



ROMANIA: Sustainable Development – From Idea to Strategy

Romania - Country overview



Area:
238,391 km²

GDP Growth Q1 2017 **5.6%**
Best performance in EU



2004 - NATO membership



Capital:
Bucharest

FDI stock **70bn**



2007 - EU membership



Currency: RON

EUR/ RON: 4.5



2019 - EU Presidency



Population:
apox: 20 mill



Strategic US-Romanian
partnership

Bucharest
Metropolitan Area: 3mill

Bridge between East and West
for 500 mill consumers market

S & P

**BBB-
Stable**

Moody's

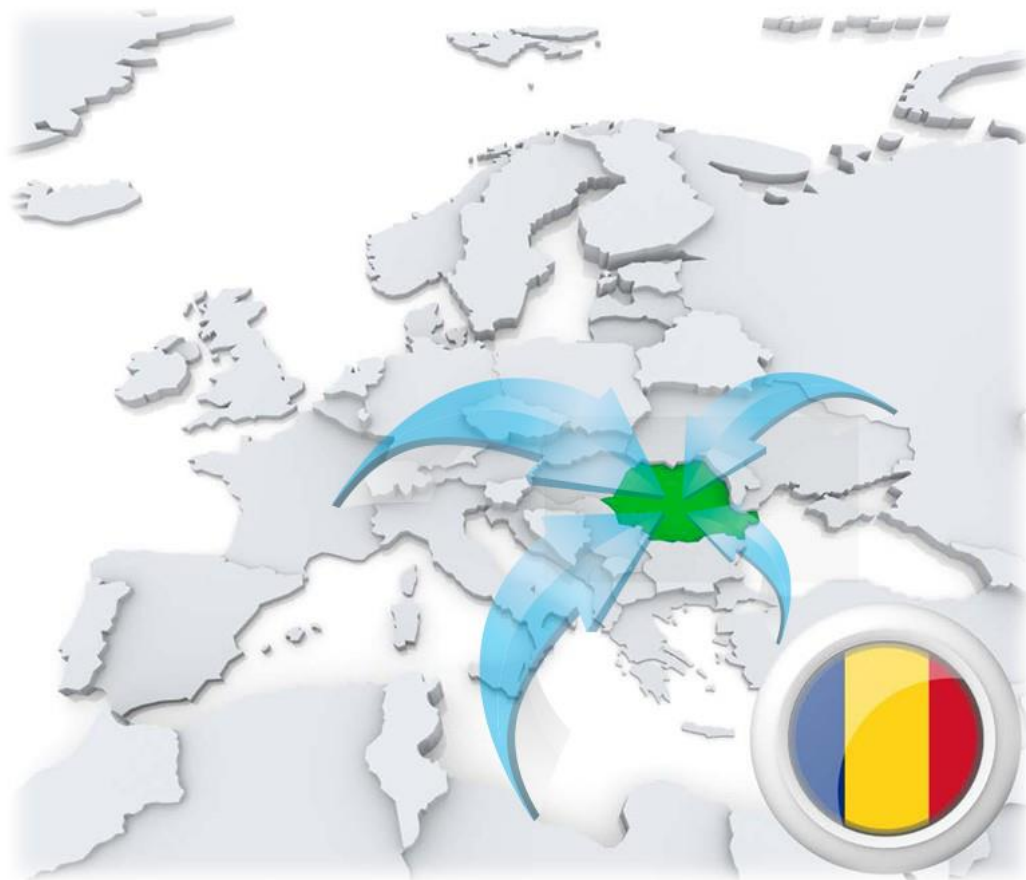
**Baa3-
Stable**

Fitch

**BBB-
Stable**

Source: *NSI 2016; Eurostat

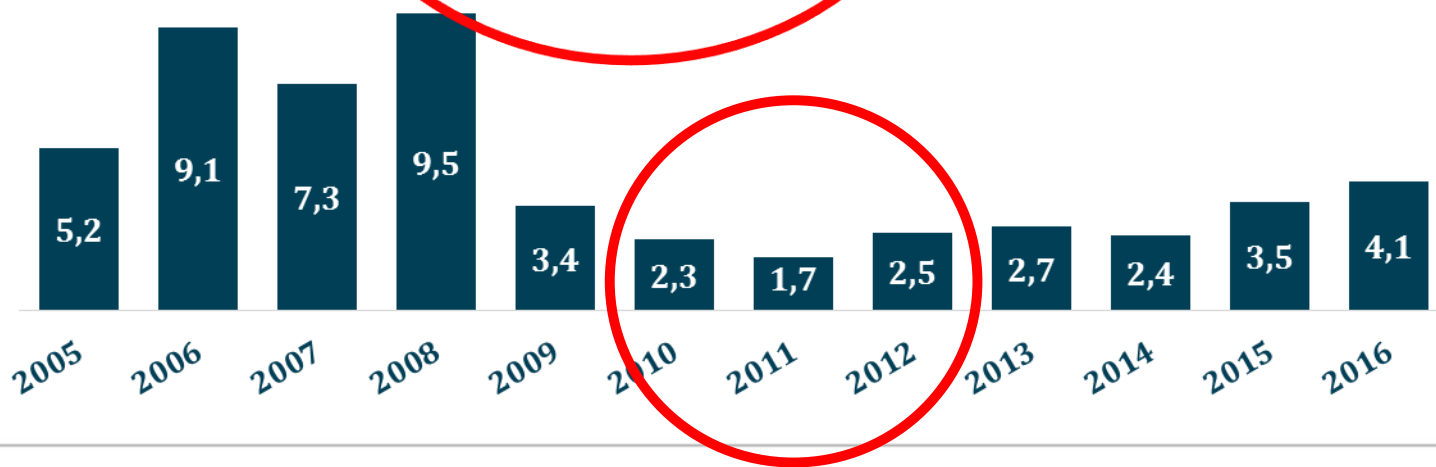
At a glance



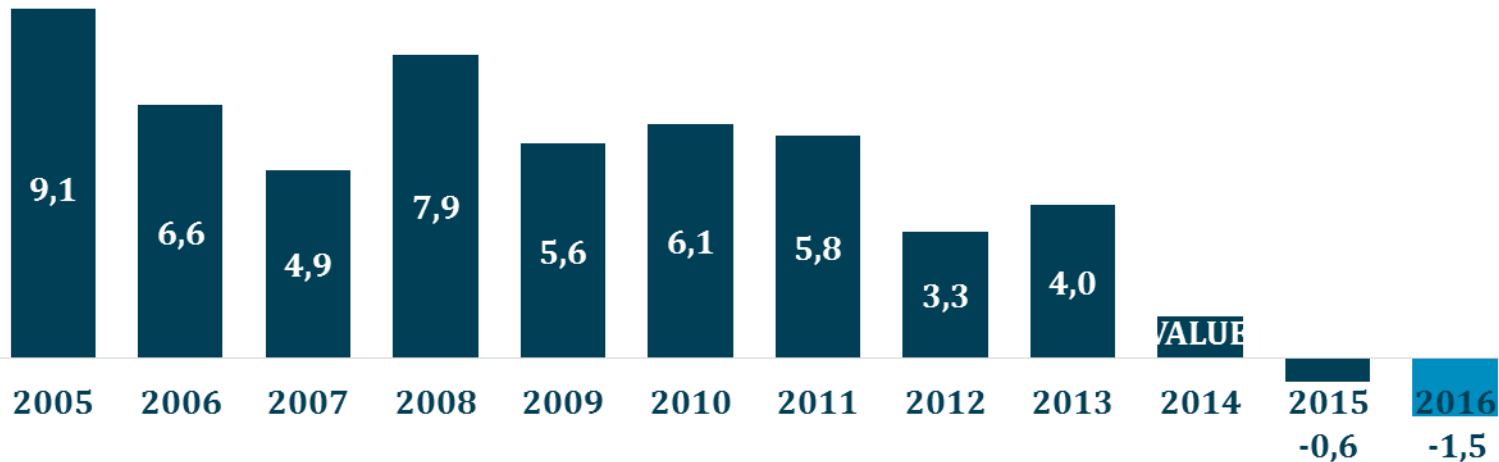
- 2nd largest country in CEE and the largest in SEE in terms of size (the 9th in EU28) and population (the 7th in EU28)
- At the crossroads of 3 great markets: the European Union, the CIS (Commonwealth of Independent States) and the Middle East
- 1st in EU for average peak connection speeds and 6th for 4 Mbps broadband adoption in Q3 2016*

Source: *Akamai 2016 Q3 2016 State of the internet

Potential for Growth



Inflation



Inflation rate
[%]

Target 2017: 2.5

(Source: National Bank of Romania)

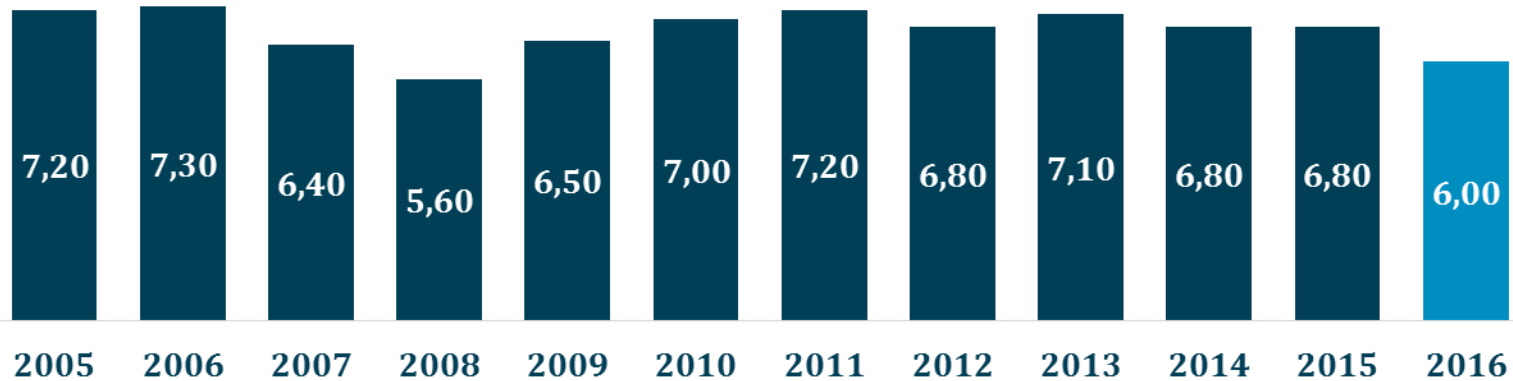
Deflation due to:

- reducing the standard VAT rate from 24% to 20%;
- the disinflationary influence exerted by the external environment;
- the dynamics of commodity prices on international markets (eg: oil, agri-food products);
- price reduction of tobacco products and the impact of the reduction in RCA policy charges.

Inflation started to be on a positive trend at the beginning of 2017 due to the persistence of the internal inflationary pressures associated with the increase of aggregate demand and the rise in wage costs.

Source: National Institute of Statistics

Unemployment



**Unemployment
rate [%]**

Forecast *2017: 5.9

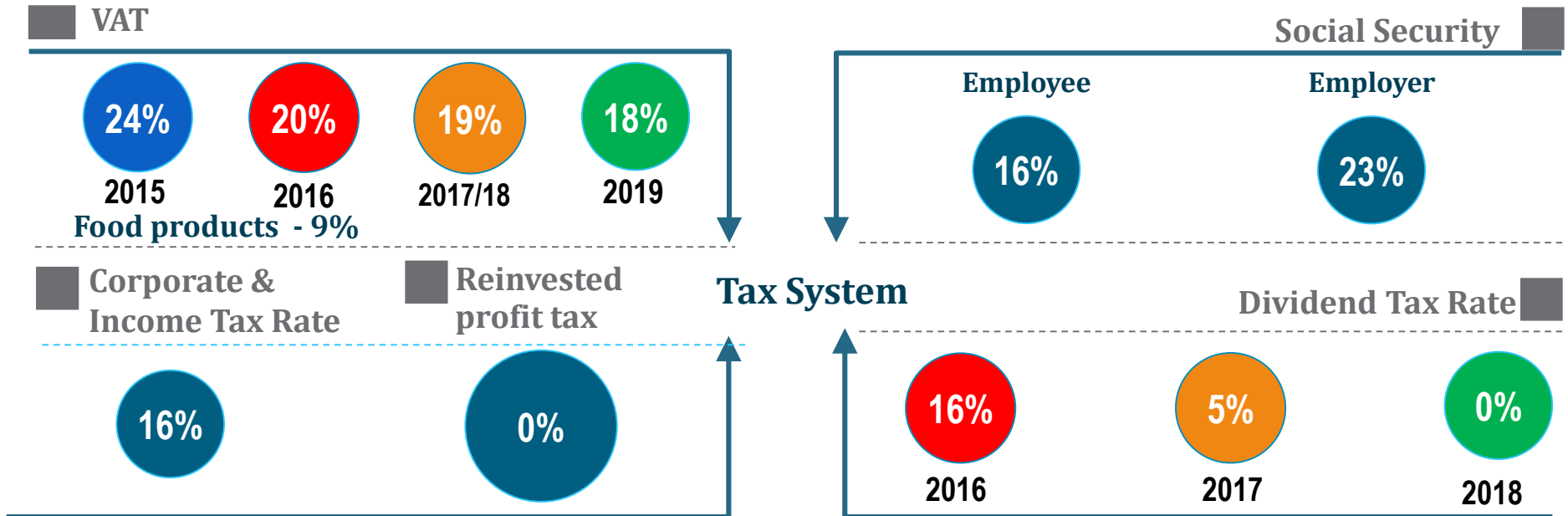
*(Source: National Commission for
Prognosis)*

The unemployment rate continues its downwards trend, reaching its lowest in the last 12 years with 5.3% in April 2017.

Source: National Institute of Statistics

WHY TO INVEST IN ROMANIA

Overview of the Romanian tax system



IT&C - 0 % income tax for employees

- BA -14 technical specializations available
- Employee is hired on a software engineer/ programmer/ software analyst position
- Annual revenue per exempted employee must be over USD 10 000

R&D - 0 % corporate tax for R&D companies

0 % income tax for employees

Deduction of R&D eligible expenses:

- depreciation of R&D equipment, salaries for R&D personnel; 50% of these expenses can be deducted from the taxable income

WHY TO INVEST IN ROMANIA

Value for Money

	BUCHAREST	BERLIN	LONDON
Consumer Prices	\$100	\$170	\$214
Rent Prices	\$100	\$184	\$296
Restaurant Prices	\$100	\$171	\$250
Groceries Prices	\$100	\$170	\$294
Standard of living equivalency net salary	\$1,975	\$3,622	\$5,809

Sources: Numbeo, May, 2017

WHY TO INVEST IN ROMANIA

Romania

Largest Market in the SEE

Gas prices ranking

1

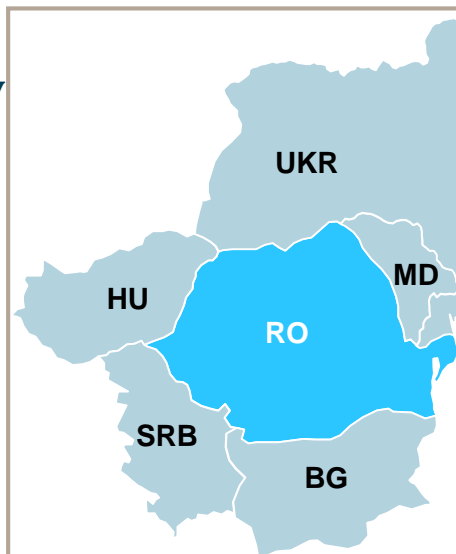
Lowest gas prices

5th lowest electricity price in Europe

Maximum broadband speed

1

First in EU for average peak connection speeds



Labor costs ranking

2

One of the most competitive labor force in the EU

World Bank ease of doing business

36

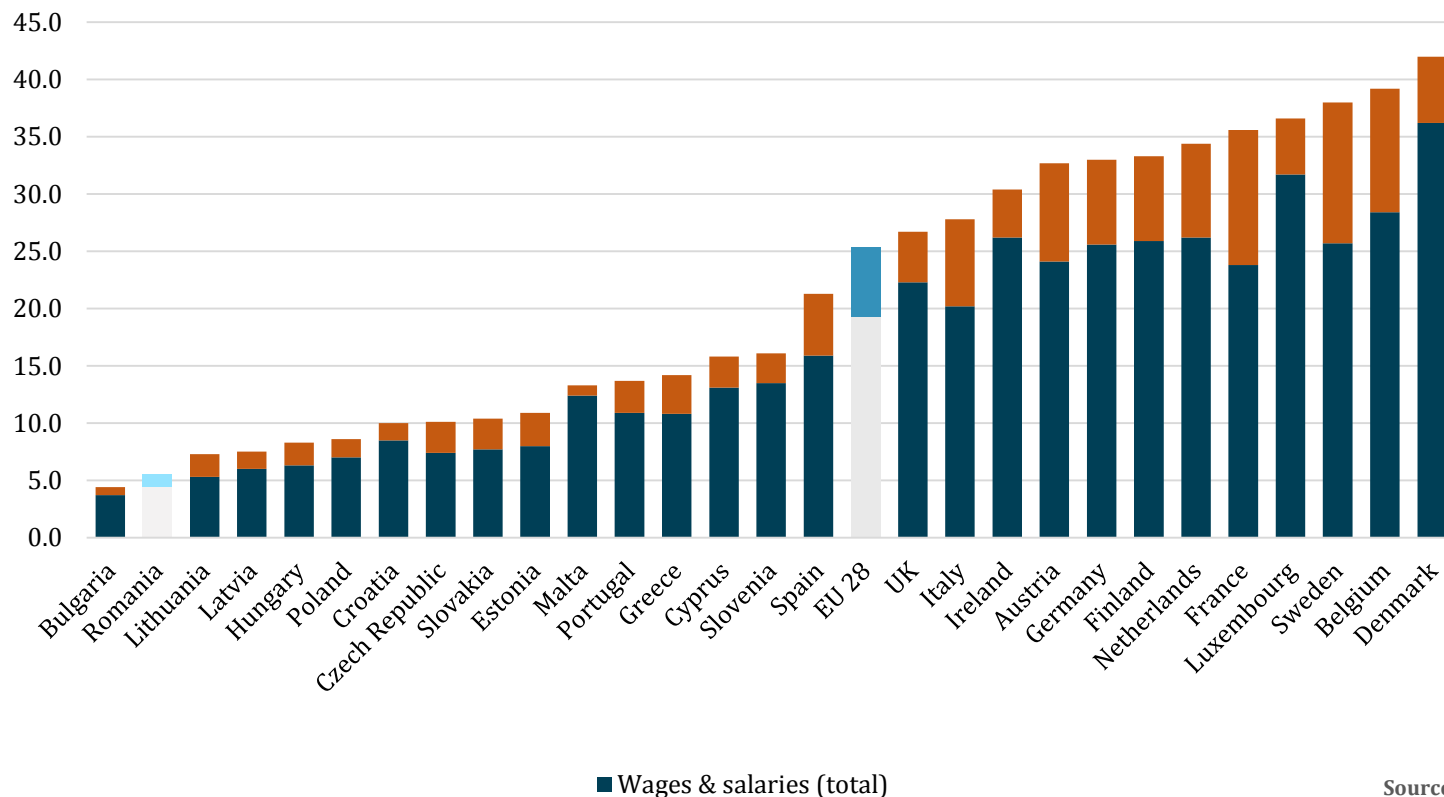
Ahead of Bulgaria, Croatia, Hungary, Italy, Turkey, Serbia or Greece

Source: World Banks, Doing Business Report 2016; Akamai Q32016

WHY TO INVEST IN ROMANIA

Hourly labour costs in EU

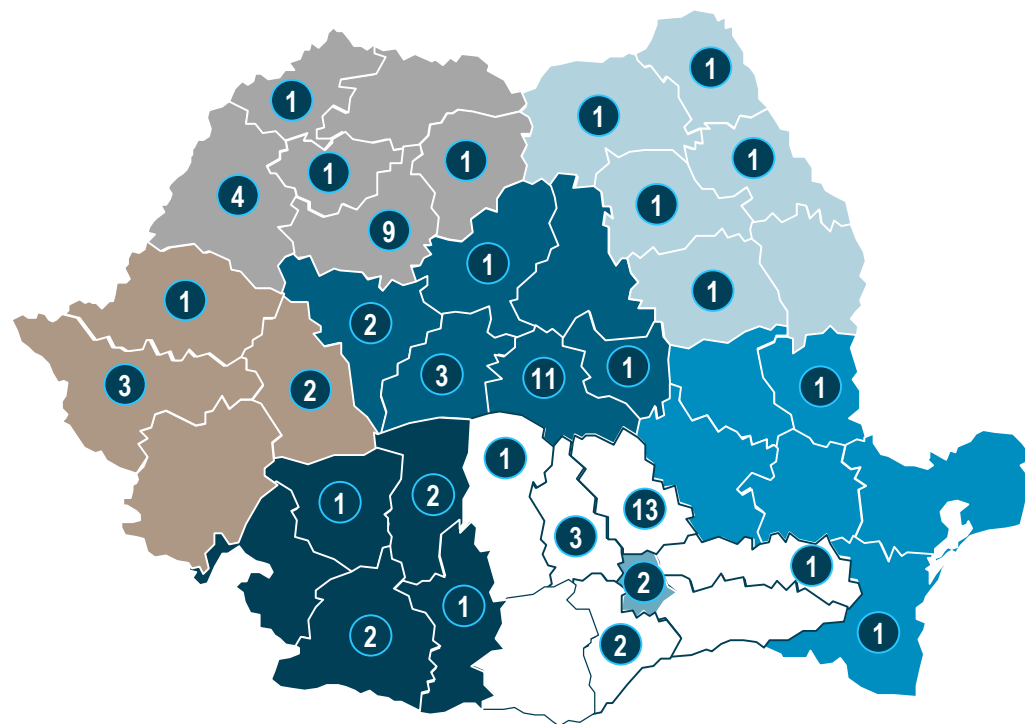
Hourly labour costs for the whole economy in EUR, 2016
(enterprises with 10 or more employees)



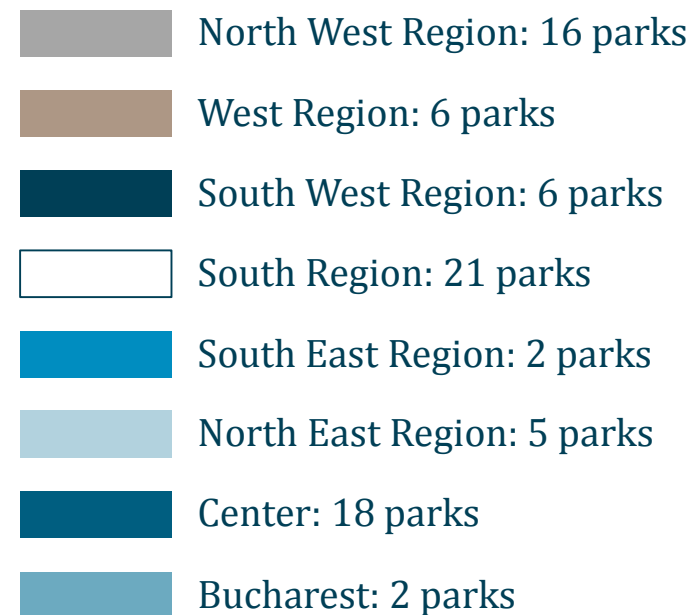
Source: Eurostat

WHY TO INVEST IN ROMANIA

Industrial Parks



Status at regional level (April 3, 2017)



- 76 industrial parks spread across Romania - both private and public ownership
- Access to utilities & benefits packages according to their focus
- Exemption from land, building and urban planning taxes

WHY TO INVEST IN ROMANIA

Skilled labor force

Languages studied by Romanian students [2014]

97%

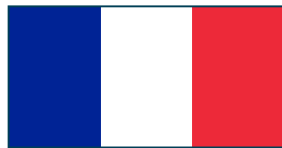
- 97% of Romanian high school students study 2 or more foreign languages
- The predominant languages are English, French, German and Spanish, yet initiatives for teaching Japanese, Nordic languages or the entire Latin language family (Spanish, Italian, French) exist

University students in Romania are proficient in [% of total]:

90%



26%



17%



8%



5%

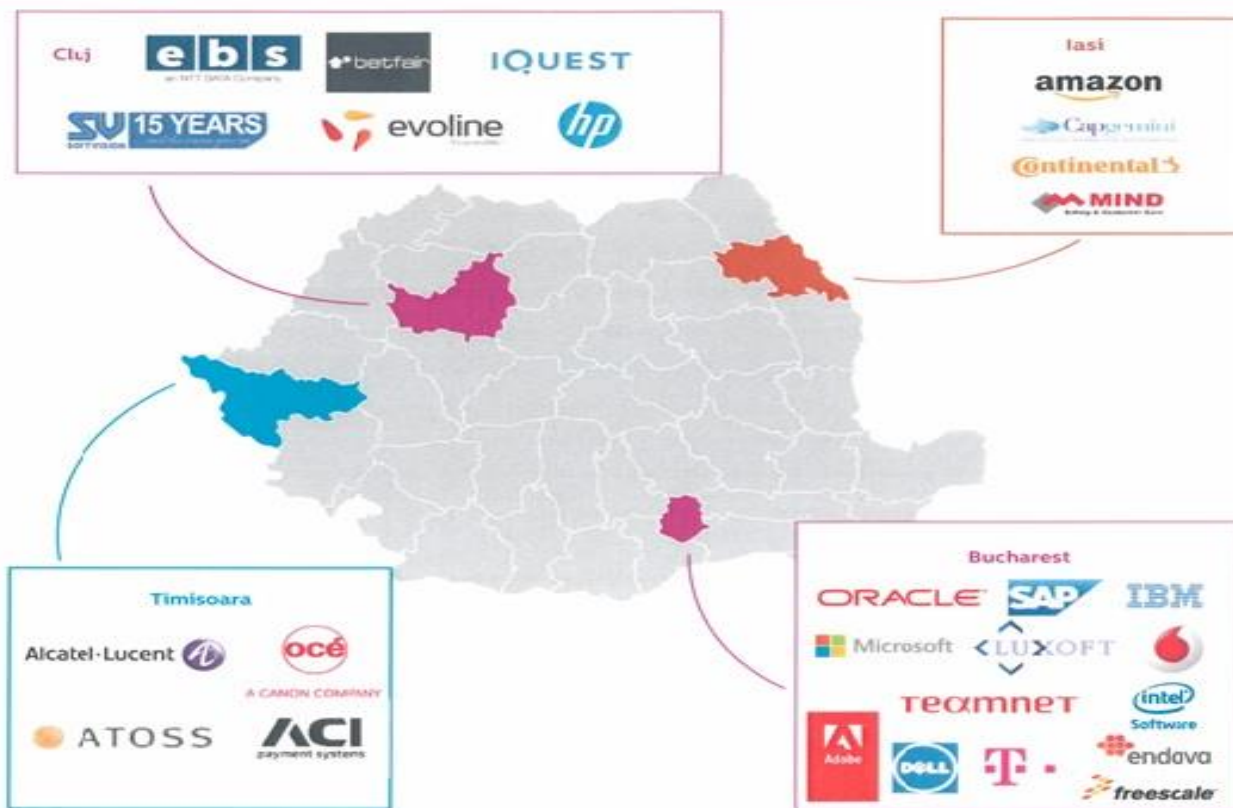


Source: ABSL, NIS, Eurostat

WHY TO INVEST IN ROMANIA

Skilled labor force

IT Employers actively looking for talent



Source:Brainspotting

Conclusion: Romania – Top Investment Destination

Romania international rankings:

- **36th out of 190 economies in the top "Ease of doing business", "Doing Business 2017" - World Bank Report**
- **14th according to the World Investment Report 2017 (+2 positions in the EU28 ranking compared to the previous year)**
- **4th in "Top 20 destination countries by FDI job creation" (+38% new jobs created 2016 vs. 2015 - Ernst&Young, European Investment Monitor - EIM 2017)**