



# **TRADE AND INVESTMENT OPPORTUNITIES IN ROMANIA – Q1 2015**

## **KEY SECTORS OF POTENTIAL OPPORTUNITY FOR EXPORT TO ROMANIA, FOR SOURCING PRODUCTION AND FOR INVESTMENT**

**Agricultural machinery manufacturing and import**  
**Furniture manufacturing and export**  
**Grape and wine production**  
**Food production and import**  
**Pharmaceuticals production**  
**Health services market**  
**Medical devices import**  
**Mining industry**  
**BPO sector**  
**Shipbuilding and repair market**  
**Port logistics**  
**Machine tools production and import**



This demo report is produced by FRD Center Market Entry Services – [www.frdcenter.ro](http://www.frdcenter.ro) - one of the pioneer privately owned market entry consulting firms in Romania.

Since 2000, FRD Center offers tailor-made market intelligence, B2B matchmaking and market access consulting services to foreign organisations interested to enter the emerging markets in Europe as exporters, consultants, investors or joint-ventures, to relocate their operations, or to source in CE, SE and Eastern Europe.

FRD Center is the trade consultant for the Irish Governmental Agency, Enterprise Ireland and the representative of the Murcia region Development Agency (Spain). Other clients are Commercial Sections of Embassies, Export Councils, Trade Governmental Agencies, Chambers of Commerce, private companies, corporations, SMEs from Canada, China, Denmark, Germany, India, Ireland, Israel, Jordan, Norway, Poland, UK, USA, Switzerland etc.

Our services include:

- market research, investment opportunities assessment, sector studies, market briefs
- identification and qualification of B2B distributors, importers, suppliers etc.
- product presentation and assessment of interest from clients / partners
- pre-M&A business support and research
- identification of market opportunities: exports, sourcing, B2B sales etc.
- trade missions, business itineraries, inward buyer missions

*Disclaimer:*

*Whilst every care is taken in compiling this report, no responsibility is taken for errors or omissions. FRD Center guarantees that this information, collected and generated, has been operated in a professional manner and best efforts were applied with a view to offering accurate and complete results. However, FRD Center will not be held liable for any damage or loss resulting from the use of the information contained herein.*

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

***FRD Center endorses the Sibiu International Theatre Festival  
SIBFEST - [www.sibfest.ro](http://www.sibfest.ro)***





## 1. AGRICULTURAL MACHINERY MANUFACTURING AND IMPORT

### a) Sector brief

The contribution of agriculture, forestry and fishing to the nominal value of the GDP in Romania was of 5.6% in 2013.

Romania has a territory of 23.8 million hectares, out of which an agricultural area of some 14.7 million hectares. The agricultural sector has significant growing potential in Romania. There are approximately 3.9 million agricultural holdings in Romania, with the average surface of 3.4 hectares each.

According to the National Institute of Statistics, the production of cultivators in Romania was of 790 pieces in 2013 and 2,714 pieces in 2012 while the domestic production of machinery and equipment for sowing has recorded 999 pieces in 2012.

Maschio Gaspardo Romania, part of the Italian Group Maschio Gaspardo, is a significant manufacturer of agricultural machinery on the domestic market. The company has opened its plant in Arad county in 2003. Maschio Gaspardo Romania has recorded a net turnover of 31 million EUR in 2013, up by 24% compared to 2012. During the period 2014 – 2018, Maschio Gaspardo plans to expand its Romanian plant with 10,000 sqm.

Other local producers of agricultural machinery and farm equipment in Romania are: Mecanica Ceahlau, IRUM and MAT Craiova.

The offer of agricultural machinery in Romania is diversified and the market is dominated by imported brands, such as: New Holland, John Deere, Kuhn, Claas, Fendt, Massey Ferguson, Geringhoff, Horsch, Case, Hardi, JCB, Vatra, Pottinger, Hydrac, Fella, Lemken, Knoche, Rauch etc.

The imports of tractors in Romania have recorded over 350 million EUR in 2013, up by approximately 4% compared to 2012. Furthermore, the Romanian imports of agricultural, horticultural or forestry machinery for soil preparation or cultivation have registered approximately 100 million EUR in 2013.

**b) Opportunities:** BRANDS, TECHNOLOGY, KNOW-HOW, EQUIPMENT, FACILITIES, TOOLS, QUALITY CONTROL, EU FINANCING



## 2. FURNITURE MANUFACTURING AND EXPORT

### a) Sector brief

According to National Institute of Statistics (NIS), the furniture production has recorded almost 1.3 billion EUR in 2013 in Romania, up by 7% compared to 2012.

There are over 2,500 manufacturers of furniture and related items in Romania. In 2012, they registered a cumulated net turnover of approximately 1.5 billion EUR. The main ranges of furniture manufactured on the domestic market are: living room furniture, bedroom furniture, kitchen furniture, sofas, chairs, tables, mattresses, office furniture, HoReCa furniture, small furniture.

Some of the main furniture manufacturers in Romania are: Mobexpert Group, Aramis Invest, Italsofa, Taparo, Lemet, Cotta International, Plimob, Sortilemn, Mobirom and PGS Sofa & Co.

Mobexpert Group, owned by the Romanian businessman Dan Sucu, includes seven furniture manufacturers and a network of 32 stores. The Group manufactures living room furniture, bedroom furniture, kitchen furniture, small furniture, office furniture, chairs, sofas and mattresses. The total surface of the Mobexpert stores exceeds 110,000 sqm and represents an investment of approximately 76 million EUR. The Mobexpert Group has registered a cumulated turnover of approximately 120 million EUR in 2013.

In Romania, there are approximately 16 manufacturers with a net turnover of over three million EUR in 2013 that produce armchairs and sofas.

Approximately 12 players have experience with manufacturing of fixed seating (theatre and cinema chairs) in Romania. One example is the company Antares Romania, part of the Czech Group Antares.

Set up in 1998, Antares Romania manufactures chairs (fixed chairs, conference chairs, office chairs, kitchen chairs, children chairs), armchairs, sofas, tables, furniture accessories etc. The company has the production capacity of approximately 2,000 chairs per day. In 2013, Antares Romania has recorded a net turnover of 6.7 million EUR and approximately 100 employees.

During the period 2010 - 2014, the Romanian exports of furniture have recorded a continuous growing trend.



According to sector experts, the Romanian exports of furniture have registered approximately 1.7 billion EUR in 2013, up by 17% compared to 2012. This increase has been recorded mainly due to the big external demand of chairs and upholstered products.

**b) Opportunities:** MATERIALS, COMPONENTS, ACCESSORIES, BRANDS, TECHNOLOGY, TOOLS AND EQUIPMENT, FACILITIES, KNOW-HOW, QUALITY CONTROL, STORAGE, RETAIL

### 3. GRAPE AND WINE PRODUCTION

#### a) Sector brief

Romania has a considerable grape production. The total area cultivated with vines in Romania in 2013 has been of approximately 180,000 hectares in various regions known for their wine production such as: Podisul Transilvaniei, Dealurile Moldovei, Dealurile Munteniei & Olteniei, Dealurile Banatului, Dealurile Crisanei & Maramuresului, Colinele Dobrogei and Terasale Dunarii.

The production of grapes in Romania has recorded 950,000 tonnes in 2013, up by 27% compared to 2012.

The main noble varieties of grapes cultivated in 2013 in Romania have been:

- a) local varieties: Feteasca Regala, Feteasca Alba, Babeasca Neagra, Rosioara, Feteasca Neagra
- b) international varieties: Riesling Italian, Aligote, Cabernet Sauvignon, Sauvignon, Muscat Ottonel, Merlot.

The wine production in Romania has recorded approximately 5.1 million hectolitres in 2013, up by 55% compared with 2012. Out of the total production of noble wines in Romania in 2013, white wines have represented 71%, red wines 27% and rosé wines 2%.

There are approximately 200 wine producers in Romania. The main grape growers and wine producers on the domestic market are: Murfatlar, Cotnari, Jidvei, Vincon and Tohani.

Murfatlar has over 3,000 hectares of vineyards, located in the SE region of Romania. It produces the following brands of wines: Rai de Murfatlar, Zestrea Murfatlar, Sec de Murfatlar, Conu Alecu, La Racoare, Trei Hectare, Lacrima lui Ovidiu, Ferma Noua, Arezan, Mugur de Vita, Premiata, Zaraza, Taina de Murfatlar. The company exports its wines to countries such as: USA, Israel, Italy, Spain, UK, Poland, China, Russia etc. Murfatlar has its



own network of stores - Crama Murfatlar. In 2013, Murfatlar has recorded a net turnover of almost 30 million EUR and approximately 200 employees.

Through the National Support Programme 2014 - 2018, the annual amount of the EU financial support to Romanian producers in the wine sector is 47.7 million EUR. The measures included in the programme are: Restructuring and conversion of vineyards; Wine promotion; Harvest insurance; Investments, Product distillation.

Through the National Support Programme 2009 - 2013, Romania has absorbed 100% of the available EU funds. Much of this funding has been used to modernise production equipment and storage facilities, mainly using imported units, installations and equipment.

Romania imports machinery for grape and wine production from Italy, France, Austria, China, Germany etc.

As an example, the Romanian imports of mechanical appliances for projecting, dispersing or spraying liquids or powders for agricultural or horticultural sectors have registered almost 28 million EUR in 2013, up by some 20% compared to 2012.

**b) Opportunities:** EQUIPMENT, MACHINERY, TECHNOLOGY, KNOW-HOW, QUALITY CONTROL, PACKAGING, STORAGE, RETAIL, MERCHANDISING, EU FINANCING

#### **4. FOOD PRODUCTION AND IMPORTS OF FOOD-RELATED MACHINERY**

##### **a) Sector brief**

In Romania, operate over 700 producers of meat and meat products, over 30 companies specialised in the fish processing, approximately 500 processors of milk and dairy products and over 250 companies specialised in fruit and vegetable processing.

According to the NIS, in October 2014 compared to September 2014, production of food in Romania has increased by 14.2%.

In September 2014 compared to September 2013, the carcass weights of the slaughtered animals in Romania have recorded the following increases:

- cattle: 1.7%
- pigs: 10.3%
- sheep and goats: 2.4%



- poultry: 14.4%

According to the same source, the production of meat has recorded approximately 632 thousand tonnes in 2013 in Romania, up by 3% compared to 2012. Furthermore, the domestic production of meat products has registered almost 326 thousand tonnes in 2013.

The production of tinned meat in Romania has recorded some 30 thousand tonnes in 2013, up by 6% compared to the previous year.

Some of the most important producers of meat, meat products and canned meat in Romania are: Scandia Food, Unicarm, Agricola Bacau Group, Caroli Foods or Cris-Tim Group.

Scandia Food is the leader on the Romanian market of canned meat. The company produces the following brands: Scandia Sibiu, Bucegi, Via, Sadu. Scandia Food exports its products in over 60 countries, such as: Italy, Spain, Germany, Canada, UK, Greece or Cyprus. In 2013, Scandia Food has recorded a turnover of 46 million EUR, up by 3% compared to 2012.

According to NIS, in the first nine months of 2014, the quantity of the cow milk collected by the processing units in Romania has registered an increase by 15.5% compared to the same period of 2013.

In the first nine months of 2014 compared to the similar period of the previous year, production increases have been recorded for the following categories of milk products:

- drinking milk: 16.8%
- cream: 12.6%
- butter: 8.6%
- cheese products: 8.3%
- acidified milk (yogurt, drinking yogurt, curd): 4.6%

According to the same source, the production of cheese products has exceeded 71 thousand tonnes in 2013 in Romania, up by 6% compared to 2012. Furthermore, the domestic production of butter has recorded some 8.2 thousand tonnes in 2013.

The most important producers of canned foods in Romania are: Scandia Food (meat, ready meals), Mandy Foods (meat, fruits, vegetables, ready meals), Orkla Foods (meat, ready meals), Contec Foods (fruit, vegetables), MGC Topoloveni (fruit, vegetables), Fabrica de Conserve Raureni (fruit, vegetables).



According to NIS, the Romanian production of tinned vegetables has recorded almost 74 thousand tonnes in 2013, up by 9% compared to 2012. Furthermore, the production of tinned fruits has registered approximately 6.7 thousand tonnes in 2013, this representing an increase of 84% compared to 2012.

In the first nine months of 2014, the CIF imports of food products and live animals in Romania have recorded approximately three billion EUR.

The imports of machinery for the preparation of meat or poultry in Romania have recorded approximately ten million EUR in 2013, up by some 15% compared to 2012.

Furthermore, the Romanian imports of machinery for the industrial preparation or manufacture of food or drink (other than machinery for the extraction or preparation of animal or fixed vegetable fats or oils) have reached almost 61 million EUR in 2013.

**b) Opportunities:** INGREDIENTS, BRANDS, TECHNOLOGY, FACILITIES, EU FUNDING, PACKAGING, QUALITY CONTROL, TEMPERATURE CONTROLLED STORAGE, RETAIL, MERCHANDISING

## 5. PHARMACEUTICALS PRODUCTION

### a) Sector brief

Pharma production in Romania is a dynamic sector. According to official statistic data, in October 2014 compared to October 2013, the manufacturing of basic pharmaceutical products and pharmaceutical preparations in Romania has increased by 16.8%.

In the first nine months of 2014, the value of the new orders index in the manufacturing of basic pharmaceutical products and pharmaceutical preparations in Romania has increased slightly compared to the first nine months of 2013.

According to NIS, the production of medicines has recorded approximately 550 million EUR in 2013, up by 10% compared to 2012.

In Romania, there are over 120 manufacturers of pharmaceutical products. In 2012, they registered a cumulated net turnover of over 600 million EUR. Some of the main ones are: Terapia Ranbaxy, Zentiva, Antibiotice, Sandoz or Gedeon Richter.

Antibiotice, controlled by the Ministry of Health, is a significant pharmaceuticals player and the largest OTC producer in Romania. The company has in its portfolio approximately 140





drugs that cover a wide range of therapeutic areas (mainly for cardiovascular, anti-infectious and central nervous system). In the first semester of 2014 compared to the similar period of 2013, Antibiotice has recorded a sales increase of 6%. Antibiotice has registered in 2013 a net turnover of 72 million EUR, up by over 5% compared to 2012. The company is listed on the Bucharest Stock Exchange and has some 1,500 employees.

Other independent OTC producers in Romania are: Fiterman Farma, Bio Eel, Biofarm, Arena Group or Magistra C&C.

Some examples of recent or in-progress investments in the sector of the pharmaceuticals manufacturing in Romania are:

- Antibiotice invests ten million EUR, during the period 2014 - 2016, in a new production unit of ointments and suppositories in Iasi. The company plans to invest some 40 million EUR in the next six years to increase the production facilities and to develop new pharmaceutical products.
- Terapia Ranbaxy, the local subsidiary of Ranbaxy Laboratories, has launched seven new non-prescription drugs and, as a result, its sales have increased by 9.5% in the first six months of 2014 compared to the same period of 2013. Terapia Ranbaxy produces drugs in the cardiovascular, central nervous system, anti-infective, gastrointestinal and musculoskeletal segments. Terapia Ranbaxy has reported a net profit of almost 25 million EUR in 2013, up by approximately 14% compared to 2012.
- Pfizer invests approximately four million EUR in the packaging line of its manufacturing unit of supplements located in Cluj Napoca. The works are expected to be finalised in 2015. At present, the unit has the packaging capacity of six million boxes per year.

**b) Opportunities:** CHEMICAL SUBSTANCES, TECHNOLOGY, FACILITIES, KNOW-HOW, QUALITY CONTROL, BRANDS, PACKAGING, STORAGE, RETAIL

## 6. HEALTH SERVICES MARKET

### a) Sector brief

The budget assigned for the public healthcare system in Romania has recorded approximately 6.2 billion EUR in 2013, representing 4.4% of the GDP, up by 0.4% compared to 2012.



The Romanian healthcare sector is currently undergoing a process of reorganization. It is organised in two different systems: the public system financed mainly through the social health insurance contributions managed by the National Health Insurance House and a smaller private system where patients pay for health services, either directly or via subscriptions made by their employers.

Item / Year	2008	2013
Private hospitals	80	134
Public hospitals	428	364
Doctors in private hospitals	7500	14028
Doctors in public hospitals	42700	40000
Private practices	7400	9200

*Source: NIS, Biziday*

The private medical services sector is one of the fastest developing markets in Romania. Some of the main players are: MedLife, Regina Maria, Sanador, Medcover, Medas or Medcenter.

Established in 1996, MedLife is the biggest operator of private medical services in Romania. MedLife has a network of six hospitals, 13 hyperclinics, three maternity centres, ten excellence centres, ten laboratories, seven pharmacies (PharmaLife network). Furthermore, MedLife has collaboration partnerships with 135 medical clinics all over the country. In 2013, MedLife has recorded a turnover of 72 million EUR. It is owned by the Marcu family (51%), Societe Generale Asset Management - SGAM (36.25%) and International Finance Corporation - IFC (12.75%).

Some examples of recent or in-progress investments in the sector of the health services in Romania are:

- MedLife has opened in June 2014 a new clinic, located in Sfantu Gheorghe. MedLife has budgeted investments of six million EUR in 2014 to acquire new equipment and to open new medical units.
- Regina Maria - one of the major private providers of health services in Romania - and ING Life Insurance have launched in September 2014 a joint health insurance policy. It covers the cost of over 250 surgery types and the related hospitalisation period.
- Medcover Romania, part of the Swedish Group Medcover, has opened in July 2014 a new clinic in Bucharest following investments of 300,000 EUR. The new clinic covers the surface of 1,000 sqm and provides medical services in 25 specialties.



- The biggest private hospital of medical recovery in Romania - the Polaris Hospital - is expected to be inaugurated in March 2015 in Cluj county, following investments of ten million EUR. The hospital will have over 200 beds. In order to ensure high quality medical services, Polaris will collaborate with specialised hospitals in Switzerland, Austria, France and Germany and with the Universities of Medicine and Pharmacy in Romania. The Hospital is expected to have over 400 employees.
- The Arad County Hospital rehabilitates and modernises its ambulatory with funds of approximately 1.7 million EUR, within the Regional Operational Programme 2007 - 2013. The works are expected to be finalised in July 2015.
- The construction works at the Sinaia Emergency Hospital are in progress and the investment is estimated at seven million EUR. This is the first emergency hospital located in a mountainous area in Romania. The hospital will have 95 beds and will treat patients from resorts in the Prahova Valley and surrounding locations.

**b) Opportunities:** FACILITIES, EQUIPMENT, DEVICES, CONSUMABLES, SPECIAL CONSTRUCTION MATERIALS, LABORATORY, PRIVATE HEALTH INSURANCE, TENDERS

## 7. MEDICAL DEVICES IMPORTS

### a) Sector brief

The Romanian market of the medical devices has increased significantly in the last years, being directly influenced by the strong growth of the private medical services sector. It is estimated at approximately 330 million EUR in 2013.

There is virtually no local production of medical devices and equipment in Romania - approximately 90% of the medical equipment is imported. The medical devices and equipment are usually imported from Germany, Italy, the Czech Republic, Hungary, Ukraine etc.

For the acquisition of the medical devices and equipment, the public hospitals in Romania organise tenders. In such tenders, the participants are usually local firms: importer-distributors and representatives of foreign brands.

There are over 140 specialised importer-distributors of medical devices and equipment operating on the Romanian market. Some of the main players are: Fresenius Medical Care Romania, General Electric Medical Systems Romania, Gemedica, Tehno Electro Medical



Company or Medicarom Group. These five players have registered a cumulated net turnover of approximately 85 million EUR in 2013.

Established in 2000 as a subsidiary of Fresenius Medical Care Deutschland GmbH, Fresenius Medical Care Romania provides a wide range of products and services for the treatment of chronic renal diseases, acute renal diseases and liver failure. Fresenius has provided medical devices to various public hospitals, such as: Clinical Institute of Urology and Renal Transplant in Cluj, Institute of Infectious Diseases “Prof. Dr. Matei Bals” in Bucharest, County Emergency Clinical Hospital in Oradea or County Emergency Clinical Hospital in Constanta. Fresenius Medical Care Romania has recorded a net profit of 2.5 million EUR in 2013, up by some 4% compared to 2012.

**b) Opportunities:** BRANDS, PRODUCTS, EQUIPMENT AND CONSUMABLES, LOGISTICS, TENDERS

## 8. MINING INDUSTRY

### a) Sector brief

The mining industry is an important industrial sector in Romania. It actively supports the country’s economic development by providing a variety of mineral products.

Romania has deposits of lignite, pit coal, hard coal, anthracite, gold and silver ore, poly-metallic ore, copper, salt and non-metallic substances. The country has exploitable lignite mineral resources of approximately 3.3 billion tonnes and exploitable pit coal mineral resources of some 600 million tonnes.

In the first nine months of 2014, the turnover in the mining and quarrying industry in Romania has increased by 7.6% compared to the similar period of 2013.

According to NIS, the production in the Romanian mining sector in 2013 has recorded the following volumes:

- mined coal: approx. 26 million tonnes
- mined lignite: approx. 24 million tonnes
- mined hard coal: approx. 1.9 million tonnes

CE Oltenia (Oltenia Energy Complex) is the leader on the Romanian lignite market, ensuring 95% of the domestic lignite production.



Controlled by the Ministry of Economy, CE Oltenia is specialised in the lignite extraction and the production of electricity and heat based on lignite. It has recorded a lignite production of approximately 23 million tonnes in 2013. CE Oltenia has recorded the net turnover of 600 million EUR in 2013, up by 20% compared to 2012.

In the past three years, CE Oltenia has made environmental investments of over 300 million EUR. For the next period, CE Oltenia plans to rehabilitate and modernise its mining equipment.

The imports of the self-propelled coal or rock cutters and tunnelling machinery in Romania have recorded approximately 200 thousand EUR in 2013, up by some 23% compared to 2012.

In 2013, the Romanian imports of other self-propelled boring or sinking machinery have registered over 2.5 million EUR and the imports of other boring or sinking machinery approximately 4 million EUR.

Currently a good number of mine pits are undergoing a process of land filling and reclamation after being closed. During the last years, approximately 550 mines have been closed in Romania. At present, many mines are interested in using modern technology for removing hazardous materials and recovering valuable recyclable materials - one example is CE Hunedoara (Hunedoara Energy Complex), specialised in the pit coal extraction.

**b) Opportunities:** TECHNOLOGY, EQUIPMENT, KNOW-HOW, FACILITIES, QUALITY CONTROL, MINERALS RECOVERY, ENVIRONMENT PROTECTION

## 9. BUSINESS PROCESS OUTSOURCING (BPO) SECTOR

### a) Sector brief

Romania is ranked 2<sup>nd</sup> in Europe and 9<sup>th</sup> globally as preferred destination for business services. The business services sector is a growing industry in Romania.

The Romanian market of outsourcing and support services is estimated at over 1.5 billion EUR. The outsourcing and shared services sector in Romania has recorded annual growth of over 10% in 2012 and 2013. According to market players, the Romanian market of Contact Center was estimated at approximately 200 million EUR in 2012, with an average annual growth rate of 10 – 15% in the past years. It is likely that the growing trend will continue.



The majority of BPO players in Romania provide services such as: Finance & Accounting, Procurement, HR, Customer Support, Order Administration, IT, Logistics, Call Center, Research & Analytics, Legal and other services.

Some of the main providers of call center services in Romania are: Genpact, Computer Generated Solutions, Accenture, Comdata, Webhelp, Wipro Technologies, Arvato or Sykes.

Genpact has entered the Romanian market in 2005. At present, it has two operating hubs in Romania, located in Bucharest and Cluj Napoca, with a total number of approximately 2,300 employees. Genpact Romania offers services in the following languages: English, French, German, Italian, Spanish, Dutch, Portuguese, Swedish, Norwegian, Danish, Finnish, Greek, Turkish, Hungarian, Polish or Bulgarian.

Genpact Romania has over 40 clients, in the sectors of telecommunications, financial & banking, insurance, utilities, pharmaceuticals & healthcare, consumer goods, IT, HR, retail etc. Some examples of its clients are: GSK, Hitachi, Credit Agricole CIB and Nestle. In 2013, Genpact Romania has recorded a net turnover of over 71 million EUR.

It is estimated that the players in the BPO sector in Romania will focus during the next years on the stabilisation and the optimisation of their current activities and also on the extension of their activities (new customers and new activities).

The number of the headcount in the Romanian business services sector is forecasted to exceed 22,000 by the end of 2016, compared to some 20,000 at present.

New fiscal and legislative changes are expected to support the growth of the Romanian outsourcing market in the future.

During the next years, over 65% of the organisations in Romania forecast to increase the use of the outsourcing and shared services.

According to Colliers International, Romania is one of the favourite destinations of the outsourcing & offshoring companies in Central and Eastern Europe. Only 30% of the top 100 outsourcing & offshoring companies at the global level are present in the Central and Eastern Europe, this representing a big opportunity to attract the rest of 70% of these companies in the next years.

**b) Opportunities:** SERVICES, EXPERTISE, EMPLOYMENT, TECHNOLOGY, TRAINING, SOFTWARE



## 10. SHIPBUILDING AND REPAIR MARKET

### a) Sector brief

The shipbuilding and repair industry has an important role in Romania and represents one of the country's development engines.

The access to the Black Sea and the Danube course of over 1,000 km on the Romanian territory has contributed to the development of the shipbuilding and repair sectors.

The shipbuilding industry in Romania has an important place in the European industry and the ships delivered by the Romanian shipyards represent approximately 5% of the European production.

Shipbuilding in Romania has a long tradition, with shipyards in the major ports: Constanta (e.g. Santierul Naval Constanta), Mangalia (e.g. Daewoo-Mangalia Heavy Industries), Galati (e.g. Santierul Naval Damen Galati), Tulcea (e.g. Vard Tulcea) or Orsova (e.g. Santierul Naval Orsova).

The Romanian shipyards are specialised in manufacturing commercial transport vessels. Some of the main types of vessels built are: bulk cargo between 25,000 and 170,000 dwt, cargo ships, fishing boats, tugs, pushers, barges up to 4,500 tonnes.

In the Constanta Port, the biggest company that builds and repairs ships is Santierul Naval Constanta (Constanta Shipyards).

Santierul Naval Constanta builds and repairs vessels up to 200,000 dwt. Some types of ships constructed by the company are: chemicals products tanker of 41,000 dwt, chemicals products tanker of 50,000 dwt, bulk carrier of 61,000 dwt or Aframax vessel of 115,000 dwt. The company repairs 80 - 100 vessels per year and offers services of surface treatment, panels replacement, conversion, cutting, welding, sanding, cleaning, dyeing, pipe working, galvanisation, mechanical and electrical works, motor revising etc.

Santierul Naval Constanta has registered in 2013 the turnover of 44 million EUR and almost 1,000 employees. The company is listed on the Bucharest Stock Exchange.

**b) Opportunities:** FACILITIES, TECHNOLOGY, EQUIPMENT, TOOLS, SERVICES, QUALITY CONTROL



## 11. PORT LOGISTICS

### a) Sector brief

Romania has three maritime ports and some 20 river ports on the Danube. The Ports in Romania are administrated by the State authorities:

- National Company “Maritime Ports Administration” Constanta manages the Constanta Port and the satellite ports (Mangalia and Midia Ports)
- National Company “Ports Administration on the Maritime Danube” Giurgiu - CN APDF manages the Bechet, Calarasi, Calafat, Cernavoda, Cetate, Corabia, Drobeta, Giurgiu, Orsova, Oltenia, Moldova Veche Ports
- National Company “Maritime Danube Ports Administration” Galati - CN APDM manages the Galati, Braila, Tulcea Ports

The Constanta Port is the most important commercial sea and river port in Romania. It is a Black Sea Port and a Danube Port (the connection with the Danube River is made through the Danube - Black Sea Canal). The Constanta Port has a total area of 3,926 hectares, out of which 1,313 hectares on land and 2,613 hectares on water. It has an operation capacity of approximately 120 million tonnes per year.

At present, the National Company “Maritime Ports Administration” Constanta, which manages the Constanta Port, is owned by the Ministry of Transport (60%), Fondul Proprietatea (20%) and the Constanta City Hall (20%). The Romanian Government want the Ministry of Transport to cede 13% of its shares to the Constanta City Hall and to list 14% of its shares on Stock Exchange in 2015. The privatisation discussions of the Constanta Port spark controversy from port operators, port unions and political environment.

According to the Minister of Agriculture, in 2014 the Constanta Port registered a 30% increase in the quantity of grain traded compared to 2013, reaching some 20 millions of tones, thus surpassing the French port Rouen and becoming the main port European in terms of trade in cereals.

In August 2014, the Constanta Port has inaugurated a modern grain terminal, following investments of 15 million EUR. For the near future, the Constanta Port management has ambitious plans to build an artificial island with new grain terminals, in a project estimated at approximately 250 million EUR.

Over 100 Romanian and multinational firms operate in the the cargo services and freight forwarding services, while almost 80 firms provide logistic and storage of goods services in the Port of Constanta.





One significant provider of port logistics services in Romania is the German Group DB Schenker. It operates in the Constanta Port and its terminal has direct access to the Cernovoda Canal. The terminal has an area of approximately 240,000 sqm, nine berths and the handling capacity of 3 - 4 million tonnes / year. DB Schenker uses the following equipment: gantry cranes, mobile cranes, floating cranes, crawler cranes, forklifts, front loaders etc. DB Schenker has recorded a net turnover of 94 million EUR in 2013, by providing integrated land, rail, air and maritime logistics services.

**b) Opportunities:** TECHNOLOGY, EQUIPMENT, TOOLS, FACILITIES, SERVICES, QUALITY CONTROL

## 12. MACHINE TOOLS PRODUCTION AND IMPORT

### a) Sector brief

The machine tools manufacturing sector in Romania has a long and solid tradition.

According to NIS, the production of metal working machine tools has recorded approximately 14.5 million EUR in 2013 in Romania, up by almost 30% compared to 2012. Furthermore, the domestic production of tools and specific machines of mechanical engineering has registered over 41 million EUR in 2013.

In Romania, there are some 100 players manufacturing machine tools and metal forming machinery. In 2012, they registered a cumulated net turnover of approximately 125 million EUR.

Some significant producers of machine tools in Romania are: Titan Masini Grele, Gühring, Emsil Techtrans, IAMU or Napomar. In 2013, these four players have registered a cumulated net turnover of 63 million EUR resulting from machine tools production, as well as manufacturing of other equipments, parts and tools.

Titan Masini Grele produces vertical turning and boring mills, horizontal boring and milling machines, gantry milling machines, welding constructions etc. Titan Masini Grele has recorded a net turnover of 16 million EUR in 2013, up by almost 10% compared to 2012. The company has some 500 employees.

The Romanian imports of machine tools have recorded over 180 million EUR in 2013, out of which:

- imports of machining centres, unit construction machines (single station) and multi-station transfer machines, for working metal: approx. 50 million EUR



- imports of lathes (including turning centres) for removing metal: over 32 million EUR
- imports of machine tools (including way-type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes: over 17 million EUR
- imports of machine tools for deburring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal or cermets by means of grinding stones, abrasives or polishing products, other than gear cutting, gear grinding or gear finishing machines: approx. 24 million EUR
- imports of machine tools for planing, shaping, slotting, broaching, gear cutting, gear grinding or gear finishing, sawing, cutting-off and other machine tools working by removing metal or cermets: approx. 18 million EUR
- imports of machine tools (including presses) for working metal by forging, hammering or die-stamping; machine tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching, presses for working metal or metal carbides: over 41 million EUR

In 2013, the value of the Romanian imports of machine-tools has been four times higher than the value of the exports of machine tools.

Some of the most important importers of machine-tools in Romania are: Rocast, Pentagon, Vigma Marketing & Services, Mafcom Prod Impex or Edelweiss Grup.

Foreign brands of machine-tools that are available in Romania include: DeWalt, Atlas Copco, Bosch, Eibenstock, Suhner, Geo-Fennel, Spectra Precision, CST-Berger, Mikrofyn, Ingersoll Rand, Lincoln Electric etc.

**b) Opportunities:** TECHNOLOGY, EQUIPMENT, TOOLS, FACILITIES, KNOW-HOW, QUALITY CONTROL, BRANDS

*For other commercial and investment opportunities in Romania and the region, please feel free to contact us directly.*

FRD Center Market Entry Services  
Bucharest ROMANIA  
[www.market-entry.ro](http://www.market-entry.ro)

Contact: Jackie Bojor, Director  
[europa@frdcenter.ro](mailto:europa@frdcenter.ro)  
+4021 4111459