**Solidarity tax and turnover tax can have a negative effect on the Romanian economy, leading to a decrease in foreign investments and job creation**

**Bucharest, July 4, 2017**

**ABSL Romania analyzed the Governance Program proposed by the new Government of Romania on June 29, 2017 (with reference to turnover tax and solidarity tax) and believes that their implementation will negatively affect Romania's international competitiveness in the industry represented by our association, discouraging foreign investments in this area.** **Moreover, ABSL Romania believes that this change will reduce the creation of well-paid jobs and innovation. We also believe that the process of decision-making transparency and consultation with the business environment before adopting a normative act is very useful in the Romanian society.**

**The business services industry contributes significantly to Romania's economic growth with more than 250 companies (109,000 employees), representing about 2% of Romania's GDP.**

**According to KPMG's annual industry report for ABSL, the business services industry is expected to grow constantly, with annual developing projections of 15-20% for the coming years, under conditions of legislative and political stability.**

**ABSL member companies believe that the predictability of the business environment is a key factor in the economic growth, and a radical change of the fiscal program without consultations with the business environment or without impact studies represents a serious risk to entire economy,** **having immediate effects on the development of our industry and the creation of new jobs.**

**Thus, initiatives such as the solidarity tax affects, by reducing the net salary, the segment of private-sector performance professionals, responsible for attracting new projects in the local market and managing programs with beneficial effects on the entire economy.**

**Moreover, regardless of how big the salaries and their corresponding revenues to the State Budget will be,** f**or the citizens who are negatively affected by this initiative, the pension that they will receive from the Government will be limited in accordance with the legislation, leading to another inequality in the Romanian society.**

**It is clear that these extremely valuable resources for the Romanian economy will now be profoundly disadvantaged and their migration to more attractive destinations will be significantly increased, along with all the projects coordinated by them.**

**By introducing a turnover tax it is possible that Romania may be in conflict with European Union law legislation, more than that it can discourage foreign investment.**

**Usually, foreign investment does not pursue profits in the early years of a company.**

**Thus, ABSL believes that doing business under high risk and unpredictability** **will increase the difficulty of attracting new projects towards the Romanian market and promoting Romania as an attractive and competitive destination for investors from this industry.**

**In conclusion, we propose that these measures be reviewed and debated immediately with business representatives, ABSL assuring the new Government that it will allocate resources for workgroups to discuss these themes and will come up with definite proposals as viable alternatives to providing the legal framework that will lead to the development of our industry and Romania's economy.**

*Local companies, profile multinational companies, global and regional leaders are part of ABSL Romania : Accenture Services, APT Resources & Services, Allianz Worldwide Partners Romania, Be Think Solve Execute, Telus International, Capgemini, Central Europe Technologies, , Connections Consult, DB Schenker , Deloitte Audit, Ernst & Young, Eucom Business Language, Genpact Romania, Global Remote Services, HP Enterprise, HP Inc Romania, Luxoft Professional Romania, Mazars Consulting, Mood Media, Microsoft Romania, Office Depot Service Center, Optima Solutions Services, Outsourcing Advisors, PwC Services, Process Solutions, Procter & Gamble Marketing Romania, Renault Business Services, Samsung Romania, SCC Services Romania, SELIR, Societe Generale European Business Services, Stefanini Romania, TMF/ UCMS Group Romania, UniCredit Business Integrated Solutions, Valoris Center, Vauban IT, Veeam Software, Vodafone Shared Services Romania, Webhelp, Wipro Technologies și WNS Global Services Romania.*

*The Strategic partners of the association are: ACCA, Colliers International, Fine Law, KPMG, COS, iFuture and HAYS.*