

## CFR Calatori CEO: We'll probably end 2020 with 300-something ml lei in losses

**The National Railway Company's passenger arm CFR Calatori will most likely end 2020 with losses of over 300 million lei, but this is still less than the 680 million lei budgeted at the beginning of the year, the company's CEO Dan Costescu declared on Wednesday.**

Asked about a possible restructuring of the company in the context of Prime Minister Florin Citu's statement according to which budget appropriations to companies subordinated to the ministries will be linked to their undergoing such a process, Costescu answered: "CFR Calatori undergoes continuous restructuring and has taken quite tough measures ever since the beginning of the pandemic." He went on to explain that the train service and the work schedule have been rationalized, and furlough measures have resulted in savings somewhere between 100 and 200 million lei.

"One can do restructuring violently and make people redundant, or one can do it progressively, as we did, and we have already gone down from 680 million lei in losses planned at the beginning of the year to 580 million lei at the next adjustment, and I am convinced that we will end up with 300-something million lei, respectively with a loss comparable to previous years, given that due to movement restrictions people were not allowed to travel and we cashed 300 million lei less. The difference can be found in the measures we have taken, which I'd say are very effective," he added.

According to the head of CFR Calatori, whereas at the beginning of 2020 the company had 13,100 employees on its payroll, at the end of 2020 there were only 11,800.

"At the budget adjustment we received 130 million lei granted to the railway transport precisely in response to the measures we applied. We wouldn't have got this amount otherwise. We are convinced that this year too, the government will appreciate our demonstrable, tangible measures and we will receive the money we need for development, because the operating budget is not the same as the investment budget. We must consider both. The investment budget paves the way for the coming years," Costescu explained.

Prime Minister Florin Citu declared on Wednesday that the Executive has started preparing the budget for 2021 and that it would be slated for Parliament vote on February 4.

"I requested an analysis of the regulatory acts that are in force and have a budgetary impact, but cannot be fully supported by this year's budget (...) all the regulatory acts, for each ministry, to see where we assign them," he said.

Citu also added that he asked the ministries with economic operators reporting to them to proceed to an analysis "based on accounting reports".

"By February 4, each minister must submit to the government for approval a memorandum with the current situation of these economic operators, the causes that led to losses, overdue arrears and so on and, of course, a set of concrete, quantifiable measures with clear deadlines for improving the companies' performance," the Prime Minister added.

He also made it clear that "the grant of budget money to these companies will be strongly conditional on the observance of the measures laid out in these memoranda".