

---

# Romania: an opportunity for business in the East Midlands

*Robin Barnett, HM Ambassador to Romania*

# FCO – Better World, Better Britain

---

- 261 embassies and 16,000 staff worldwide
- 5,000 internationally mobile staff, and another 10,000 recruited in-country
- **“One Team”**

## FCO core roles

- advancing the UK's international policy goals,
- providing services internationally to UK citizens and businesses

## Essential Services aim to:

- Support the British economy
- Support British nationals abroad
- Support managed migration for Britain

# Romania in the EU

---

## Romania: a strategic partner for the UK

- A market of 22 million consumers;
- An ally in NATO (British and Romanian troops both serve in Afghanistan)
- An important partner in the EU on key issues like fighting organised crime, climate change and energy security;
- A growing tourism market in both directions;
- A thriving young generation that speaks good English and values our education system;
- A range of UK citizens making a contribution in Romania and vice versa.

# Why Romania ?

---

- **Location**
- **Resources**
- **Political**
- **EU funding**
- **Infrastructure**

# Romania – a Latin island in a Slavic sea

EU NATO WTO IMF EBRD



- Romania – size (9th in EU27) and population (7th in EU27).
- Area: 237,500 km<sup>2</sup> (12th in Europe)
- Population: 21.5 mil (July 2007)
- Ethnic structure: Romanians (89.5%), Hungarians (6.6%)
- Official currency and exchange rate: Romanian Leu (RON)  
1GBP = 4.6RON

Think regionally!

# Romania – EU funding

---

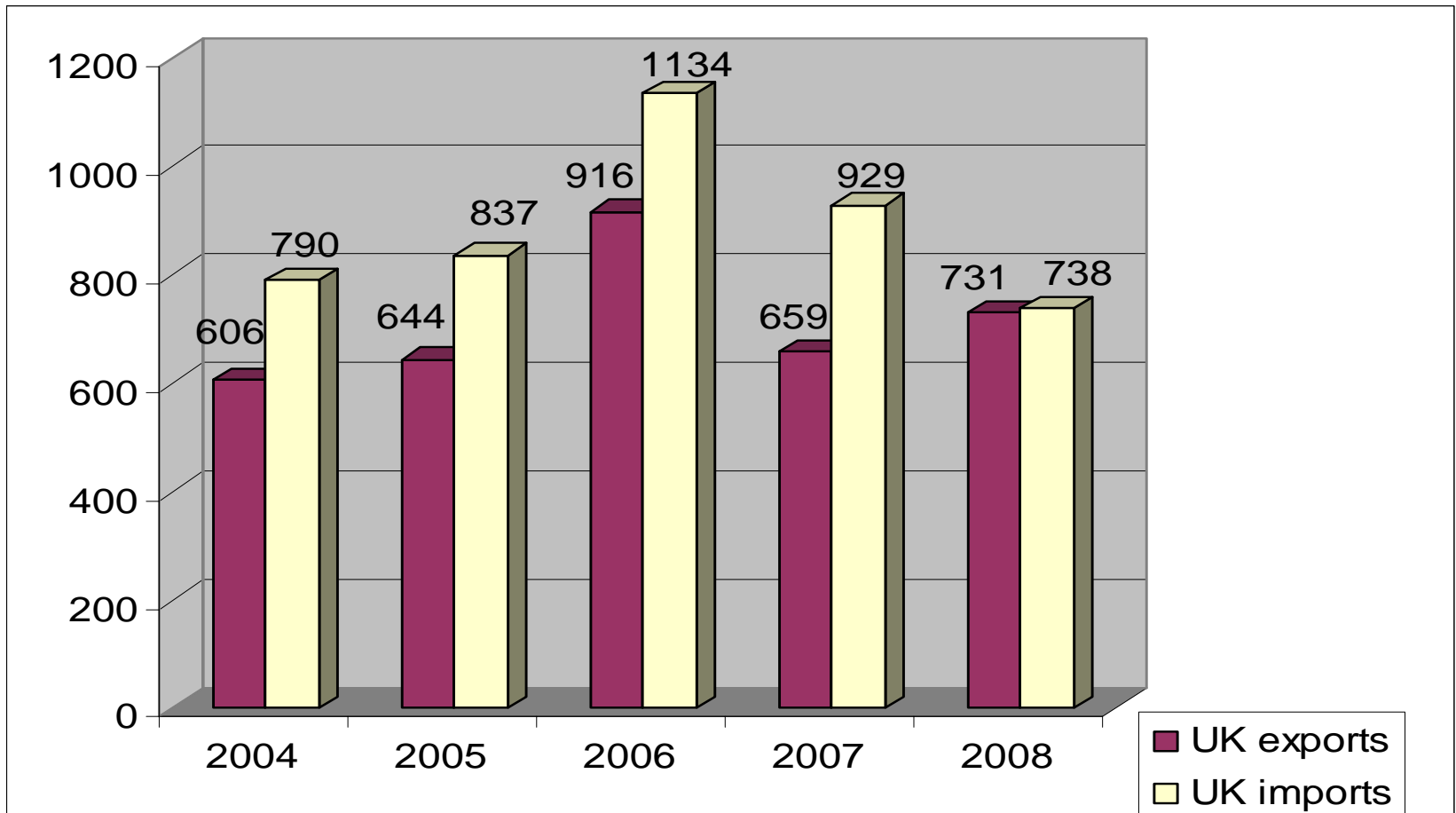
- beneficiary of EUR 30 bn of structural and agricultural funds (2007-2013)
- 2007 absorption rate 22%
- 2008 absorption rate 17%
- 2009 – the year of structural funds. PM determined to increase the rate (311 approved projects since December 2008, total value: EUR 300 mil)

# UK investment in Romania

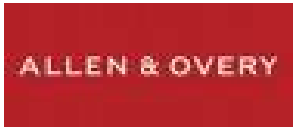
---

- UK 7<sup>th</sup> largest investor (after Italy, Germany, France, Austria etc.)
- 4,000 UK companies registered (December 2008)
- UK investment: EUR 4 bn
- Increasing activity of investment funds: over EUR 1 bn (2007/2008)

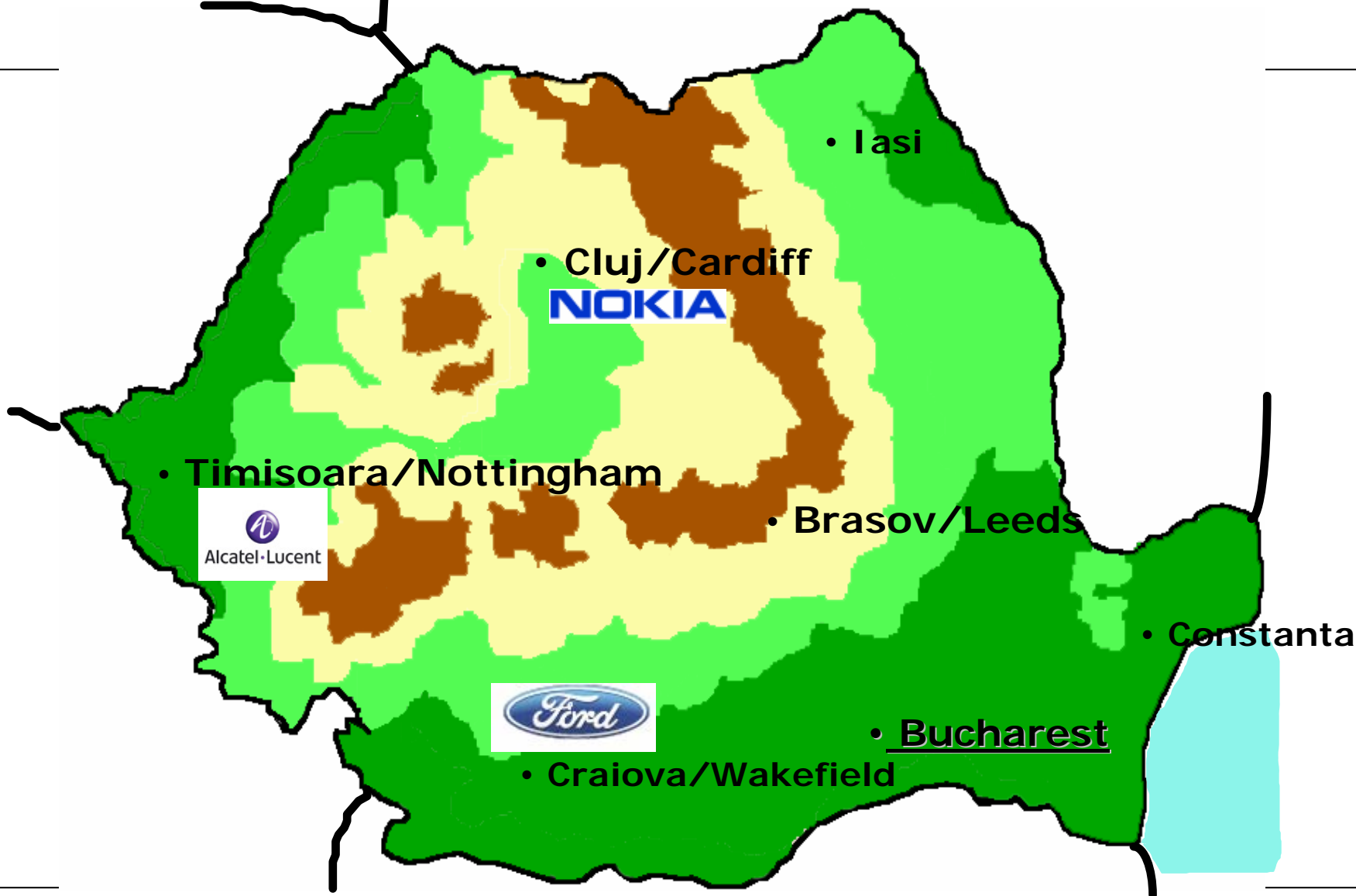
# Trade with UK, £ millions



# UK in Romania



# ROMANIA





# Romania – 2009 forecasts

---

- **GDP growth** – ranging from deep recession (-2%) to minimal growth (0.5%)
- **Inflation rate target** – 3.5% (6.8% in Feb)
- **Unemployment rate** – 4.9% (Jan-Feb)
- **Current account deficit** - EUR bn 11.2 (8% of GDP)
- Total **FDI** – approx. EUR 4.5bn
- **Net average wage (national)**: just over 300 EUR/month

# Romania and the crisis

---

- Government anti-crisis plan: EUR 10bn for investment projects
  - ✓ infrastructure/transport,
  - ✓ agriculture,
  - ✓ health,
  - ✓ education,
  - ✓ regional development
- accelerated EU funding absorption
- external loan

# Romania – sectors of opportunity

---

2009 forecasted star sectors:

- Construction (10%)
- Infrastructure (roads/rail)
- Environment
- Energy (alternative/renewable)
- Water/wastewater
- Agriculture
- IT&C

# Romania - challenges

---

- Current and prospective development of infrastructure;
- Implementation of legislation at local level, relationship with local authorities;
- Readiness to implement EU environmental regulations;
- Transparency in communication with Central Authorities;
- IT penetration in households (approx. 30%)
- Electronic invoicing
- Competitiveness of agriculture.

Source: Foreign Investors Council Members' survey, 2008

# How can we help?

---

- high level lobbying
- chargeable services/OMIS
- regional initiatives
- informal help and advice



# Contact

---

Trade Development Section

**BRITISH EMBASSY BUCHAREST**

Address: Str. Jules Michelet nr.24, sector 1,  
Bucharest, Romania

Tel: 0040 21 201 72 00

Fax: 0040 21 201 73 11

E-mail: [commercial.bucharest@fco.gov.uk](mailto:commercial.bucharest@fco.gov.uk)