



# Investing in Romania:

## A Comprehensive Report



### INTRODUCTION

Romania, located in the heart of Eastern Europe, is one of the region's most dynamic and attractive destinations for foreign direct investment (FDI). With a population of approximately 19.1 million (2023 estimate) and a GDP exceeding \$300 billion, Romania is one of the fastest-growing economies in the European Union (EU).

As a member of the EU, NATO, and the Schengen Zone (pending full integration), Romania offers businesses strategic access to a market of over 450 million consumers. The country's robust economic growth, skilled workforce, competitive operational costs, and government-backed incentives make it a prime location for investment across various sectors, including technology, automotive, agriculture, and energy.

Romania's ongoing infrastructure development, commitment to innovation, and investor-friendly policies create a thriving business environment for companies seeking long-term growth and profitability in Central and Eastern Europe (CEE).

### BACKGROUND

Romania is strategically located at the crossroads of Europe, bordered by Hungary, Serbia, Bulgaria, Ukraine, and Moldova, with a coastline along the Black Sea. Its capital, Bucharest, is a vibrant city and a growing economic hub known as the "Paris of the East." Other major cities, such as Cluj-Napoca, Timisoara, and Iasi, are also emerging as critical centers for technology, innovation, and industry.

Romania is the sixth-largest EU member state by population and boasts a diverse economy driven by services (58%), industry (30%), and agriculture (12%). The country is recognized for its strong IT and software development sector, competitive automotive manufacturing, fertile agricultural land, and growing renewable energy market.

Since joining the EU in 2007, Romania has benefited from significant EU structural funds, which have fueled infrastructure development, innovation, and sustainable growth. Its skilled and multilingual workforce, competitive wages, and modern infrastructure make it an attractive destination for investors seeking access to both EU and global markets.

### Benefits of Investing in Romania

#### Strategic Location

Romania's position at the intersection of Central, Eastern, and South-eastern Europe offers businesses access to major EU markets and trade routes, including the Black Sea and the Danube River.

#### EU Membership

As an EU member, Romania provides businesses with tariff-free access to the European Single Market and a stable legal framework aligned with EU standards.

#### Skilled Workforce

Romania is home to a highly educated and multilingual workforce, with expertise in IT, engineering, automotive, and R&D. Approximately 80% of young professionals speak at least one foreign language, including English, German, and French.

#### Competitive Operational Costs

Romania offers some of the most competitive labor and business costs in the EU, providing significant savings for investors compared to Western Europe.

#### Thriving IT and Technology Sector

Romania is a global leader in software development, cybersecurity, and

IT outsourcing, with a thriving startup ecosystem supported by government initiatives.

#### Abundant Natural Resources

With fertile agricultural land, mineral resources, and significant renewable energy potential, Romania offers opportunities in agribusiness, mining, and green energy.

#### Infrastructure Development

Romania is investing heavily in modernizing its transportation, energy, and digital infrastructure, supported by EU structural funds and public-private partnerships (PPPs).

#### Business-Friendly Policies

The Romanian government has introduced tax incentives, grants, and simplified business registration procedures to attract foreign investors.

#### Growing Consumer Market

With an expanding middle class and rising purchasing power, Romania offers a growing domestic market for consumer goods and services.

#### Stable Economic Growth

Romania has consistently achieved strong GDP growth rates, averaging 4-5% annually, driven by robust industrial output, exports, and domestic consumption.

### RELEVANT AGENCIES

The following government institutions and organizations facilitate investment and business development in Romania:

#### Invest Romania:

The official government agency dedicated to promoting and supporting foreign direct investment (FDI) in Romania.

#### Ministry of Economy, Entrepreneurship, and Tourism:

Oversees trade, industry, and investment policies, providing guidance and support to investors.

#### Romanian Agency for SMEs, Attracting Investments, and Export Promotion (AIMMAIPE):

Focuses on supporting small and medium-sized enterprises (SMEs) and facilitating exports and investments.

#### National Agency for Fiscal Administration (ANAF):

Manages tax policies and provides tax incentives for businesses operating in Romania.

#### Romanian Stock Exchange (BVB):

Provides access to capital markets for businesses looking to raise funds and expand operations.

#### Ministry of Energy:

Facilitates investments in renewable energy, oil and gas, and energy infrastructure projects.

#### National Institute of Statistics (INS):

Provides economic and demographic data to help businesses make informed investment decisions.

#### Romanian Chamber of Commerce and Industry (CCIR):

Supports collaboration between the government and private sector to promote trade and investment.

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Business Confidence Survey: [www.businessconfidence.org](http://www.businessconfidence.org)

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## INCENTIVES FOR INVESTORS

Romania offers a range of incentives to attract foreign direct investment:

### Tax Benefits

Corporate Income Tax (CIT): A flat rate of 16%, one of the lowest in the EU.

R&D Tax Incentives: An additional 50% deduction for R&D expenses and tax exemptions for reinvested profits.

### State Aid Programs

Financial aid is available for large-scale investments in sectors such as manufacturing, IT, and renewable energy, covering up to 50% of eligible costs.

### Special Economic Zones (SEZs):

Businesses operating in SEZs benefit from tax exemptions, customs-free imports, and access to modern infrastructure.

### Customs and Duty Exemptions

Duty-free importation of equipment, raw materials, and machinery for export-oriented businesses.

### EU Structural Funds

Businesses in Romania can access EU funding for innovation, infrastructure, and sustainability projects.

### Green Energy Incentives

Subsidies, feed-in tariffs, and grants are available for investments in wind, solar, and hydropower projects.

### Support for Employment and Training

Financial support for workforce training and employment programs, particularly in technology and industrial sectors.

### Public-Private Partnerships (PPPs):

Opportunities for collaboration with the government on infrastructure, digital transformation, and energy projects with guaranteed returns.

## OPPORTUNITIES FOR INVESTORS

### IT and Technology

Romania is a global leader in software development, IT outsourcing, and cybersecurity, making it an attractive destination for tech companies and startups.

### Automotive Industry

As a major hub for automotive production, Romania offers opportunities in electric vehicle (EV) components, automotive R&D, and manufacturing.

### Renewable Energy

With a focus on sustainability, Romania provides investment opportunities in wind farms, solar plants, and energy storage solutions.

### Agriculture and Agribusiness

Romania's fertile land and favorable climate create opportunities in organic farming, food processing, and agribusiness exports.

### Real Estate and Urban Development

Romania's growing urban population drives demand for residential, commercial, and industrial real estate projects.

### Tourism and Hospitality

Romania's rich cultural heritage and natural beauty offer opportunities in eco-tourism, luxury hotels, and adventure tourism.

### Manufacturing

Competitive labor costs and access to EU markets make Romania an ideal location for electronics, textiles, and machinery manufacturing.

## Healthcare and Pharmaceuticals

The growing demand for healthcare services and innovation in pharmaceuticals creates opportunities in private hospitals, biotechnology, and medical devices.

## CONCLUSION

Romania is a thriving investment destination with a stable, business-friendly environment and a wealth of resources for global investors. Its strategic location, skilled workforce, and government-backed incentives make it one of the most attractive markets in Central and Eastern Europe.

From technology and automotive to renewable energy and real estate, Romania offers unparalleled opportunities for long-term growth and profitability. The government's focus on innovation, sustainability, and infrastructure development ensures a secure and dynamic environment for businesses.

Investing in Romania is more than a financial decision—it is a gateway to success in one of Europe's most vibrant and future-ready economies.

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