

Bucharest Mayor Dan: Two billion RON, Bucharest's debt as of this moment

The mayor of Bucharest, Nicusor Dan, declared on Monday that the debt of the capital as of this moment goes up to 2 billion RON, although when he took upon his 4-year term, the debt was 3 billion RON.

"We have debts that result from court decisions: 430 million RON, of which Constanda - 375 million RON; Law School and colleges - 25 million RON. (...) Hala Matache affair, the fact that mayor Oprescu at that time was too stubborn to demolish it instead of deviating the path by 2 meters - he had room to deviate - it cost us 5 million Euro," he explained, within a press conference held at the Bucharest City Hall.

According to the mayor, these sums are added to the public debt, debt which resulted in investments and debts towards the National Agency for Fiscal Administration (ANAF).

"Public debt - that means installments and interest rates to medium and long term debts, which the City Hall has - 275 million RON. Debts which result from investments, at this moment, including rest of payment to the Otokar company - 165 million RON, including payments towards contractors at the Doamna Ghica Passage, the Pantelimon parking lot, so debts from investments worth 400 million RON. Other current debts on the functioning section which we placed in this year's budget of subordinate structures and City Hall are somewhere around 200 million RON. And the debt towards ANAF, at this point, is somewhere around 900 million RON, which we hope, with the help of the Ministry of Finance and the Government, to be staggered for the following years. (...) (In total, ed. n) somewhere around 2 billion at this point, of which we hope to absorb all, minus the debt towards ANAF, in 2021's budget," Nicusor Dan indicated.

He mentioned that when he took on his 4-year term, the City Hall had current debts of 3 billion RON, and a lot of the last four months were used in managing this financial situation. Nicusor Dan said that there was a risk for essential services to not be supplied towards the citizens of Bucharest.

"We found current debts of 3 billion RON, meaning money which was supposed to be paid immediately. 3 billion RON, the equivalent of the Danube Bridge or the equivalent of the Drumul Taberei subway. A large part of the mandate these past months I spent it in managing this financial situation, we were on the brink of financial collapse. There was a risk for essential services to not be supplied, for example heating for a neighborhood or public lighting or even public transportation. There was a risk for a few construction sites which were operating on European funds to be interrupted, with the risk of paying those European funds, we found unpaid invoices from the spring of 2019," the mayor stressed.