by Ave Bihor. Both companies represent Hungarian foreign investments.

Established in 2004, Eco Bihor manages the county ecological waste landfill, the recyclable waste sorting station, the technology for producing artificial aggregates, the composting station for organic waste, the mechano-biological treatment plant for household and similar waste, the treatment plant

water and biogas plant. The company also has a working point in Covasna County. (ecobihor.ro)

Founded in 2008, the Hungarian company Ave Bihor has as activity the collection of different types of household waste from the population, markets and places not allowed for their storage (recyclable, residual, bio-waste, bulky, hazardous, construction materials). In addition to collection, the company aims to sort, compost and treat waste. (www.ave-bihor.ro)

In Arad County, the three largest foreign companies have Austrian capital. Hammerer Aluminum Industries Santana stands out with a turnover of over EUR 120 million. Also, over EUR 18 million and EUR 10 million have the companies that follow it in the ranking: Remat M.G. and FCC Environment Romania. We note that they are followed by the Hungarian company Eva Recuperari with a turnover of only EUR 118,826.

In the waste field, the Austrian group Hammerer Aluminum Industries owns in Romania the company Hammerer Aluminum Industries Santana. The company from Santana, Arad County, owns a foundry, considered among the most modern and flexible foundries in Europe. Within it and the foundry from Austria, 180,000 tonnes of wrought and cast alloys are produced annually. (www.hai-aluminium.com)

Remat M.G. focuses on electrical and electronic waste, non-ferrous metals and cable recycling. In 2005, the Müller-Guttenbrunn Group acquired a majority of shares of Remat Arad and in 2011 Remat MG merged with the Group.

FCC Environment Romania is one of the subsidiaries of FCC Austria Abfall Service AG, stands out in the field of waste management and operates the first compliant landfill in Romania. It has an ecological landfill, a sorting line, three transfer stations, a composting station, a cogeneration station and a water treatment plant. The company also has offices in Bihor, Timiș, Cluj and Bucharest counties. (www.fcc-group.eu)

In Timiș County we find several large foreign companies, starting with turnovers of over EUR 500,000 and reaching almost EUR 6 million.

With a turnover of almost EUR 6 million, the largest foreign company in the county is represented by Eco-rec Tim, with Romanian-German capital, which operates in the field of recovery of sorted recyclable materials. It is followed by the Italian company Erre P Engineering, with the same field of activity, with a turnover of over EUR 3,5 million.

Also, the Russian company Total Recover has a turnover of over EUR 3 million and deals with the collection and recycling of waste, but also has a production line of plastic granules, obtained from LDPE / HDPE. The company has, in addition to the one in Timișoara, a collection and sorting point in Arad County (Arad) and Bihor County (Oradea). Also, in Timiș County (Deta), we find an industrial property. (www.totalrecover.ro)

With a turnover of almost EUR 1,5 million, the company Pro Air Clean Ecologic also stands out, mainly dealing with the treatment and disposal of hazardous waste, but also offering greening services, laboratory analyzes, research-innovation projects and ADR transport. (proairclean.ro)

In the Romanian-Hungarian border area, we identified a single company with foreign capital in the field of wholesale trade of waste and scrap. This is the Chinese company Bang Da Plast, founded in 2018, which has a turnover of over EUR 700,000.

It is worth mentioning that the three companies from Arad County (Hammerer Aluminium Industries Santana, Remat M.G. and FCC Environment Romania) are the largest in the Romanian-Hungarian border area, being followed by the company Eco Bihor from Bihor and the companies Ecorec Tim and Erre P Engineering from Timiș County. (see Table 1)

Table 1

Companies with foreign capital in the field of waste management at the Romanian-Hungarian border (with a turnover at the end of 2019 of at least 500,000 eur)

Company	County	Turnover 2019 EUR	Employees 2019
Hammerer Aluminium Industries Santana SRL	AR	120265813	122
Remat M.G. SA	AR	18674776	151
FCC Environment Romania SRL	AR	10344237	144
Eco Bihor SRL	BH	8392896	68
Ecorec Tim SRL	TM	5998005	35
Erre P Engineering SRL	TM	3637078	0
Total Recover SRL	TM	3207452	91
Ave Bihor SRL	BH	1945482	60
Brela Int SRL	SM	1553138	29
Pro Air Clean Ecologic SA	TM	1480122	43
Bang Da Plast SRL	TM	761844	2

What is noteworthy is the position of these foreign companies among all companies, including Romanian capital companies, with a similar activity, regardless of the existing turnover at the end of 2019.

Thus, in the ranking of all companies with the same NACE code, the foreign companies Pro Air Clean Ecologic, Ecocec Tim, Fcc Environment Romania, Remat M.G and Hammerer Aluminum Industries Santana each occupy the first place in the counties they come from, in terms of turnover.

Total Recover and Erre P Engineering are in second place, and Eco Bihor, Brela Int and Bang Da Plast are in third place.

Finally, Ave Bihor ranks fifth in the ranking of similar companies.

The origin of the capital of the presented companies is diverse. In Table 2, there are the companies with the afferent capital.

Table 2

The origin of capital of companies with foreign capital in the field of waste management at the Romanian-Hungarian border (with a turnover at the end of 2019 of at least 500,000 eur)

Company	County	The origin of capital
Hammerer Aluminium Industries Santana SRL	AR	Austria
Remat M.G. SA	AR	Austria
FCC Environment Romania SRL	AR	Austria
Eco Bihor SRL	BH	Hungary
Ecocec Tim SRL	TM	Germany, Romania
Erre P Engineering SRL	TM	Italy
Total Recover SRL	TM	Russia, Bulgaria
Ave Bihor SRL	BH	Romania, Hungary
Brela Int SRL	SM	Germany, Romania
Pro Air Clean Ecologic SA	TM	Romania, Switzerland
Bang da Plast SRL	TM	China

CONCLUSIONS

The field of waste management has received increased attention from foreign investors. Foreign-owned companies are among the largest waste field companies in the counties in which they are based. Some foreign companies are notable for positioning themselves in the first place.

If we consider foreign companies with a turnover of at least EUR 500,000 (at the end of 2019), we can see the prevalence of German capital in Satu Mare, of Hungarian capital in Bihor, of Austrian capital in Arad and a diversified one in Timiș.

As we stated at the beginning, we approach in this paper the "Romanian" part of the border, consisting of the counties of Satu Mare, Bihor, Arad and Timis. We would also like to continue the research on the other side

of the border, on the "Hungarian" part, consisting of the counties of Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád-Csanád.

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