

Opportunities for British business in Romania

5th April 2011

Jackie Bojor
FRD Center Market Entry Services
www.market-entry.ro

The industrial sector in Romania and other emerging markets presents numerous market opportunities for British businesses looking to export, to source or to invest in these markets.

The Romanian industry turnover went up 25.5% in January against the similar period of 2010, driven by the growth recorded by the manufacturing industry. New orders in the industrial sector both from domestic and from clients abroad rose by 41.1% in January against January of last year, confirming the continued upward trend both in terms of turnover and in terms of new orders in the industrial sector.

British exports to Romania are based on chemicals, pharmaceuticals, road vehicles, machinery & electrical equipment, telecoms and textiles.

As for the evolution of commercial exchanges between The UK and Romania, it registered a 50% growth in imports of British goods to Romania, totaling 624 million GBP. Great Britain is on the 9th position in the top of Romania's foreign trade partners in the EU, list headed by Germany, Italy and Hungary.

During his visit to Bucharest in April 2010, Nick Anstee, the Mayor of London financial city declared, "Romania is an important commercial partner for the UK as well as an ally in the European Union; this is proved by the British investment worth over 4 billion euro and the presence of more than 4,000 British companies which imposed themselves on the local market".

In regards to investments, British businesspeople have expressed their interest on key areas like infrastructure - water-supply, environment protection, maritime ports, railway stations - financial services, energy, including renewable, and environment protection.

According to Martin Harris, HM Ambassador to Romania, "British companies are not just investing in Romania to reach the Romanian market. The new business model is to invest in Romania to reach markets across the world. Why? Because Romania's workforce is among the best and most competitive in Europe."

There are a good number of British firms present in Romania, "from mobile phones to software technology, to agriculture, in many different sectors. The one sector I would

highlight is infrastructure and transport: the development of airports, the development of railways.” said HM Ambassador.

He outlined, “I know that Romania is deeply interested in public-private partnerships as a new source of financing for projects in Romania. PPP, as it’s called, were invented in the UK. We have more experience at this than any EU member space and we’re happy to share this experience with Romania so as to implement PPPs here”

Recently, H.E. Martin Harris has paid a visit to the headquarters of the Romanian Broadcasting Corporation. In the interview there he declared “a lot of companies in the UK, many of them smaller companies, are now finding that they need to export, they need to find new markets, because the market has been difficult in the UK, and they come to Romania. And they come to Romania because this is a market that has great potential. Now we’ve seen in the last year the volume of trade increase by 35% between our countries, and now it has reached the highest level that it’s been since Romania has joined the EU. So I think that both sides are beginning to see the benefits of EU membership, it’s now much easier for our two countries to trade and many companies are beginning to take advantage of that. I think in order to come out of this recession, both Romania and the UK need to improve exports, we need to see a strong growth in exports, so I want to promote that to our advantage.”

In Romania, there are thriving automotive and textiles industries, burgeoning retail and financial services sectors, and a wealth of local talent in media and IT. Alison Hayes is just one of more than 4,000 UK firms operating in Romania. UK investment in the country stands at more than €4bn, making the company one of the country's top 10 foreign investors.

British agribusinesses are showing a keen interest, and just as an example, Aberdeen Angus cattle and Texel sheep are already grazing Romania's organically pristine meadows. Another underdeveloped field is tourism.

About FRD Center

FRD Center is a boutique-type market entry consulting firm and an Overseas Advisor of the UKTI, assisting British companies with their international market expansion projects in the emerging markets in Europe: Romania, Bulgaria, Poland, Slovakia, Turkey etc.

Based in Romania, we are a member of the British Business Group by the British Embassy in Bucharest. Since 2000, we offer customised services, local business support and individualised assistance to suit our client's specific requirements.

Although not subsidised, our services are provided on a professional fee basis at competitive prices.

If you are interested to invest or export to Romania or other markets in Eastern Europe, please do not hesitate to contact our team at [europa @ frdcenter.ro](mailto:europa@frdcenter.ro)

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 used:

http://blogs.fco.gov.uk/roller/harris/entry/uk_investment_from_britain_to

<http://www.rrr.ro/arh-art.shtml?lang=1&sec=19&art=101322>

<http://www.telegraph.co.uk/sponsored/motoring/europa/7306099/Business-in-Romania-a-country-thats-fast-off-the-Bloc.html>