

# Export Opportunities in Romania



# Romania

## General Overview

As one of the two newest Accession States of the EU, Romania is a developing market for Irish products and services. With a population of 21.6 million, it is the second-largest market in Central Europe, and has been achieving impressive growth rates since 2001, at an average GDP annual growth rate of 5.7%. Foreign direct investment inflows have increased strongly in recent years, and Romania is the third-largest recipient of EBRD investment, after the Russian Federation and Poland.



## Key Indicators

- 7.1% GDP growth in the first half of 2006.
- Exports worth €26 bn, imports worth €39 bn.
- Inflation about to drop under 6% for the first time since reforms began.
- Unemployment of 5.7%.
- Bucharest has over 2 m in population, and a further 24 cities have more than 100 k in population. Five cities have over 300 k inhabitants.
- Only Central European country with significant primary energy resources, including oil, gas and coal.
- GDP of €3,440 per capita at the end of 2005.
- 4th largest railway network in Europe.
- Office space costs – rent per month per sq m – €18-20 for Category A, €12-16 for Category B.
- Average wages in 2006 of €300 per month.

## Opportunities in Romania

### Software

Romania has a strong software development industry, and numerous small development shops. Sellers of packaged software need to realise that they are competing with these when trying to sell in Romania, meaning success is only likely with niche products at very competitive prices.

### Financial Services

Romania's banking market has developed rapidly and been the subject of considerable international interest as a growing market. The acquisition of Banca Comerciala Romana (BCR, acquired by Erste Bank) and the planned privatisation of the Romanian Savings Bank (CEC) will lead to investment in upgrading systems and software to meet compliance and regulatory requirements like Basel II, as well as efficiency improvements. Ten major banks operate in Romania.

### Telecoms

Mobile penetration has almost reached western levels, but, with the emergence of a third operator (Cosmote), further opportunities for Irish companies to sell products and technology exist. Vodafone Romania and Orange Romania are the key players, currently with up to 2.5G networks. These two plus CDMA carrier Zapp have won 3G licences.

### Environmental Services and Technology, Rural Development and Consultancy

The donor-funded market is significant, and with EU entry from January 2007, several Irish companies are pursuing projects in Romania under pre-accession and subsequently under structural, cohesion and regional funding methods.

Environment and construction-related services also have significant potential – key needs include waste management, waste water and water supply infrastructure.

Key success factors on the market are careful partnering, knowledge and information and targeted promotion.

#### Key Indicators

€1 bn IT industry, growing at 22% pa (EITO 2005); infrastructure and hardware still dominate growth but will be outstripped by software and services in the coming years

#### Key Buyers

Banks: BCR Erste, CEC (Savings Bank), BRD Societe Generale, Unicredit Romania, Banca Transilvania; Raiffeisen, ING, ABN-Amro, HVB-Tiriac.

Telecoms: Vodafone, Orange, Cosmote, Zapp, Romtelecom (fixed-line)

### Agricultural Machinery, Electronics, Engineering and Automotive Industries

Romania is seeing increasing investment in electronics assembly, automotive OEM and parts manufacturing, and is also a growing market for agricultural equipment. The country has a huge area of land under agriculture, and gradually farms are increasing in size and mechanisation. Around half of Romanian farmers are micro-farms (1.6 ha average), but the remainder is farmed on a large scale, and is in need of modernisation and mechanisation.

#### Key Indicators

165 k cars manufactured by Dacia in Romania in 2005. Annual turnover at the largest electronics plants – Alcatel (€150m), Solectron Timisoara (€66m).

#### Key Players

Alcatel, Solectron, Celestica, Dacia-Renault

## Useful Information Sources

### Enterprise Ireland

[www.enterprise-ireland.com](http://www.enterprise-ireland.com)

### Embassy of Ireland

50–52 Buzesti St,

Bucharest 011015.

Tel: +40 21 3102131/141

E-mail: [bucharestembassy@dfa.ie](mailto:bucharestembassy@dfa.ie)

### Doing Business in Romania (World Bank)

[www.doingbusiness.org/ExploreEconomies/Default.aspx?economyid=158](http://www.doingbusiness.org/ExploreEconomies/Default.aspx?economyid=158)

### Romanian Foreign Investment Agency

[www.arisinvest.ro/level0.asp?ID=5&LID=2](http://www.arisinvest.ro/level0.asp?ID=5&LID=2)

### Romanian Trade Promotion Centre

[www.traderom.ro/index.php?lang\\_id=2](http://www.traderom.ro/index.php?lang_id=2)

### Business News in English (Bucharest Business Week)

[www.bbw.ro](http://www.bbw.ro)

### National Institute of Statistics

[www.insse.ro/index\\_eng.htm](http://www.insse.ro/index_eng.htm)

### National Bank of Romania

[www.bnro.ro/def\\_en.htm](http://www.bnro.ro/def_en.htm)

### Enterprise Ireland Budapest

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