

ROMANIA

\$189.64B GDP (2013)
2.6% Annual Growth Rate GDP

Romania is an attractive investment opportunity for production and export, with traditional staples such as agriculture, ship building, and machinery and industrial production pushing the economy forward. In addition, Healthcare and Business Process Outsourcing are two areas that are of particular interest for foreign investment currently.

Agricultural machinery could be a timely investment for because of the modernization and steady growth. Romania has taken 100% support from the National Support program to modernize their agricultural production and imports for agricultural spray machinery increased 20% to €28B.

Shipbuilding and port logistics are important for Romania's economy because of the access to the Black Sea and the Danube River. In addition to shipbuilding, Romania has 3 Maritime ports and 20 river ports on the Danube. The Constanta Port is the most important in Romania and saw a 30% increase in grain traded in 2014, making it the largest port in Europe for cereal trading.

Health Services is an appealing sector to enter into because Romania is currently restructuring their healthcare system. The public healthcare sector is shrinking, while the amount of private doctors has nearly doubled in five years. There has been a reduction in public hospitals, while the amount of private hospitals has grown by 67%. The Romanian healthcare industry makes up 4.4% of the GDP at €6.2B; a 4% increase from the previous year. It is a quickly developing market and has several investment opportunities. Private Health Insurance will increase and this area provides a particularly strong investment opportunity. In addition, 90% of all medical devices are imported into Romania. The privatization of Romania's health care system combined with the need for medical devices could be attractive for a firm looking to expand into global markets.

Business Process Outsourcing represents untapped potential for foreign companies. Romania ranks 2nd in Europe and 9th in the world as the preferred destination for business services. Despite the attractiveness of Romania, only 30% of the top 100 outsourcing companies have a presence in Central and Eastern Europe. There is a room for growth in this market, which totaled €1.5B last year with 10% annual growth.

Romania remains to be an appealing international investment for industrial manufacturing because of continuous growth, an affordable labor market, and available resources. Industrial manufacturing has been the main driver of the Romanian economy and the industrial sector makes up nearly a third of the GDP of Romania. Industrial production in 2014 increased by 7.4% in the first 3 quarters compared to 2013. One area of industrial production that is seeing significant growth is Rolling Stock Manufacturing. Astra Vagoane Calatori repairs rolling stock and increased their turnover in 2013 by 230%. This appears to be a sector that is has potential to grow with many firms seeing significant increases in turnover from the previous year.

The auto industry is thriving in Romania and foreign companies are looking to make investments in the current growth. Sales of new automobiles in Romania has increased over 30% in the first seven months of 2014. Pirelli will invest \$105M for an increase in tire production by 3 million over the next 5 years at the plant in Slatina and Preh Romania recorded a 52% increase in turnover for H1 2014 (€60.6M).