

## **Goodbye Nokia, it's been nice...**

Written by Administrator  
Thursday, 29 September 2011 18:13 -

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***Well, Nokia is leaving Romania for sunnier lands in Asia. No less than 2,200 workers are to be laid off by year-end.***

It's strange how things repeat themselves. Before moving to Jucu, Cluj County, Nokia closed down its factory in Bochum, Germany. The Germans were shocked by the Finnish company's decision. So are we now, as Nokia produced mobile phones in Romania just a little over three years (since 2008). Even more shocking is the fact that Nokia's turnover in Romania had been last year 6.7 RON (1.6 bln euros) – 1.3 per cent of Romania's GDP. Against the previous year the turnover increased by 55 per cent! The profit in 2010 amounted to about 43 million euros.

The employees were announced on Thursday about the decision to close down the factory in Jucu. They had been told to be at the factory by 7.50 a.m. There must have been quite a shock for them to hear the factory is going to be closed down so soon...

Just a few days ago, statistics were showing mobile phones represent 5 per cent of Romanian exports!

PM Emil Boc was promising in 2008 no less than 15,000 work places with Nokia! In February 2011 Boc met Risto Meskus, the director general of Nokia Romania factory.

Coincidence or not, on Wednesday (one day before Nokia's official announcement) the same PM Boc was warning, during the government meeting, that Romania is facing a major risk of delocalization from foreign companies. 'The government needs to be ready to attract new investments in such conditions,' Boc was saying.

For me Nokia's move shows the company is facing difficulties on global scale. Official data confirms it. On the world markets Nokia registered in Q2 2011 a drop in sales by 11 per cent. In July Moody's downgraded Nokia by two steps to 'Baa2' with negative perspectives. Fitch and S&P had downgraded Nokia's ratings in June 2011.

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For Cluj County and the locality of Jucu the move will most certainly be tough. Local budget incomes will drop significantly. For Romanian economy as a whole it would be a blow.

Unfortunately, there's nothing much authorities can do. On the other hand nor can do eventual protests and demonstrations. The decision is already taken.

Maybe we should look for new investors, as PM Boc was saying.

As far as I am concerned, I can only dedicate to Nokia a song by Supertramp ("Goodbye Stranger"). I believe the lyrics are just what they need...

'Goodbye Nokia it's been nice, hope you find your paradise

Tried to see your point of view, hope your dreams will all come true

Good bye Nokia, it's in vain, will we ever meet again

Feel no sorrow, feel no shame, come tomorrow, feel no pain...'

Or should I dedicate them another song? Maybe "Fool's Overture"?

**Maxy**