

Romania: Market Profile

Major Economic Indicators

	2015	2016	2017**
Population (000)	19,871	19,760	19,631
GDP (US\$ bn)	177.524	187.039	189.790
Real growth (%)	3.9	4.8	4.2
GDP per capita (US\$)	8,934	9,465	9,668
Inflation – CPI index	-0.6%	-1.6%	1.3%
Unemployment rate	6.8%	6.0%	5.4%
Exports (US\$ bn)	60.590	63.520	N.A.
YoY growth (%)	-13.1	4.8	N.A.
Imports (US\$ bn)	69.874	74.539	N.A.
YoY growth (%)	-10.2	6.7	N.A.
Average exchange rate (Leu per US\$)	4.006	4.057	4.161##

Note: ## Jan-Jul 2017, ** forecast

Source: IMF, WTO, National Bank of Romania

- Situated at the junction of the EU, the Balkans and the former Soviet countries, Romania is crossed by three important Pan-European transportation corridors (IV, VII, IX). As a major crossroad for international economic exchange in Europe, the country's leading seaport, Constanta, is the biggest and busiest in the entire Black Sea region, capable of hosting vessels of more than 150,000 tons.
- Romania was the first country in Central and Eastern Europe to establish official relations with the European Community, when a 1974 agreement included it in the Community's Generalised System of Preferences. But it was not until 2007 that Romania became an official member state of the European Union (the EU).
- The country has abundant high quality natural resources including mineral deposits such as oil and gas, as well as highly fertile agricultural land. In recent years, investment has been channelled increasingly to energy, machinery, transport, ICT and agriculture – sectors where investors see future potential. Investment in these areas, as well as in transport, energy and healthcare infrastructure, may help Romania to progress towards its EU 2020 targets, notably in R&D spending and improvements in energy efficiency.
- Romania is one of the strongest markets in Europe for technology trade and investment. It offers a highly skilled technology workforce (Romania ranked top in Europe in terms of the number of IT specialists), competitive costs, top-tier investors and a friendly business environment. As one of the fastest growing and top IT markets in Europe, Romania is a regional pole for international IT companies. It serves the most demanding offshore customers in IT outsourcing, business process outsourcing, call centre support and product development.



- To facilitate foreign investment, the Romanian government has put in place various investment incentives including cash grant, tax exemptions for reinvested profits, additional tax-deductible allowance for eligible R&D activities and VAT postponement and/or exemption. More information can be found at the [Romania Trade and Invest \(CRPCIS\)](#).
- The inflows of foreign direct investment (FDI) to Romania amounted to US\$3.2 billion in 2014, with China contributing US\$42 million. As of the end of 2014, China’s total stock of FDI to Romania topped US\$191 million, up from US\$39 million in 2005.
- Although Hong Kong’s investment in Romania is far from significant, the city started and completed the first round of Double Taxation Agreement (DTA) negotiation with Romania in October 2014 in a bid to accommodate greater synergies.
- The inflows of foreign direct investment (FDI) to Romania amounted to US\$3.8 billion in 2015, with China contributing US\$63 million. As of the end of 2015, China’s total stock of FDI to Romania topped US\$364 million, up from US\$66 million in 2006.
- Although Hong Kong’s investment in Romania is far from significant, the city signed a [Comprehensive Double Taxation Agreement \(CDTA\)](#) with Romania in November 2016, which entered into force in November 2016, in a bid to accommodate greater synergies.

Hong Kong’s Trade with Romania

(US\$ million)	2015		2016		Jan-Jun 2017	
	Value	% Growth	Value	% Growth	Value	% Growth
Total Exports	316.874	-5.7	438.421	+38.4	193.847	+3.6
Domestic exports	0.516	-56.4	0.680	+31.8	0.223	-45.1
Re-exports	316.359	-5.6	437.741	+38.4	193.624	+3.7
Imports	39.100	-13.0	38.609	-1.3	19.713	+4.2
Total Trade	355.975	-6.6	477.030	+34.0	213.561	+3.6

Source: Hong Kong Trade Statistics, Census & Statistics Department

More Information

More information on the Belt and Road countries’ economic and investment environment, tax and other subjects that are important in considering investment and doing business are available in [The Belt and Road Initiative: Country Business Guides](#).

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