



Commercial refrigeration market in Romania

DEMO Report

by

FRD Center Market Entry Services

2011



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1. Brief overview of refrigeration market in Romania

The commercial refrigeration market in Romania is dominated by the imported equipment and technology. The equipment is imported mainly from Italy, France, Germany etc.

Some foreign brands of refrigeration equipment present on the Romanian market are: Friulinox, Zanotti, Incold, Alaska, Thermogel, COF, JDK, Sanden, Helkama, Klimasan, Safkar etc.



Some brands of refrigeration equipment produced and / or assembled locally are Frigoglass, Frigotehnica, Raptronic, Davicani, Marco & Alex, Frigomatic etc.

In the last two years, the expansion of the retail networks on the Romanian market was characterised by prudence and this fact influenced also the businesses of the companies that sell and install commercial refrigeration equipment.

Some important measures in the Romanian Government's national strategy for the operational programme in the sector of fruits and vegetables are:

- the renovation and the construction of the refrigeration cells and the acquisition of the related installations and equipment
- the acquisition of transport vehicles with controlled temperature or additional cooling equipment (cool boxes)
- the acquisition of the measuring and security instruments (electricity generating equipment, equipment for the temperature and humidity recording, sensors and alarms), cooling equipment, refrigeration platforms.

For 2011, some market analysts consider that the domestic market of commercial refrigeration market will resume its growing trend registered before 2009.

According to National Cold Storage Association - Arola Frig, the recent trends in the cold storage and logistics sectors in Romania are represented by:

- new modern and efficient warehouses
- decrease of prices due to overcapacity
- splitting frozen / chilled manufacturers - logistics role

2. EU funds for refrigeration sector in Romania

The EU funds for the refrigeration sector in Romania are accessed through the National Programme for Regional Development 2007 – 2013, Axis 1 - Improving the competitiveness of the agricultural and forestry sector, Measure 123 - Increasing the added value of agricultural products and forestry.

The main objectives of the Measure 123 are:

- the introduction and the development of technologies and processes to obtain new competitive agricultural and forestry products
- the adapting of the business community to new EU standards in the stage of the processing and the distribution of the products
- the improving of the companies' incomes through the increase of the added value of the agricultural products
- the increasing of the added value of the forest products and the economic efficiency of the micro-business through the development and the modernisation of the equipment, processes and processing technologies.

The public entity in charge with the Measure 123 in Romania is the Payment Agency for Rural Development and Fishing.

According to Arola Frig, the construction of cold warehouses in Romania through the accessing on a wider scale of the EU funds started in 2009.

One example of company in Romania that used EU funds for the construction of frigorific storage spaces is Group Millenium 2000.

In March 2008, Group Millenium 2000 submitted the project related to the refrigeration warehouse for frozen products, at the Payment Agency for Rural Development and Fishing, within the Measure 123. In order to access the EU funds, the company collaborated with the consulting firm Agriculture Capital & Engineering, which has a significant experience in projects for EU funds.

Group Millenium 2000 obtained a EU grant of 1.9 million EUR in order to construct the frigorific warehouse - Duke Logistics. The total value of the investment in the warehouse was of seven million EUR. The investment was co-financed through a bank credit of three million EUR and the company's own resources.

The construction of the refrigeration warehouse started in January 2009 and was finalised in July 2010. The warehouse has 5,400 sqm, out of which 4,700 sqm represent storage and offices spaces. The temperature-controlled warehouse is divided into seven cells. The storage temperature is between -4°C and -20°C. The warehouse can store an average of 6,500 tonnes of products.

Group Millenium 2000 owns also the Duke Hotel in Bucharest. The company intends to build another three warehouses in Romania in the future.



3. Producers of refrigeration equipment in Romania

Some examples of the main producers of refrigeration equipment are:

3.1 Frigoglass Romania



Frigoglass Romania, part of the Greek Group Frigoglass, has the headquarters in the Timis county. The company produces ice cold merchandisers.

The company's main clients include producers of soft drinks (i.e. Coca Cola), producers of beer (i.e. Ursus) etc.

Frigoglass Romania hired 400 new employees in the last three months of 2010 and continues the recruitment process.

The Frigoglass Group owns in Romania also the company 3P Frigoglass SRL that produces plastics.

Financial data of Frigoglass Romania SRL in 2009:

- Turnover: 55.5 million EUR
- Net profit: 6.1 million EUR
- No of employees: 453

3.2 Frigotehnica



Frigotehnica, with the headquarters in Bucharest, is specialised in the manufacturing and service in the commercial and industrial refrigerating industries.

The company's offer includes horizontal refrigerating display cabinets, refrigerating shelves with air curtain, refrigerating islands with air curtain, refrigerating aggregates, refrigerating boxes, vertical refrigerating display cabinets for beverages etc.

Some of the company's main clients are: Carrefour, Cora, Auchan, Real, Kaufland, Selgros, Metro, Mega Image, Pizza Hut, Nestle, Cristim etc.

Financial data of Frigotehnica SRL in 2009:

- Turnover: 26.7 million EUR
- Net profit: 0.3 million EUR
- No of employees: 141

3.3 Raptronic



Raptronic, part of the Romanian Group RAP, has the headquarters in the Brasov county. The company develops and manufactures equipment, installations and process technologies

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for the food, chemical and pharmaceutical industries. The company offers a full range of services: planning, design, manufacturing, service etc.

One of the company's major recent projects was represented by the re-technology of the Kandia chocolate plant in Bucharest.

Raptronic produces and installs freezing rooms and warehouses, freezing compressors and aggregates. The company also rents warehouse spaces and freezing rooms.

Financial data of Raptronic SRL in 2009:

- Turnover: 6.0 million EUR
- Net profit: 0.1 million EUR
- No of employees: 114

Other major producers and installers of refrigerating equipment in Romania are: Davicani, Marco & Alex Instalatii Frig, Ugur Yapisan, Frigomatic.



4. Importers and distributors of refrigeration equipment in Romania

Some examples of the main importers and distributors of refrigeration equipment are:

4.1 Daas



Daas, with the headquarters in the Prahova county, supplies equipment for the HoReCa and retail sectors.

The company will invest 1.6 million EUR in order to construct a building near Ploiesti on the surface of 4,000 sqm that will include the company's headquarters and a warehouse. For this investment, the company will use both own funds and banking credits. The company acquired the land with the total surface of 8,000 sqm at the beginning of 2010.

Daas has six offices in Romania, located in Bucharest, Ploiesti, Constanta, Iasi, Cluj Napoca and Timisoara and sales and service representatives in Craiova, Pitesti, Brasov, Sibiu, Oradea and Satu Mare.

According to its own estimations, the company has a market share of 26% on the commercial refrigeration market in Romania. For 2011, the company expects to increase its market share based on the projects in progress.

On the commercial refrigeration market, the company's main clients include Real, Auchan, Cora, Mega Image, Billa, Kaufland, Carrefour and Unicarm.

Financial data of Daas Impex SRL in 2009:

- Turnover: 14.0 million EUR
- Net profit: 1.0 million EUR
- No of employees: 126

4.2 Unicomp



Unicomp has the headquarters in Bucharest, offices in Constanta, Cluj, Galati, Piatra Neamt and dealers covering the entire county.

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Some of the brands of refrigerating equipment distributed by the company are: Zanotti, Incold, Alaska, Thermogel, Bravo, COF and JDK.

The company's main clients include Carrefour, Avicola Galati, Mc Donald's, Napolact, Dobrogea etc.

Financial data of Unicomp SRL in 2009:

- Turnover: 8.0 million EUR
- Net profit: -0.4 million EUR
- No of employees: 73

4.3 Flanutis



Flanutis has the headquarters in the Timis county. The company's offer include: refrigerating equipment, HoReCa furniture etc.

The company's clients are producers and distributors of beer, soft drinks and wine.

Financial data of Flanutis SRL in 2009:

- Turnover: 3.2 million EUR
- Net profit: 0.1 million EUR
- No of employees: 16

Other importers and distributors of refrigeration equipment in Romania are: Frigotehnics Serv Com, MR Rolotek Investment etc.



5. Importers and distributors of frozen and refrigerated food products in Romania

During the last years, the annual consumption of frozen foods in Romania increased significantly from 0.4 kg per capita in 2000 to 3 kg per capita in 2009.

The market of the frozen food products in Romania was estimated at some 23 million EUR in 2009.

Some examples of the main importers and distributors of frozen and refrigerated food products are:

5.1 Macromex



Macromex imports and distributes frozen bakery products, frozen vegetables, dairy products, frozen poultry, frozen fish etc. Some of the brands distributed by the company are: Sadia, Dujardin, Farm Frites, Lactalis, Nordmilch, Linco etc.

Macromex has a distribution network covering the entire country.

In 2005, Macromex inaugurated a distribution centre, located near Bucharest, with the frozen area capacity of some 4,600 pallets.

In July 2008, Macromex started the partnership with La Lorraine Belgium with the purpose to construct a frozen pastry plant in Campia Turzii. In October 2008, Macromex chose Metroplan Germany for a distribution bi-temperature centre in the North-Western area of the country.

The company's logistics infrastructure includes:

- over 100 distribution vehicles that have refrigerated spaces
- three logistic platforms in Bucharest, Cluj and Oradea, all having frozen and refrigerated storage spaces
- six cross-docking points at Bacau, Braila, Brasov, Craiova, Timisoara and Constanta

In 2011, Macromex will start the construction of a “state of the art” warehouse in Campia Turzii, with controlled temperature, that will include a fully automated high bay - 35 m height, 17,000 pallets, -26°C and other spaces with controlled temperature (picking, marshalling etc) with the capacity of 2,300 pallets.

Financial data of Macromex SRL in 2009:

- Turnover: 110.1 million EUR
- Net profit: 2.3 million EUR
- No of employees: 382

5.2 Agroalim Distribution



The company distributes refrigerated pork meat, frozen fish, frozen vegetables and fruits, poultry meat specialties, chicken meat, sausages, pastry etc. Some of the brands distributed by the company are: Saga, Smithfield, Campofrio, Nordic Seafood, Frosta, Perdigão, Hortex, D'Arta, D'Aucy, Lamb Weston, Aviko, FrieslandCampina, Uhrenholt, Erlenbacher, Panovia etc.

The company's retail clients include Real, Carrefour, Gmarket, Kaufland, Auchan, Mega Image, Billa.

Agroalim Distribution has a distribution network that covers the entire country. The company has own warehouses located in Buftea, Bacau, Baia Mare, Braila, Constanta, Cluj, Iasi, Pitesti, Timisoara. The company's distribution centres have the total capacity of over 5,000 pallets. Agroalim Distribution has its own auto fleet.

Financial data of Agroalim Distribution SRL in 2009:

- Turnover: 47.3 million EUR
- Net profit: -1.4 million EUR
- No of employees: 428

5.3 Grup XL Company



The company imports and distributes fruits, vegetables, frozen fish and frozen chicken from Austria, Belgium, the Czech Republic, Denmark, France, Germany, Greece, Italy, Poland, Slovenia, Spain, Hungary, Turkey, Syria etc.

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The company has refrigerating warehouses in: Iasi (1,550 sqm of refrigerating cells and 1,450 sqm for annexes and parking places), Suceava (1,400 sqm of refrigerating cells and 1,500 sqm of parking places), Botosani (600 sqm of refrigerating cells and 650 sqm of parking places) and Pascani. The warehouses comply with the EU regulations.

Also, the company provides transport services using its own transport fleet.

Financial data of Grup XL Company SRL in 2009:

- Turnover: 5.2 million EUR
- Net profit: 0.03 million EUR
- No of employees: 59



6. Companies that rent storage refrigerating spaces in Romania

According to Arola Frig, the number of storage cold capacities decreased dramatically in Romania in 1989 - 2000. The construction of rather small new warehouses started during 2000 – 2004. The construction of modern cold warehouses developed during 2005 – 2008, especially around Bucharest.

The rental prices for storage refrigerating spaces in Romania vary between 3 and 20 EUR / sqm / month, depending on the location, the facilities, the year of the construction, the services offered etc.

Some examples of the main companies that rent storage refrigerating spaces are:

6.1 Eurocooling Center



Eurocooling Center has as main object of activity the storage and renting of the storage spaces.

Eurocooling Center has a modern commercial complex in Bucharest, authorised according to the EU regulations. The company's warehouse includes freezing rooms at -20°C, chilled rooms at 3-4°C, tempered rooms for 10-12°C and non cooled spaces for dry products.

The company rents cooling and freezing spaces (for the storage of various products such as ice cream, frozen fruits, raw materials and ingredients, meat products, salami, cheese, fish, fruits, vegetables etc) and dry storage spaces (for the storage of raw materials in bulk or in their individual package, such as flour, salt, sugar, rice etc).

On the same location, Eurocooling Center rents modern office spaces, has a restaurant, parking spaces, a washing and disinfection station. Also, the company offers loading, unloading and manipulation services to its clients.

Some of the company's main clients are: Danone, Meat Team, Sea Bell, Agrirom, Espina, Corpotrade, Delaco etc.

Financial data of Eurocooling Center SRL in 2009:

- Turnover: 2.0 million EUR
- Net profit: 0.1 million EUR
- No of employees: 27

6.2 Antrepozite Frigorifice PGA

Antrepozite Frigorifice PGA has as main object of activity the storage and renting of the storage spaces.

Antrepozite Frigorifice PGA has the headquarters in Bucharest and offers storage spaces for the producers and importers of meat product, fruits, vegetables etc.

Financial data of Antrepozite Frigorifice PGA SRL in 2009:

- Turnover: 0.9 million EUR
- Net profit: 0.02 million EUR
- No of employees: 43

6.3 Frigorifer



Frigorifer with the headquarters in the Tulcea county, has as a main object of activity the processing and preserving of the fruits and vegetables. The company also rents storage refrigerating spaces.

The company's warehouses have the total storage capacity of some 16,000 tons. The space for the storage of the frozen products is of some 16,000 sqm (-18°C / -25°C).

Having direct access to the Danube Delta, Frigorifer has its own deck where vessels of maximum 5,000 metric tons can be landed and charged. Also, the company has direct access at the rail infrastructure that enables wagons loading and unloading.

Some of the company's clients are: Agroalim Distribution, Macromex, Campofrio, Smithfield, Carniprod, Dr. Oetker etc.

Financial data of Frigorifer SA in 2009:

- Turnover: 3.4 million EUR
- Net profit: -0.5 million EUR
- No of employees: 176

Other companies that rent storage cold spaces in Romania are:

- Indcarf with the headquarters in the Arges county, which has as main object of activity the production of the meat products, rents cool storage spaces (-18°C), authorised for the intra-community trade, with the capacity of 2,000 tones.

- Frigofruct, with the headquarters in the Bihor county, which has as main object of activity the production, processing and freezing of the fruits and vegetables, rents frigorific spaces. The company has frigorific spaces of over 2,000 sqm that ensure temperatures of -18°C. The spaces are authorised also for the storage of the meat products.

7. Companies that offer frigorific transport services in Romania

After 1989, in order to satisfy the more demanding consumers, the growing consumption and to establish an attractive business climate for the players in the frozen and refrigerated foods manufacturing and logistics sectors, the presence of an efficient and reliable cold supply chain and the supporting infrastructure became necessary in Romania.

According to Arola Frig, the challenges in the frigorific transport sector in Romania are represented by:

- the lack of proper road infrastructure
- the low domestic demand for the frozen logistics
- the high costs for the regional and local distribution

Some examples of the main companies that offer this type of transport services are:



7.1 Edy International Spedition



Edy International Spedition has the headquarters in the Hunedoara county. The company invested over 100 million EUR in its transport fleet.

The company has clients from various fields (food, beverages, automotive, tobacco, wood, furniture, construction materials, chemical, home appliances). Some of the company's most significant clients are: Coca Cola, Ursus Breweries, Ikea Balkan.

Financial data of Edy International Spedition SA in 2009:

- Turnover: 55.9 million EUR
- Net profit: -2.1 million EUR
- No of employees: 1,132

7.2 Dumagas Transport



Dumagas Transport, part of the Dumagas Group, has the headquarters in the Dolj county. The company transports general goods, goods under controlled temperature (cold storage), vehicles, gas cylinders, liquefied gas in bulk, fuels, chemical products etc.

The company's fleet consists of modern frigorific semi trailers, equipped with modern and non-polluting cold installations that allow the temperature monitoring.

In 2009, Dumagas Transport signed a transport contract with the Ford plant in Craiova.

Financial data of Dumagas Transport SA in 2009:

- Turnover: 28.3 million EUR
- Net profit: -1.5 million EUR
- No of employees: 502

7.3 Dunca Expeditii



Dunca Expeditii has the headquarters in the Timis county. The company transport general goods (with or without cold), dangerous goods (liquefied or compressed gases), ballast pits, containers etc.

Some of the company's clients are: Linde Gaz Romania, Procter & Gamble, Automobile Dacia, Arctic etc.

Financial data of Dunca Expeditii SA in 2009:

- Turnover: 26.6 million EUR
- Net profit: -3.7 million EUR
- No of employees: 553

8. Events in refrigeration logistics sectors in Romania

Two events that recently took place on the refrigeration market in Romania are presented below:

- The Conference "What chances offer production and logistic extensions in Eastern Europe?" took place in Cluj Napoca during 16 - 17 September 2010. On this occasion, the representative of Arola Frig, Mr. Nicolae Cismasu made a presentation with the purpose to point out the challenges and the trends in the cold storage and logistics industry in Romania.
- The European Cold Chain Logistics Education Program & Trade Show took place during 21 - 22 September 2009 in Bucharest. The event was organized by the European Division of the Global Cold Chain Alliance (GCCA) in partnership with the European Cold Storage and Logistics Association (ECSLA), the Supply Chain Institute of Southeastern and Central Europe (SCISCE) and Arola Frig. The event was focused on the creating and expanding reliable and efficient regional cold supply chains. The event included presentations on technology, refrigeration and energy efficiency, current and future market developments.

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Sources consulted for this report: business mass media, the companies, official sources, Arola presentation

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