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Country Focus

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Letter from ACVD

by George Popescu, Chairman

THE Association of Direct Sales Companies of Romania (ACVD) was set up in 2002 as part of a planned strategy to move closer to European working practices.

With the country having struggled for some years to join the European Union we felt it was important to be seen to demonstrate our commitment to European standards by adopting the same model as professional organisations in other countries.

As a group of five companies, we also wanted a common platform to communicate with each other, to tackle any problems and to speak with one voice to the wider community. Our members are Amway, Avon, Capra Nera, GNLD and Zepter which between them have around 200,000 direct sellers and annual sales of €170 million. Direct selling is an important and growing sector for Romania and we wanted to show that the industry was successful and well regulated to support the country's bid for EU membership.

We work together in the common interest while pursuing our own strategies for growth aimed at different groups of people.

Public awareness is high and the image is positive. More and more people are becoming interested in joining an industry that offers them financial freedom and flexibility.

In my career with Amway I have worked in many European countries and been involved in various pan-European projects; I see very little difference between east and west in terms of the way people approach this industry.

The benefits are clear for all to see if people follow the model and are prepared to work hard. What does make the difference here in Romania and other parts of eastern Europe is that these days people are more open to an alternative income source. They are willing to work hard and make sacrifices because they see that direct selling offers a good return for the effort that is put into the role.

It is very easy for people to join and set up their own small business as an independent seller. Romania has implemented all the EU directives related to direct selling, the economic environment

is quite stable and improving all the time and there is such a wide range of companies that people can easily find a product or service that suits them.

The global financial crisis has given us our biggest opportunity although the consumer's spending power has been reduced. People are concerned about their falling income and look for ways of making more money and in the last year or two all our members have seen accelerated numbers of inquiries and recruitment.

The situation here is perhaps more acute because we operate outside of the euro zone and last year when the crisis hit, our currency was devalued by 25 per cent. This influences individuals and companies equally. Fluctuating currency exchange continues to be one of the industry's biggest challenges and is likely to be so until Romania adopts the euro – possibly in 2015. This impacts the whole supply chain and import of goods which means we have to amend our prices and adapt to these changing conditions.

Despite these challenges, Romania has huge potential and over the next year we expect several more companies to enter the market. Legislation is in line with European standards, the people work hard and are open to new opportunities and we believe there is room for all.

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