



# Outsourcing in CEE. Country Overview: Romania

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## Romania: Country overview





## Romania: Country overview

- Romania is member of EU since 2007 and NATO member since 2004
- 7<sup>th</sup> EU country in terms of population (21.7 million, as of 2002)
- Strategic geo-political positioning, EU-27 Eastern border
- GDP in 2008 – 504 Billion RON (136 billion EUR)
- GDP in 2009 – decrease by 7.3% (estimate)
- Corporate tax: 16% flat, VAT level: 19%
- Main cities: Bucharest, Iasi, Cluj Napoca, Timisoara, Constanta, Craiova, Galati, Brasov, Ploiesti, Braila



## Industry Overview

- **There are +11.000 active companies, triple the figure from 2000 (source: ANIS)**
- **Software and services sector is the most dynamic entrepreneurial initiative in Romania**
- **Since 2005, there have been more than 15 major mergers & acquisitions and investment fund takeovers, indicating a trend towards consolidation**
- **Predictions at the beginning of 2008 indicated a minimum annual growth rate of 15%, over the next 5 to 10 years (ANIS estimates)**



## Industry specifics -2002-2007

- Annual growth rate for the sector +20%
- Balanced development of both local market and exports, mutually supporting creation of abilities and expertise in new technologies
- Local market major buyer sectors: public sector, utilities, telecom, financial sector, education
- 2007 (software & services) ~700 M Eur (ANIS estimates)

**Exports are dominated by services (+90%) – in 2007 ~450 M Eur (ANIS estimates)**



## Industry specifics 2008 - 2009

- **Global economic downturn generated non-typical evolution of markets, niches and companies**
- **On local market, public sector projects slowed down financing or even stopped**
- **Outsourcing projects maintained or even grew steadily, for both applications and services, mostly for export**
- **Industry turnover in 2009 is estimated at the level of 2007 ~1.3 Billion Eur**
- **IT industry still counts for +1.1% of GDP**



## romaniaIT

- **Public-private initiative set up in 2006 by a group of stakeholders interested in promoting the national IT industry abroad.**
- **Members of the romaniaIT Committee:**
  - Ministry of Communications and Information Society
  - Ministry of Economy, Commerce and Business Environment
  - ANIS – Employers' association of the Software and Services Industry
  - ANISP – National Association of the Internet Service Providers
  - APDETIC – Association of producers and distributors of IT&C Equipment
  - ARIES – Romanian Association for the Electronic Industry and Software
  - ATIC – Association for Information Technology and Communications



## romaniaIT – Core values

**Excellence:** matching the Romania ICT sector practices with its potential.

**Innovation:** transforming known methods into original and new approaches with endless possibilities for the ICT environment.

**Competitiveness:** turning from the low-cost provider identity to the high-value provider, synonym for client based necessities, mutual trust and professionalism.



## Creative Talent

- Software and services sector employs +50.000 people
- Since 2003, more than 7.000 new jobs have been created annually, with nearly 100% absorption rate, indicating high retention
- Technical education includes 5 top polytechnics universities, 59 sector universities, 174 private colleges
- “Romanian universities have been Top 3 in the IEEE Design Competition every year since 2001” (source: IEEE)
- Romania has more Informatics and Math Olympiad medals than any other European nation, and is 3<sup>rd</sup> globally after URSS and China



## Technical Excellence

- **Industry clusters are concentrated in major university cities:**  
Bucharest , Cluj Napoca, Iasi, Timisoara, Craiova
- **International presence include:** Accenture, Alcatel-Lucent, Apple, Dell Perot Systems, EA Sports, Ericsson, Freescale, Genpact, HP, IBM, Infineon, Intel, IXIA, Microsoft, Oracle, Siemens, TechTeam, Wipro, WindRiver
- **Operations include:**
  - R&D and technology centers: network operator equipment, embedded automotive systems, semiconductor design, security applications, development tools, etc
  - BPO centers – financial, HR and administrative services, supply chain
  - Support centers, Call centers



## Romanian IT Sector Attractiveness

- Qualified offshore destination with capacity building for the development of the industry
- Attractive Price vs. Performance balance
- Technical and sector specific skills at best practice
- Ability to understand and satisfy client needs beyond basic technical requirements
- Cultural Fit, Language Skills and Similar Mentality to US/ Western Europe



## ANIS in Brief

- **Founded in 1998**
- **Niche organization - software and related services**
- **+120 member companies, +25% of the sector turnover**
- **Strategic Objectives:**
  - **Support the local industry and assist its development**
  - **Generate Governmental support to increase use of technology and implement Information Society**
  - **Promote Romania as an IT Country**



## Benefits of Working with ANIS

- Support in identifying partners on the Romanian market
- Intelligence on the Romanian business environment and local software and services market
- Mediated consultancy on legal & tax related matters
- Participation in industry events, organized by ANIS or by third parties



## Contact

For further details, please visit [www.anis.ro](http://www.anis.ro)

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**Thank you !**