



Romania A Strategic Choice

September 2022

Romania at a glance

GDP growth (%)



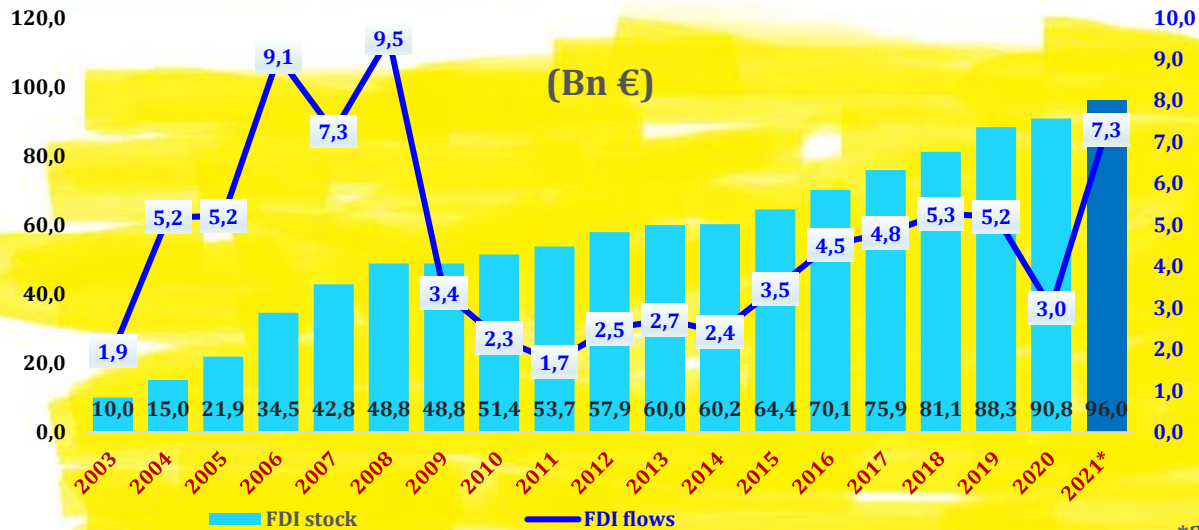
(National Institute of Statistics)

2.9% GDP growth in 2022

(European Commission
- Summer 2022 forecast)

Fiscal regime

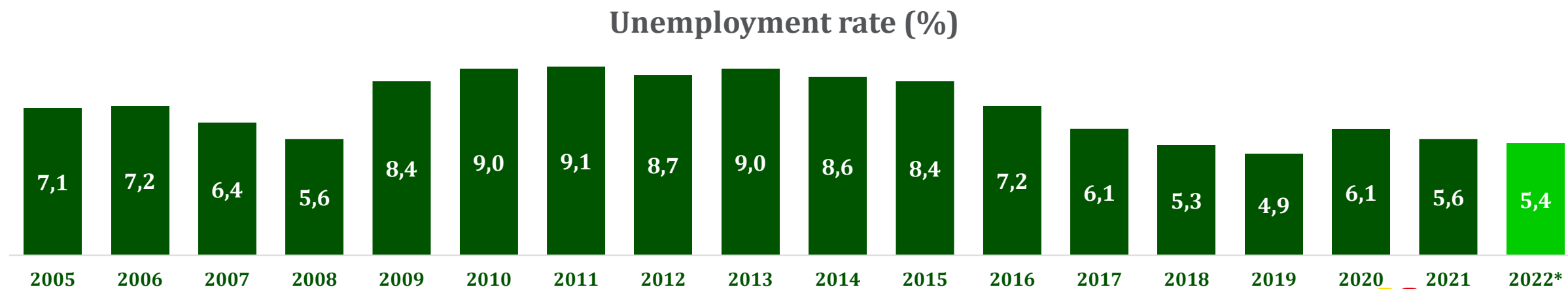
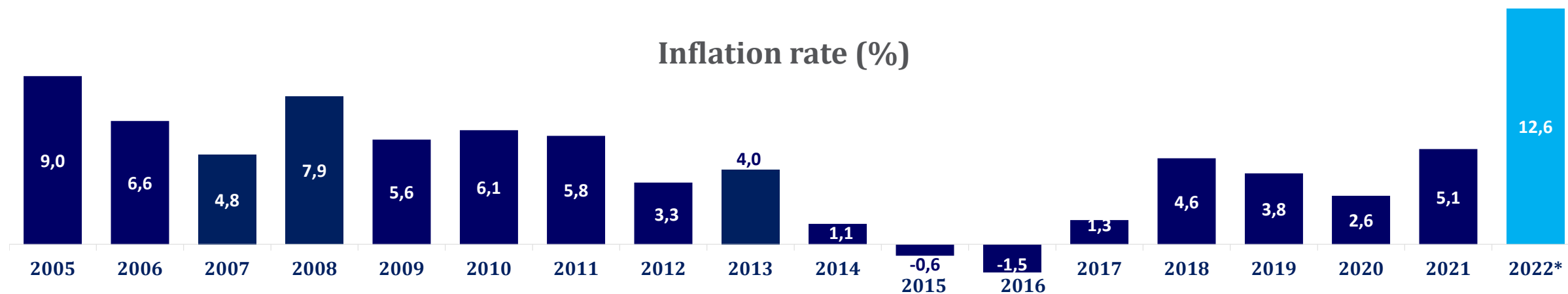
- ✓ 16% standard corporate income tax, one of the lowest in Europe
- ✓ 19% standard VAT, 3rd in EU
- ✓ 10% standard personal income tax
- ✓ 5% dividend tax
- ✓ 0% profit tax for the reinvested profit in new technological equipment
- ✓ 0% income tax for employees in IT&C or R&D



- ✓ FDI flows: 5,505 M € in January-July 2022, up by 43.7% compared to same period last year
- ✓ FDI stock: 102.7 Bn € (June 2022)

*2021 estimates data, NBR

Inflation & unemployment

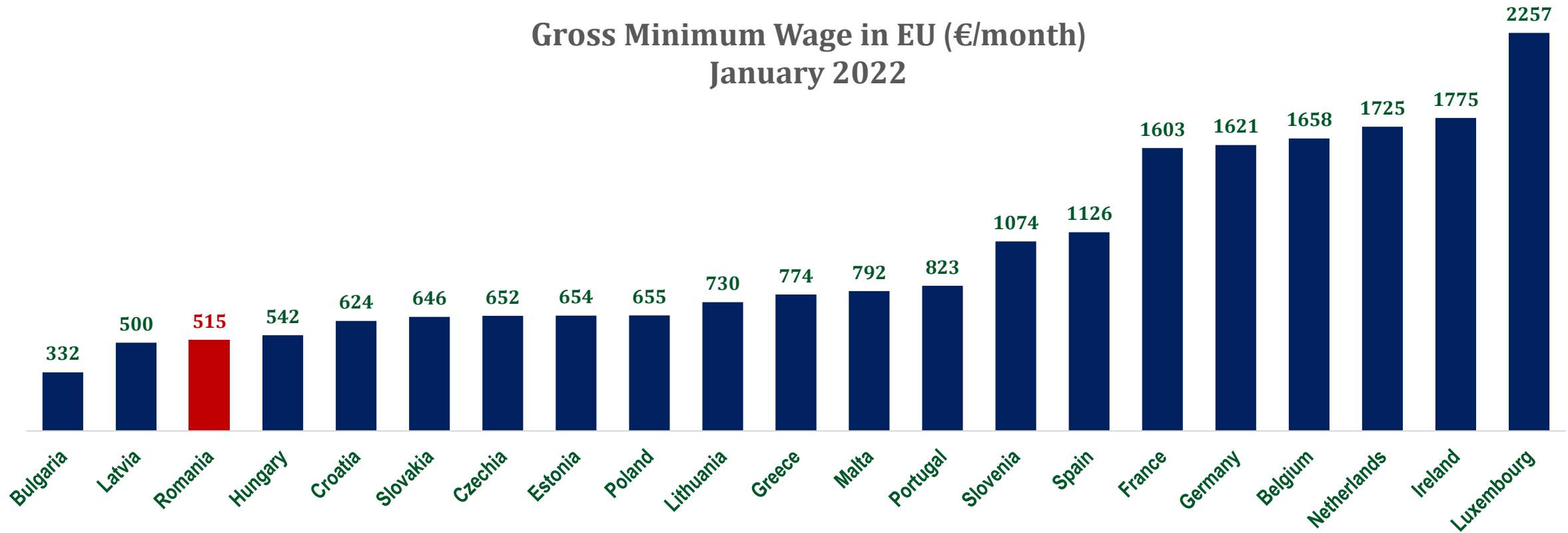


(Source: National Institute of Statistics)

(National Commission of Strategy and Prognosis - *Forecast Summer 2022)

Minimum Wage in EU

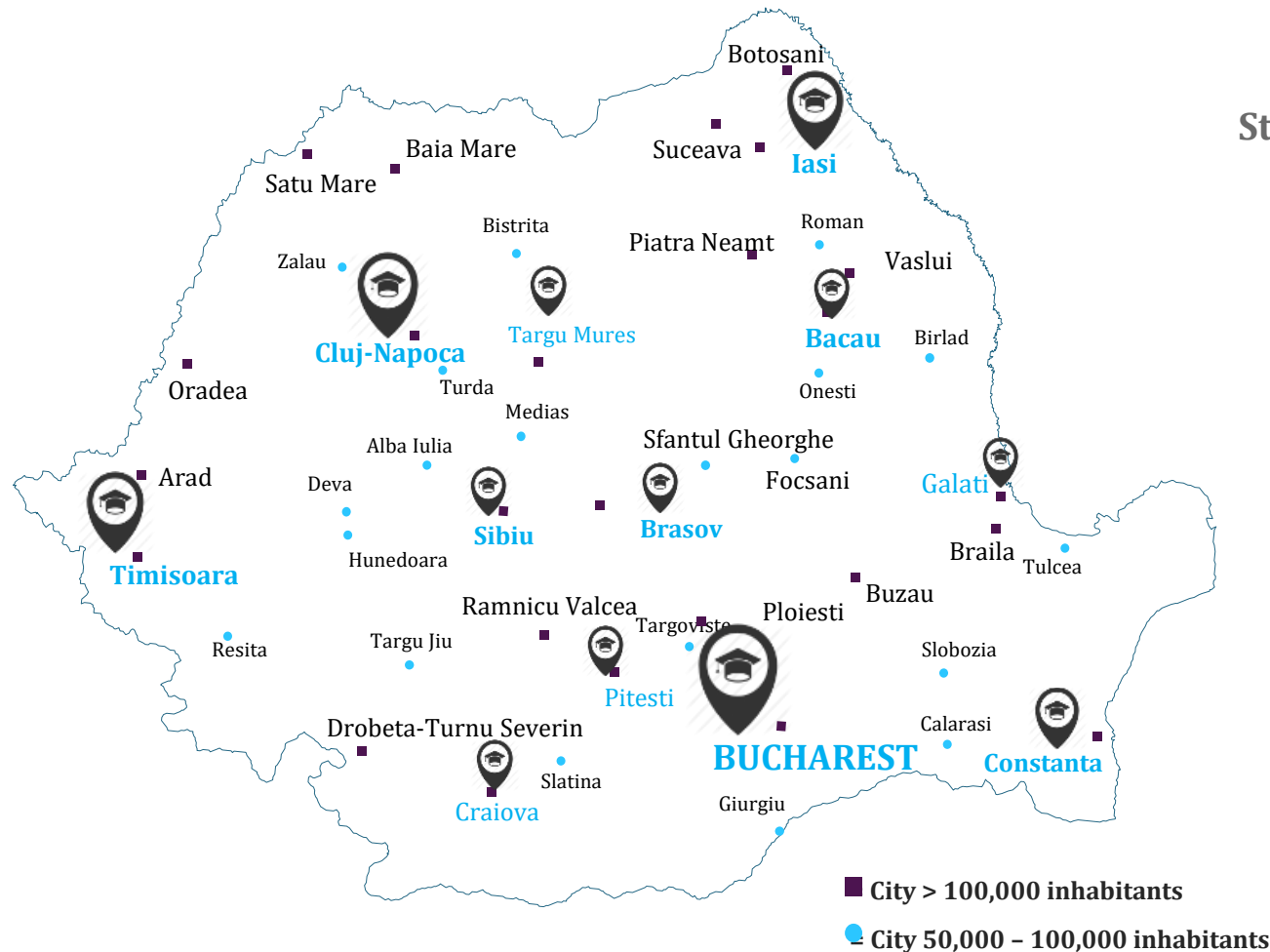
Gross Minimum Wage in EU (€/month)
January 2022



Note: EU countries without a national minimum wage: Denmark, Italy, Cyprus, Austria, Finland and Sweden.

(Source: Eurostat)

Talent pool



Top 5 University centers in Romania

Students enrolled* 560,490 / Students graduated** 130,271

Bucharest - 31 Universities
(177,718 enrolled students/43,315 graduated)

Cluj - 9 Universities
(72,786 enrolled students/15,852 graduated)

Iasi - 7 Universities
(56,889 enrolled students/12,032 graduated)

Timisoara - 6 Universities
(43,582 enrolled students/9,133 graduated)

Constanta - 5 Universities
(22,142 enrolled students/5,165 graduated)

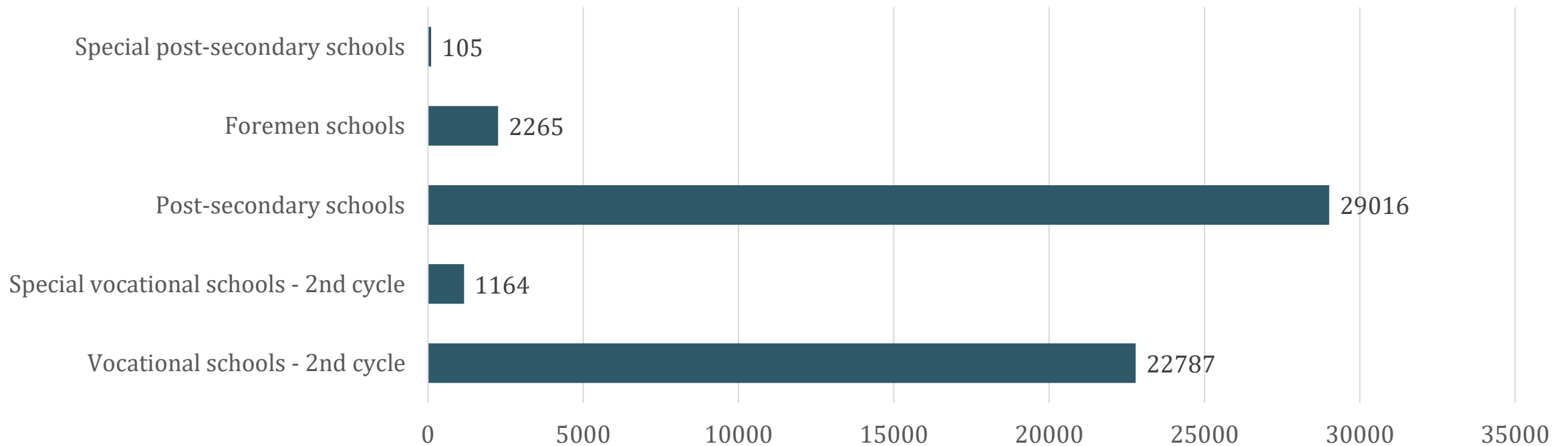
Academic year *2020-2021; **2019-2020

Talent pool



Professional education

Graduates in the vocational, post high school and foremen education in 2019
(number of persons)



(Source: National Institute of Statistics)

Communication skills

Languages studied by Romanian students

99%

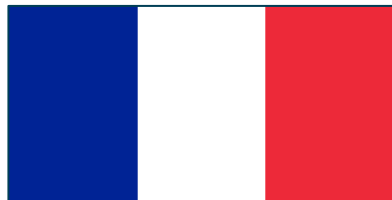
- 99% of Romanian high school students study two or more foreign languages
- Predominant languages: English, French, German and Spanish, yet initiatives for teaching Japanese, Nordic languages or the entire Latin language family.

University students in Romania are proficient in [% of total]:

90%



26%



17%



8%



5%

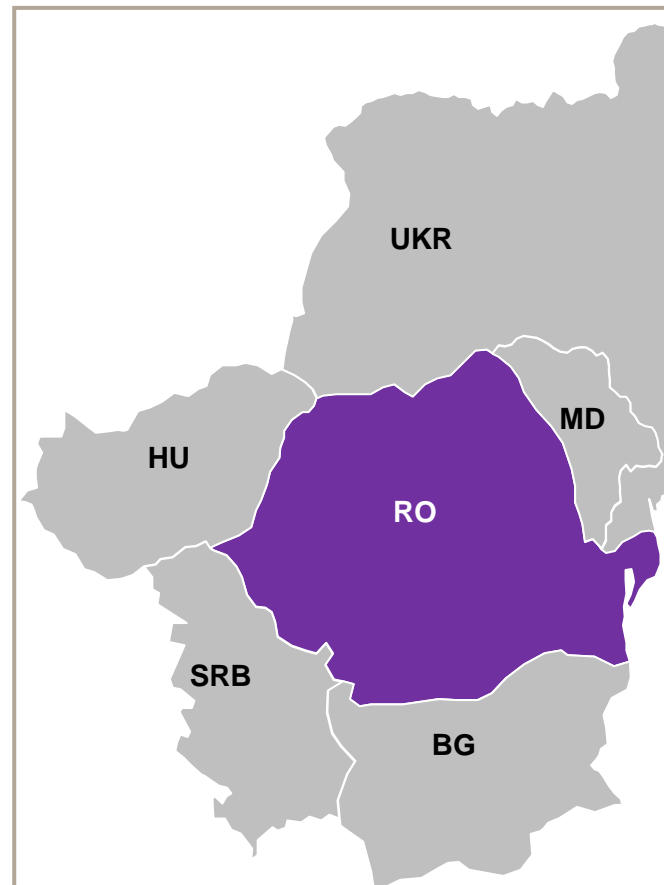


Romania - competitive market

Natural Gas & Electricity prices EU27 ranking (S2 2021)*

Natural gas prices
#10
0.0437€/KWh

Electricity prices
#14
0.1293 €/KWh



Hourly labor costs 2021

One of the most
competitive labor force in
the EU (8.5 €)

(Source: Eurostat, March 2022)

2

World Bank ease of doing business

Ahead of Italy, Bulgaria,
Luxembourg, Greece and
Malta

(Source: World Bank Report, 2020)

55

*Excluding VAT and other recoverable taxes and levies
(Source: Eurostat)

Value for money



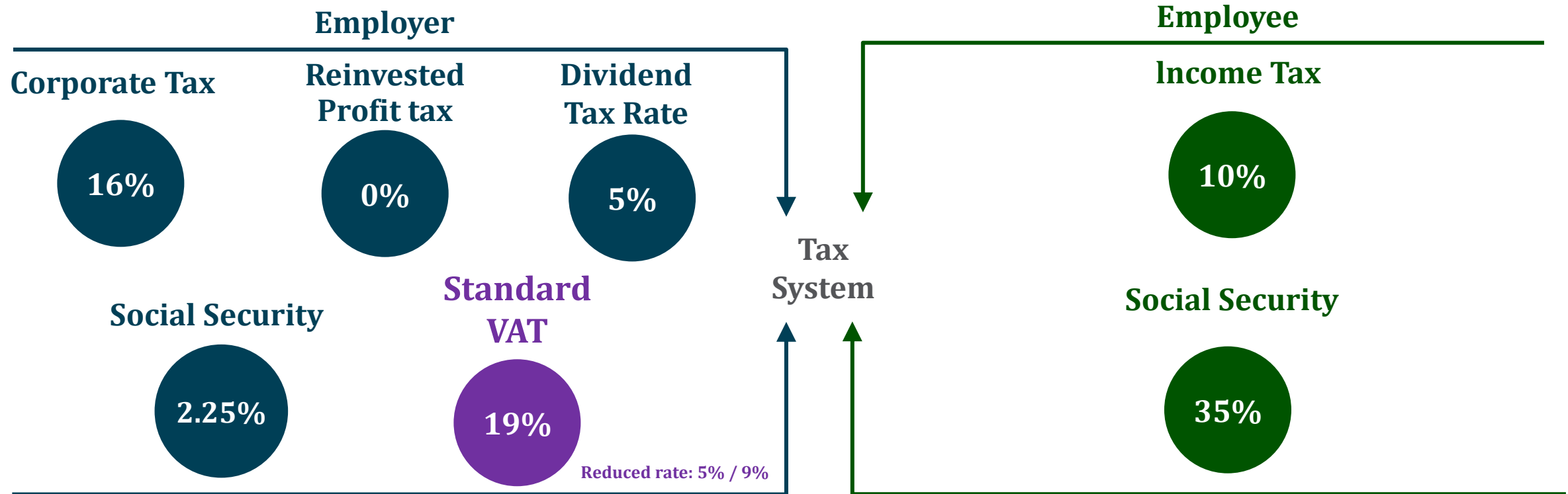
	BUCHAREST	BERLIN	LONDON
Consumer Prices*	100 €	156 €	184 €
Rent Prices	100 €	283 €	473 €
Restaurant Prices	100 €	135 €	196 €
Groceries Prices	100 €	155 €	160 €
Standard of living equivalency net salary	2470 €	4557 €	6151 €

*without rent

(Source: Numbeo, 8th September 2022)

Numbeo is the world's largest cost of living database. Numbeo is also a crowd-sourced global database of quality of life information including housing indicators, perceived crime rates and quality of healthcare, among many other statistics.

The Romanian tax system 2022



R&D - 0% income tax for employers and employees that exclusively perform R&D and innovation activities or related activities, 0% profit tax for the first 10 years of activity

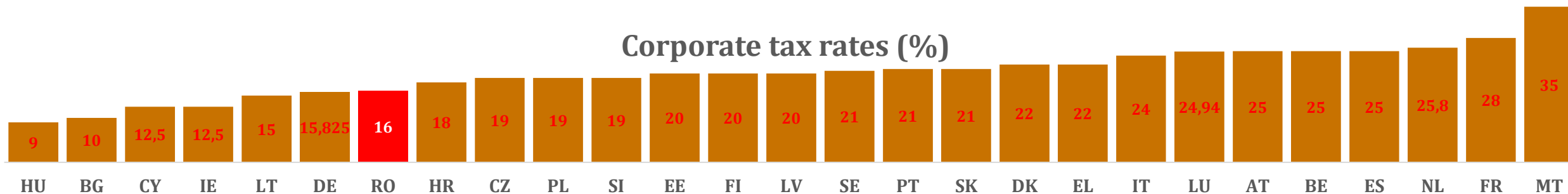
Specific deduction in case of R&D eligible expenses:

- accelerated depreciation of R&D equipment
- additional corporate tax deduction of 50% of the eligible expenditure for these activities

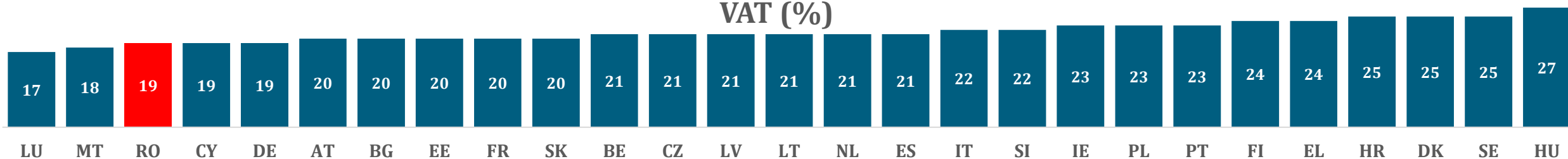
IT&C - 0% income tax for employees involved in software development activities. IT specialists must respect a certain strict set of provisions.

Comparative tax in EU 2022

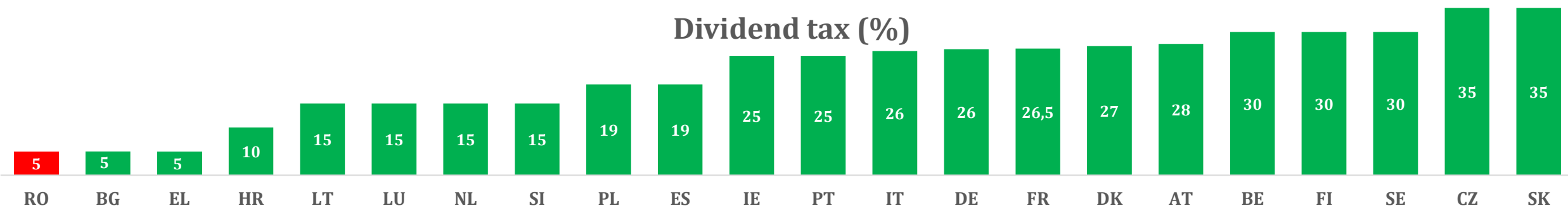
Corporate tax rates (%)



VAT (%)



Dividend tax (%)



Source: taxsummaries.pwc.com, taxfoundation.org, topforeignstocks.com

0% withholding tax for Malta, Cyprus, Estonia, Latvia and Hungary

Investment Support

STATE AID 2014-2023 Total Budget 1.5 Bn €

STATE AID - GD 807/ 2014

Minimum 1M € investment

- Construction of new buildings
- Renting costs for existing buildings
- CAPEX aimed at technical installations and tools
- Acquisition of intellectual property

STATE AID - GD 332 / 2014

Minimum 100 new jobs*

- Salary costs registered for a 2 consecutive year period resulted as a direct consequence of the investment
- Salary costs are comprised of gross average annual salary plus benefits

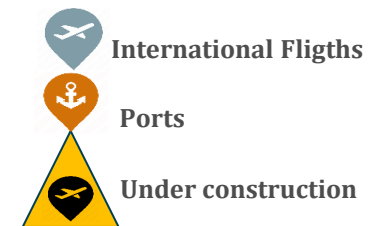
* in different locations of the investment

Connectivity

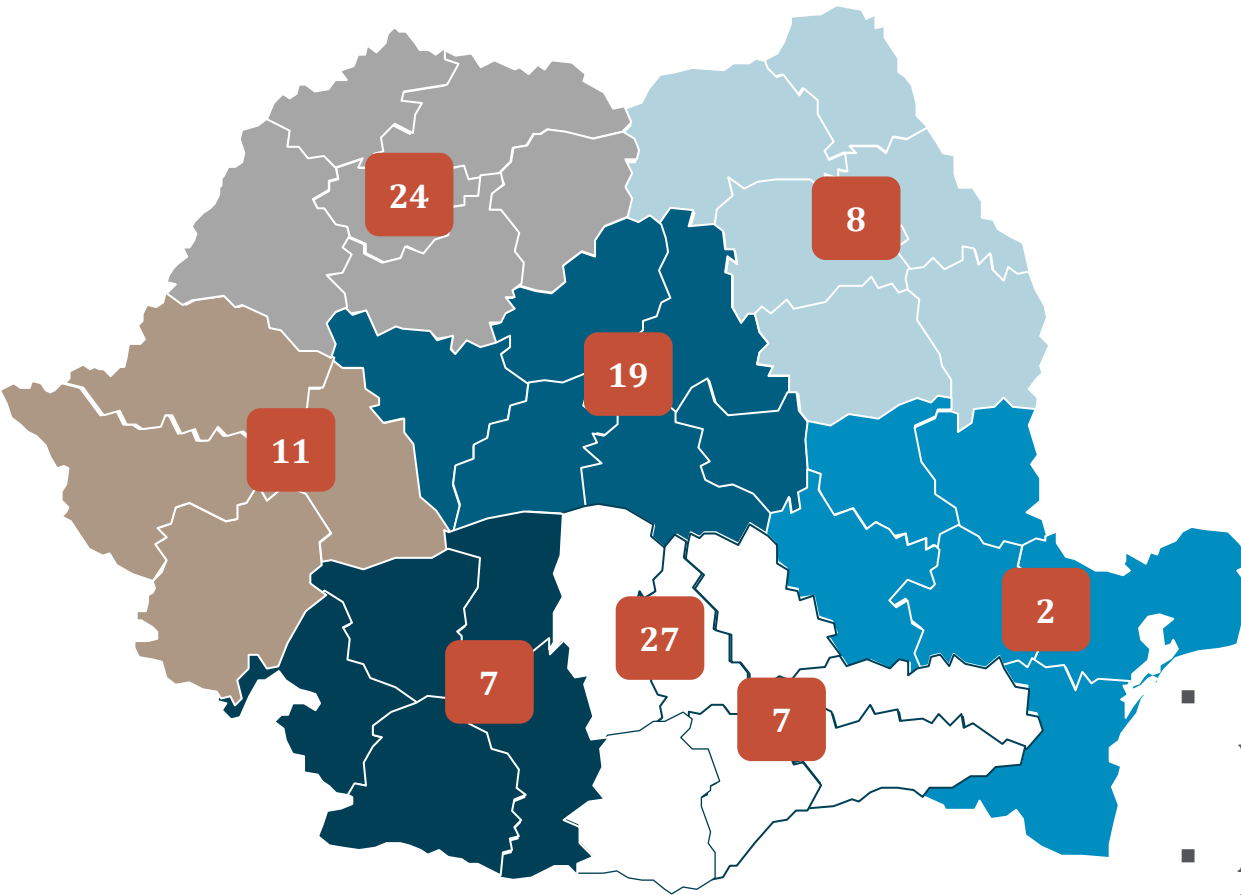


Romania owns 1/3 of the Danube River, also standing as the most significant gateway to the Black Sea through Constanta Port, the largest and deepest port (25 meters) at the Black Sea (with a 6 days time saving competitive advantage against the biggest European port, Rotterdam, as concerns Asian goods transportation by sea).

16 International Airports with over 100 direct flights worldwide .



Industrial Parks

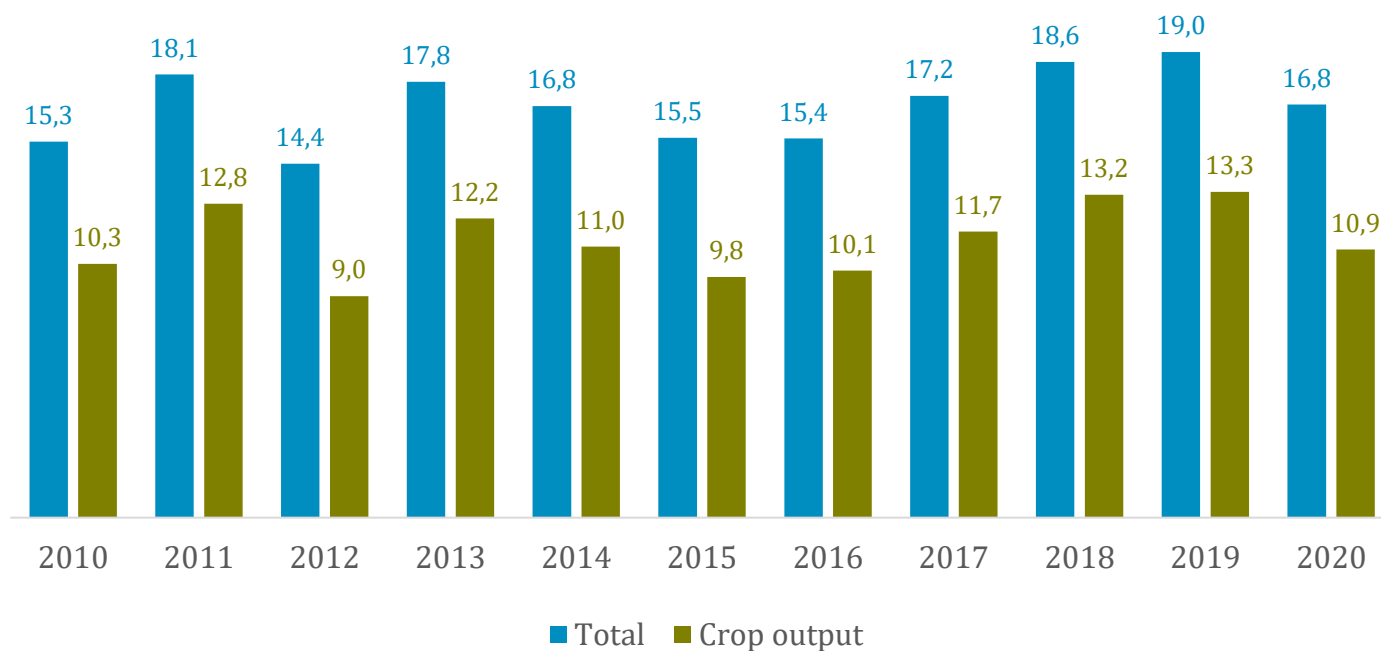


- 105 modern industrial parks spread across Romania with both private and public ownership, totaled 3,382.86 ha (from which 42.5% are available)
- Access to utilities & benefits packages according to their focus
- Exemption on land, building and urban planning taxes

(Source: Ministry for the Public Works, Development and Administration, 30 March 2022)

Agriculture

Agriculture market size evolution (Bn €)



Investment opportunities

- Digitalization of the agriculture sector
- Irrigation infrastructure, drainage and soil erosion
- Mechanization and the extensive use of modern technology
- Collecting, storage systems and processing of agriculture products
- The Organic Farming segment

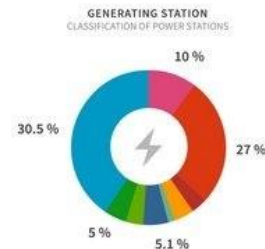
- ❖ Romanian agriculture declined by 15.4% in 2020 due to coronavirus pandemia and extreme drought.
- ❖ In 2020, the crop production was 64.9% of total agricultural production value.
- ❖ Romania remains the EU's largest grain exporter – 1M tons of cereals in 2021.

(Source: National Institute of Statistics, Agerpress, KeysFin,)

Energy

ROMANIA

ENERGY AND ECOLOGY INFOGRAPHICS



Romanian renewable energy market

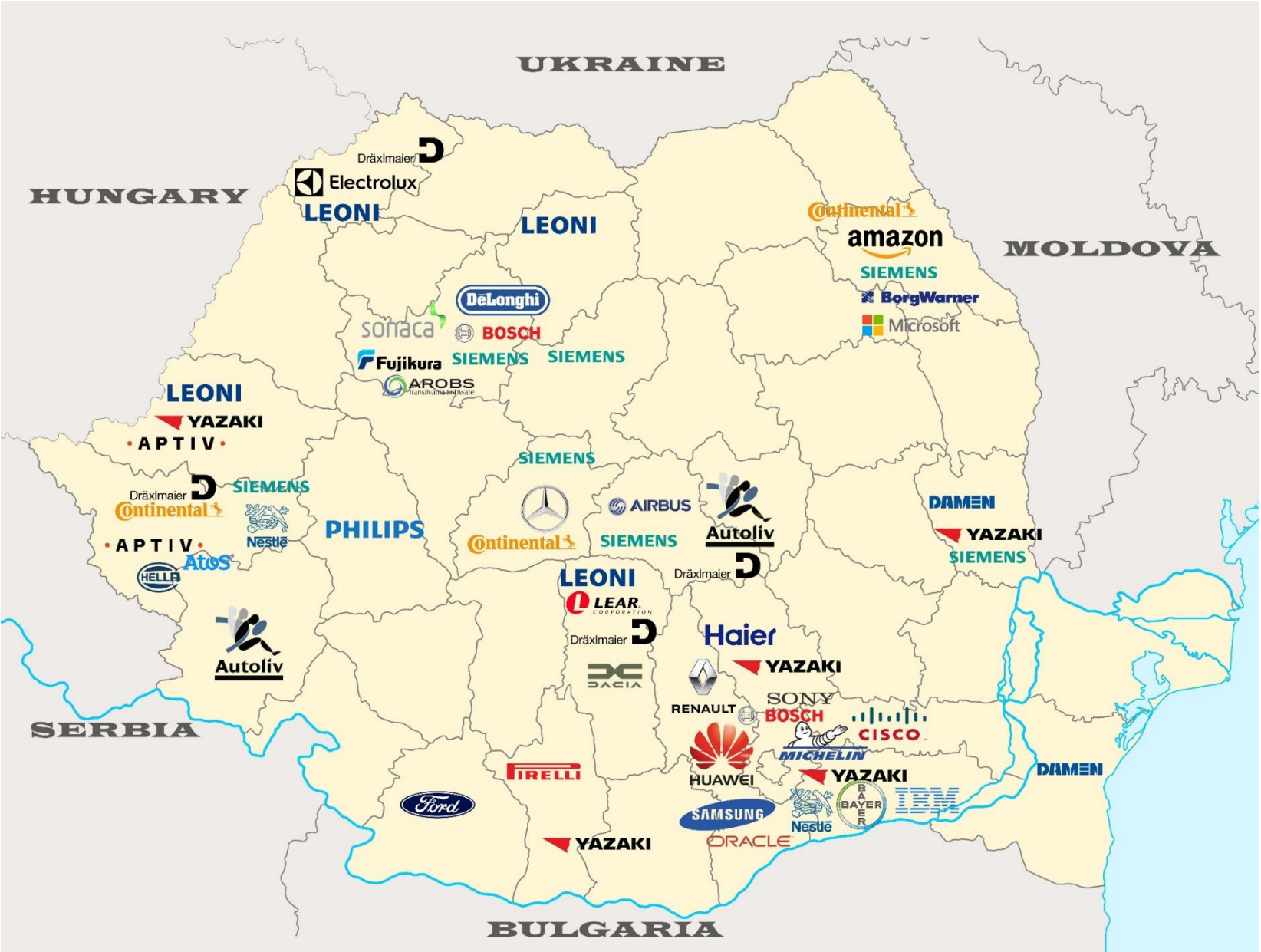
- Bioenergy
- Solar Energy
- Wind
- Hydropower
- Hydrogen
- Nuclear

Future Projects with Government Support

- Offshore wind parks of 300 MW
- Power Plants Combined Cycle Gas Turbine
- Smart grids and digitalization of electrical transport network
- Photovoltaics parks of 700 MW

Romania will include in the national system for the energy production the small modular reactors (SMR) until 2028, which will strengthen the partnership with the USA in the civil nuclear field.

Large companies – clients/suppliers for new investments



Largest IT&C companies in Romania



Key facts for top tech oriented industries in Romania (2020)

	INDUSTRY SIZE	KEY PLAYERS	KEY PROJECTS
AUTOMOTIVE 	26.4 Bn €	 RENAULT  DACIA  Ford  Continental  SCHAEFFLER  BOSCH DAIMLER  PIRELLI	<ul style="list-style-type: none"> Continental 175 M € investment in 2017 Daimler 250 M € in 2018 investment for gear boxes Ford 200 M € investment for production of new model
IT&C 	8.2 Bn €	 Microsoft ERICSSON  hp  IBM  endava ORACLE NTT DATA  SAP Bitdefender amazon	<ul style="list-style-type: none"> Siemens software dev. worked on the Mars Rover Deutsche Bank 40 M € investment LiveRail was acquired by Facebook for 600 M €
AEROSPACE 	906.2 M €	 AIRBUS HELICOPTERS SONACA GROUP PREMIUM AEROTEC UAC UNIVERSAL ALLOY CORPORATION <small>A COMPANY OF MONTANA TECH COMPONENTS AG</small>  IAR BRASOV	<ul style="list-style-type: none"> Premium Aerotec 100 M € investment Sonaca 100 M € investment Airbus Helicopters 15 M € investment UAC Europe 100 M € investment

Romania-Poland trade exchanges

- **2021 was a new record year for Romania - Poland trade.** According to the Romanian statistics, the value of bilateral trade registered a positive evolution as a whole, registering 9.14 billion EUR (+ 25.2% compared to 2020 and + 20% compared to 2019). Compared to 2020, Romanian exports increased by 28.6%, to 3 billion EUR, and imports from Poland amounted to 6.14 billion EUR (+ 23.6%). The trade balance is negative for Romania (-3.14 billion EUR).
- **On the end of June 2022,** the increasing trend of bilateral trade was maintained, registering +21.71%, respectively 5.33 billion EUR, out of which Romanian exports 1.76 billion EUR (+19.21%) and imports from Poland 3.57 billion Euro (+22.98%).
- **We are satisfied that a significant part of our business is based on high quality, manufactured and high value-added products** (cars, electrical equipment, vehicles, transport equipment, clothing and furniture). However, Romania imports large quantities of agri-food products from Poland and Romanian exports represent only half of the Polish exports.
- *(Poland continues to have a surplus trade balance with most EU Member States, including Germany - its main trading partner, which accounts for 28.9% of its exports).*

The structure by categories of goods of the Romanian-Polish trade exchanges (2021)

No.	Commodity category	mil. €	Share	mil. €	Share
		EXPORT	%	IMPORT	%
	TOTAL	2977.96	100%	6135.50	100%
	from which:				
1	Live animals and products of the animal source	15.98	0.5%	266.97	4.4%
2	Products of the vegetable source	60.62	2.0%	155.97	2.5%
3	Animal and vegetable fats and oils	29.44	1.0%	5.59	0.1%
4	Food, beverages, tobacco	163.35	5.5%	544.84	8.9%
5	Mineral products	4.46	0.1%	200.70	3.3%
6	Products of the chemical and related industry	137.19	4.6%	574.48	9.4%
7	Plastics, rubber, articles thereof	333.30	11.2%	576.77	9.4%
8	Raw/tanned hides and skins, furs and articles thereof	9.61	0.3%	32.22	0.5%
9	Wood, charcoal, cork, braids	100.27	3.4%	114.15	1.9%
10	Wood pulp, paper, cardboard and related items	43.57	1.5%	135.13	2.2%
11	Textiles and articles thereof	97.18	3.3%	433.68	7.1%
12	Shoes, hats, umbrellas, canes	36.79	1.2%	186.71	3.0%
13	Articles of stone, plaster, cement, glass, ceramics	19.56	0.7%	113.52	1.9%
14	Base metals and metal articles	440.42	14.8%	661.10	6.1%
15	Machines, appliances, electrical equipment	817.52	27.5%	1251.04	20.4%
16	Vehicles, aircraft, vessels and transport equipment	506.41	17.0%	467.38	7.6%
17	Optical, photo and measuring devices	89.28	3.0%	61.04	1.0%
18	Miscellaneous goods and products (furniture, sporting goods, etc.)	70.82	2.4%	349.64	5.7%
19	Other	2.08	0.1%	5.49	0.1%

Polish investments in Romania

- Between December 1990 and July 31, 2022, **1,445 companies with Polish capital** were registered in Romania, with a directly invested capital of **307.86 million EUR**. Poland *ranks 20th* among foreign investors in our country, with *0.67%* of total foreign investment (*compared to 24th at the beginning of 2013*).
- Polish-owned companies are currently involved in the chemical industry, food industry, construction materials, light metal packaging production, transport, tourism, commercial activities, IT etc.
- The most important investment are done by: **MASPEX – TYMBARK; CAN PACK; CIECH; CERSANIT Poland; BARLINEK; Enterprise Investors Poland; Selena Group; POLIMEX MOSTOSTAL; ASSECO Group; ATLAS Group; PKN ORLEN; LPP (with the brands Reserve, Cropp, House, Mohito, Sinsay); Hop.City etc.**

InvestRomania in a nutshell

- **“one-stop-shop” for foreign investors, assisting and advising international companies for project implementation in the country**
- **Promoting and facilitating foreign investment in Romania**
- **Main interface between foreign companies and central / local authorities**
- **Assisting worldwide entrepreneurs in project implementation**
- **Tailored and individually custom-made solutions for developing new or current units**
- **Consultancy and guidance during all stages of the decisional process (state aid & fiscal incentives)**



**THANK YOU
AND
FOR ANY FURTHER INFORMATION YOU MAY CONTACT:**

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