

Romania

Business Guide

Compiled by:

Ernst & Young Romania

Bucharest, February 2018

ARRIVAL AND DEPARTURE

Bucharest is the capital city of Romania. Other big, important cities within Romania with business potential are: Timisoara, Cluj-Napoca, Sibiu, Brasov, Iasi, Targu-Mures and Constanta.

By plain:

'Henri Coanda' International Airport, located in Otopeni (near Bucharest), represents the main air transport hub of Romania. The distance from the airport to Bucharest downtown / North Railway Station (Gara de Nord – main railway station) is of approximately 20 km (around 30 minutes by car / bus – depending on the rush hour). Several taxi cars can be found in front of the airport (departures / arrivals halls) or it can be ordered from the vending machines available within the airport's hall. Uber service is available in Bucharest. There is also public transport available - bus no. 780 to Gara de Nord or bus no. 783 to downtown area. Within the airport, there are main car rental offices such as: Avis, Budget, Europcar, Hertz, Sixt etc. For more details, please check the 'Henri Coanda' Airport website (<http://www.bucharestairports.ro/>).

Bucharest has a metro (subway) network of approximately 70 km with 53 stations.

Other international airports: Timisoara, Cluj, Sibiu, Targu-Mures, Iasi, Bacau, Constanta. Easy access to downtown areas is provided by taxi cars.

By train:

EuroCity (**EC**), EuroNight (**EN**), InterCity (**IC**) and InterRegio (**IR**) trains link Bucharest to main cities of Romania. Bucharest is also well linked to Budapest and it has reasonable links with Belgrade, Sofia, Chisinau (Kishinev) and Kyiv (Kiev).

The train tickets can be bought online from the railway agencies (CFR Agencies) or within the stations (at the ticket offices). International tickets are available online or at the Wasteels desks – available in all major train stations within Romania.

By car:

The main cities of Romania are domestically and internationally linked by one or more of the E-roads, which are part of Europe's International E-road network. The E-roads going across Romania are:

- Class A: [E58](#); [E60](#); [E68](#); [E70](#); [E79](#); [E81](#); [E85](#); [E87](#)
- Class B: [E574](#); [E576](#); [E577](#); [E578](#); [E581](#); [E583](#); [E584](#); [E671](#); [E673](#); [E675](#); [E771](#)

Therefore, the speed limits are:

- 50 km/h (31mph) in built areas,
- 90 km/h (56 mph) on main roads, and
- 100km/h - 130 km/h (70mph) on National European roads / highways

Important information:

- Driving is on the right side of the road
- The seatbelt is compulsory
- Minimum driving age is 18
- Children under the age of 12 years old must ride on the back seat
- Driving under the influence of alcohol is a criminal offense and penalties are severe
- Public bus transport is available in most areas of the country

LANGUAGES USED FOR BUSINESS

The official language is Romanian. However, English is used for international business, followed by French, German, Italian and Hungarian.

PUBLIC HOLIDAYS

Name	Local Name	Date/Period
New Year	Anul Nou	January 1 - 2
Unification Day	Ziua Unirii Principatelor Romane	January 24
Easter	Pastele	April / May*
Pentecost / With Monday	Rusaliile	May / June**
Labour Day	Ziua Muncii	May 1
International Children's Day	Ziua Copilului	June 1
Assumption	Adormirea Maicii Domnului	August 15
St. Andrew's Day	Ziua Sf. Andrei	November 30
Romanian National Holiday	Ziua Nationala a Romaniei	December 1
Christmas	Craciunul	December 25 and 26

* The official holiday is the Christian Orthodox Easter, which is three days long: Sunday, Monday and Tuesday. The Easter Monday is non-working, Tuesday is not a public Holiday.

** Both 50th and 51st days after the Orthodox Easter.

HEALTH AND INOCULATIONS

No epidemics have been reported lately. However, there are some recommended routine vaccines such as: MMR (measles – mumps – rubella), DTP (diphtheria – tetanus – pertussis), varicella (chickenpox), polio vaccine, and yearly flu shot. Additionally, CDC (Centers for Disease Control and Prevention) is also recommending the travel vaccines against hepatitis A and B.

TIME ZONES

Romania is in the Eastern European Time zone. Eastern European Standard time (EET) is 2 hours ahead of Greenwich Mean Time (GMT+2). As the majority of Europe countries, Summer (Daylight Saving) Time is observed in Romania, where the time is shifted forward by 1 hour (3 hours ahead of GMT). After the summer months the time is shifted back by 1 hour to Eastern European Time (GMT+2).

TIME DIFFERENCE BETWEEN SWITZERLAND ROMANIA

Romanian time (GMT + 2) is one hour ahead of Switzerland (which is GMT + 1).

ELECTRICITY SUPPLY

In Romania, the standard voltage is 230 V and the standard frequency is 50 Hz.

The industrial voltage is 380 V. CEE-7 standard - sockets and plugs.

A plug adaptor is required for non-European appliances. Simple adapters do NOT CONVERT voltage and frequency. Therefore, if the standard voltage in your country is around 110 V, it is indicated to use a voltage converter in Romania.

METHODS OF PAYMENT

The Romanian currency is **Leu (plural Lei, pronounced *lay*)**. International abbreviation: **RON**.

Subdivision: **Ban (plural Bani, pron. *bahnee*)**. 1 leu = 100 bani

Banknote denomination: 1, 5, 10, 50, 100, 200, 500 lei

Coins: 1, 5, 10, 50 bani

Foreign currencies may be exchanged at banks and authorized exchange offices. International airports and main hotels also offer currency exchange services. The exchange rates for some international currencies (as of 26 February 2018) are:

1 EUR = 4.6613 RON

1 CHF = 4.0426 RON

1 GBP = 5.3045 RON

1 USD = 3.7733 RON

The majority Romanian banks offer all standard instruments and services for domestic and international payments. Electronic banking services are also available.

Both cash and card payment (VISA, MasterCard and American Express) is prevalent in hotels and restaurants, car rental companies, stores and supermarkets in main cities. However, credit cards are not useful in small towns and villages away from the touristic areas. ATM machines, called Bancomat, are available at the main banks, international airports, major hotels, and shopping centers. There are very few, if any, ATMs in villages and remote areas. Individuals can make international cash transfer by using specialized companies, such as Western Union or Money Gram.

TRANSPORTATION

Romania is linked by rail and road with all its neighbouring countries.

Pan-European Transport corridors

The Pan-European transport conferences in 1994 and 1997 have defined ten corridors as routes in Central and Eastern Europe (CEE) that required major investment until 2020 and beyond. These development corridors variously encompass road (motorway), rail and waterway routes. Corridors IV, VII and IX are crossing Romania.

The Corridor IV (3.260 km) follows the route: Dresden/Nürnberg – Prague – Vienna – Bratislava – Győr – Budapest – Arad – Timisoara – Deva – Sibiu – Pitesti – Bucharest – Constanta/Craiova – Sofia –/ Pernik - Tessaloniki or Plovdiv – Istanbul. This Corridor is the shortest land connection between Greece and Central Europe, entirely on EU territory. The new Calafat – Vidin bridge over the Danube is an important part of the route, being one of the two bridges connecting Romania to Bulgaria. The second (older) bridge is Giurgiu – Rousse, located 60 km South of Bucharest.

The Corridor VII (2.300 km) is the Danube, which represents the main waterway transport corridor linking Western and Eastern Europe through the Rhine, the Main and the Rhine – Main – Danube channels. It connects the North Sea to the Black Sea crossing 10 countries: Germany, Austria, Slovakia, Hungary, Croatia, Serbia, Romania (1.075 km), Bulgaria, Moldova and Ukraine. Transshipment facilities, necessary for developing combined (multi-modal) transport with other modes of transport are considered as part of the Corridor. The activities of the Pan-European Corridor VII also take into consideration other neighboring inland waterway and port infrastructure insofar they have influence on the Corridor.



The Corridor IX with its three branches (approx. 6.500 km in total) is linking Finland, Russia, Belarus, Lithuania, Ukraine, Moldova, Romania, Bulgaria and Greece. The main corridor is 3.400 km long, and follows the route: Helsinki – St. Petersburg – Moscow – Chisinau – Iasi – Bacau – Bucharest – Dimitrovgrad – Alexandroupolis. Major sub-alignment: St. Petersburg – Moscow – Kiev.

BY AIR

All important air carriers, including Star Alliance, One World and Sky Team global alliances have daily, direct flights to Bucharest and other Romanian international airports. Some low cost operators are also active on the market.

The main International Airport (“Henri Coanda”) is located near Bucharest and it operates at international standards for passenger (over 9.2 million in 2015) and multimodal cargo transport. The second airport of Bucharest is “Aurel Vlaicu”, and is reconverted in an airport for business and private flights.

Other international airports with significant passenger and cargo traffic are in Timisoara, Iasi, Arad, Bacau, Cluj-Napoca, Constanta, and Sibiu.

BY SEA

Romania's Southeast 245 km of Black Sea coastline provides an important outlet to the Mediterranean Sea and the Atlantic Ocean. The Red Sea, Eastern Mediterranean Sea, Sea of Marmara and the Black Sea, linked by the Black Sea – Danube Canal, Danube – Rhine – Main Canal and Rhine itself, make the shortest water transport way from the Far East and the Indian Ocean / Australia to the North Sea and the North Atlantic. This way is approximately 4,000 km shorter than any other water transportation route between these regions.

Constanta, is the largest Romanian port at the Black Sea, and it offers good facilities and logistic infrastructure for freight storage and transportation, as well as for crude oil, liquefied gas and petroleum products. Constanta is also becoming a destination for tourism cruise ships.

Ferry line infrastructure connecting Constanta with Istanbul (Turkey) and Poti (Georgia) is technically functional.

BY RIVER

The most important Romanian transportation is represented by Danube River. Through the Danube – Black Sea Canal, Constanta is connected to the Pan-European Corridor VII, which is making the connection with the certain ports from Belgrade, Budapest, Bratislava and Vienna.

Other important Romanian ports are: Sulina, Tulcea, Galati, Calarasi, Oltenita, Giurgiu, Calafat, Drobeta-Turnu Severin.

BY ROAD

The roads of Romania have a total length of over 85,000 km - approximately 700 km of highways in use and other 200 km under different stages of construction. However, Romanian road infrastructure is not that good, as some of the main roads are in delicate condition. A new road construction plan to be finalized in 2023 is now proposed by the government. This will include highways and speedways in addition to those described above.

BY RAIL

Romanian railway network consists of approximately 22,000 km (around 13,000 miles) of light rail – 8,500 km (around 5,300 miles) or (38%) are electrified. The track gauge is 1,435 mm, which it is the standard in most European countries. The network is significantly interconnected with other European railway networks, providing pan-European passenger and freight services.

Căile Ferate Române (CFR) is the state railway carrier for passenger and freights of Romania. Although passenger railway services are not a state monopoly, CFR remains the only passenger carrier operating at a national level.

The speed limit of trains is of 120 km/h. However, according to CFR, there are the following average operating speeds:

- 34 km/h for Regio trains
- 67/85 km/h for Inter-Regio trains
- 87 km/h for InterCity trains

HOTELS

The main international hotel chains are now present within Romania.

In Bucharest: Athenee Palace Hilton, Howard Johnson, InterContinental, JW Marriott, Novotel, Pullmann, Radisson Blu, NH Bucharest, Ramada, Ibis, Golden Tulip are some of the best known international hotels.

Main Romanian hotel chains:

- ANA Hotels (located in: Bucharest, Brasov and on the Black Sea coast - Mamaia and Eforie Nord), and
- Continental Hotels (located in: Bucharest, Arad, Oradea, Sibiu, Targu-Mures and Suceava)

Other good quality hotels, boutique hotels and apart-hotels are located in Bucharest and not only:

- **Timisoara:** NH Timisoara, Timisoara Hotel, Savoy Hotel, Continental Hotel, Boavista Hotel
- **Cluj-Napoca:** Grand Hotel Italia, Opal Hotel, Beyfin Hotel, Ramada Hotel, Doubletree by Hilton
- **Sibiu:** Hilton Hotel, Ramada Hotel, Continental Forum, Golden Tulip Hotel, Imparatul Romanilor
- **Brasov:** ARO Palace, Apollonia, Ambient Hotel, Kronwell Hotel, Belfort Hotel, Ramada Hotel
- **Iasi:** International Hotel, Traian Grand Hotel, Unirea Hotel, Ramada Hotel
- **Constanta:** Splendid Hotel, Golden Rose Hotel, Ramada Hotel, Ibis Hotel

COMMUNICATION

In Romania, the communication infrastructure and services are at the best international standards. The international direct dial service is available throughout the country.

Emergency number: 112 (without any prefix).

Useful information:

- **Dialling within Romania** (Bucharest not included): dial 0 followed by three digit area code and the six digit local telephone number.
- **For Bucharest:** dial 0 followed by 21 or 31 and the seven digit local telephone number.
- **International dial from Romania:** 00 (or +) followed by country code, area code and telephone number.
- **International dial to Romania:** International Access Code: +40 / 00 40 (country code), followed by the area code and the telephone number.

Data transmission can be performed at highest standards. Access to internet / Wi-Fi spots are commonly available in institutions, hotels and many other public and private places throughout the country.

CELL PHONES

GSM technology is available throughout the country, coverage being very good for both voice and data transmission.

The major international operators active in Romania are Orange, Vodafone, RCS-RDS (DIGI) and Deutsche Telekom through its local Telekom subsidiary.

BUSINESS HOURS

Public institutions, banks and companies are usually open for business Monday to Friday between the opening hours: 08:00 – 16:00.

Supermarkets, malls, cash-and-carry and other stores are usually open between 09:00 - 22:00 (with small exceptions).

ADDRESS AND OPENING HOURS OF THE EMBASSY OF ROMANIA IN SWITZERLAND

Embassy of Romania in the Swiss Confederation

Kirchenfeldstrasse 78, CH – 3005 Bern

Economic and Consular Sections

Brunnadernstrasse 20, CH – 3006 Bern

Opening hours: 09:00 – 17:00

ADDRESS OF THE SWISS EMBASSY AND CONSULATE IN ROMANIA

Embassy of the Swiss Confederation in Romania

16 – 20, Grigore Alexandrescu Street

District 1, 010626

Bucharest, Romania

Opening hours: Monday – Friday 09:00 – 12:00

TIPS FOR INITIATING BUSINESS CONTACTS

Exploring business and investment opportunities in Romania and any foreign country in general represents a well-defined process of the expansion / development strategy. The data and information available from public / easily accessible sources may be inaccurate. Therefore, in order to get a realistic image of the new market, the first process should be represented by the identification of the reliable sources of information and useful contacts.

Romania is still a country in transition and is changing rapidly compared to western countries, after profound transformations and developments. Institutional structures, procedures and behaviour are still subject to change and evolutions that may surprise westerners.

Business people who need to interact with new clients, teams, decision makers or politicians must have a certain degree of direct knowledge and understanding of the local business environment and culture. That is a reason why it is highly recommended to visit Romania prior to taking further steps toward doing any kind of commercial or financial commitment in this country. Finding adequate locations and reliable partners is not easy, and the key to success consists in making use of the best possible resources of local knowledge and experience.

The easiest way to initiate local contacts is through the Chamber of Commerce Switzerland – Romania (CCE-R), which is working in close connection with the Commercial Section of the Swiss Embassy in Bucharest. CCE-R is able to provide an array of professional services either directly or in cooperation with consulting companies, legal offices or other entities. CCE-R also has adequate capabilities and networking resources to organize fact finding trips designed in accordance with foreign investors' needs and requirements.

The "Big 4" and other international business, legal and financial advisory firms are active in Romania. When needed, HR, PR and real estate companies with international and local experience may help with the implementation of business expansion and/or investment strategies.

BUSINESS PRACTICES

Romania is a relationship oriented culture, in which negotiation and decision making depend much on the relations of the people to each other. Hence, trust is built through direct communication. In general, the code of conduct is similar to that in the other European countries and the USA. Many Romanian business people have good command of English and/or other international language(s). However, it is advisable to arrive at important meetings with an interpreter whom you have hired beforehand. Normal business hours are 09:00–18:00 (with small exceptions).

Strong hierarchical system exists, wherein businesses follow a top-down model of delegation. Decisions are rarely questioned or challenged by those of lower rank, and are only made by the most senior members of the Romanian party.

Summertime (particularly the months of July and August) does not represent a good period for business, as the majority of the companies wind down their operations. The Orthodox Easter and Christmas periods are also difficult as companies and shops close for an indefinite period.

Corruption in Romania is still much debated, but it is to be noticed that during the last couple of years the “big” corruption diminished significantly under the pressure of effective actions taken by justice. However, petty corruption is frequently encountered and remains an issue, particularly for small and medium enterprises.

Another issue is country’s heavy bureaucracy, combined with frequent changes in legislation and regulatory framework. This makes conducting business in Romania a time consuming process, which requires perseverance.

SPECIAL FEATURES OF THE MARKET

With approximately 19 million population Romania is the second largest market (after Poland) among the Central and Eastern European countries (CEEC). However, the purchasing power of the population is low, the average net salary being equivalent to approximately EUR 550/month.

Romania’s economy is predominantly based on services:

- Agriculture accounts for 4% of the GDP
- Industry (manufacturing included) accounts for 24% of the GDP and
- Services account for 55% of the GDP

Modern retail trade, including e-commerce with practically all categories of consumer goods and services is considerably increasing.

SOURCE: EY Romania external sources (BMI, EMIS), National Institute of Statistics; National Bank of Romania; Ministry of Economy; World Bank, “Doing Business in Romania” – EY Romania market brochure, websites of Embassies, National Commission for Prognosis, other financial newspapers and magazines.

Date 22nd February 2018

Author Chamber of Commerce Switzerland - Romania in cooperation with EY

Author's address 21, Parliament Str., Ert. r. 2 (c/o Swiss House), RO - 023971 Bucharest