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Ways to the Romanian Market

In the following article contact points are to be mentioned to clarify questions which should be necessarily considered for a successful way to the Romanian market. Through the thereby obtained information and through the commitment of commercial partnerships, which are also made briefly subject of discussion in this article, potential risks, that may exist upon the entry into a new market due to the lack of knowledge about it might, can be minimised.

Im folgenden Artikel werden Anlaufstellen genannt, um Fragen zu klären, die für einen erfolgreichen Weg zum rumänischen Markt notwendigerweise bedacht werden sollten. Über die dadurch gewonnenen Informationen und über den, ebenfalls in diesem Artikel kurz thematisierten Eingang von geschäftlichen Partnerschaften, können potentielle Risiken minimiert werden, die bei einem Eintritt in einen neuen Markt aufgrund fehlender Kenntnisse über diesen existieren können.

In articolul urmator se vor numi adrese la care se poate apela pentru lamurirea intrebarilor, neaparut necesare, referitoare la calea de succes spre piata romaneasca. Prin informatiile astfel dobandite, impreuna cu cele tematizate pe scurt in acest articol referitoare la parteneriate de afaceri, se pot minimiza riscurile inerente intrarii into piata noua si necunoscuta.

Questions & risks

In the following overview several common questions and risks are to be found, which may be connected generally with a market entry – in this case with the entry into the Romanian market:

Questions	Risks
<ul style="list-style-type: none">- Which are the most promising markets?- How will the market entry affect the current company strategy?- How should one position themselves in the market?- Which resources are necessary to get into the market?- What legal requirements need to be considered?- What is the appropriate location?- How will supply, sales and distribution be organised?	<ul style="list-style-type: none">- Lack of experience on the market.- Lack of understanding of market characteristics and market potential.- False analysis of market trends and competitive landscapes .- False interpretation of customer needs and key competitors capabilities.- Insufficient analysis and false expectations may lead to false investment decisions.- Insufficient knowledge of local regulations, restrictions and business culture.

Contact points

In one's own country the *Chambers of Industry and Commerce* may provide good contact points. These often hold events with regard to Romania like business travels, business forums and exhibitions and may offer information on their homepages about commerce, co-operations and investments in Romania and further internet links on these topics.

Normally one of the first contact points in Romania is the respective *Chamber of Foreign Trade* of one's own country in Bucharest. There one may receive first general information and tips on the Romanian market.

Meetings of diverse *Economic Clubs* and of the *Chambers of Foreign Trade* provide an opportunity to approach *companies already present in Romania* and to exchange experiences.

Data and statistics on economic topics may be obtained from the *National Institute for Statistics* in Bucharest. One of the assignments of the institute is the composition of studies and analysis regarding the economic development in Romania.

If one would like to learn about how certain industries have developed in the past, which is the status quo at present and how the future deve-

lopment is assessed then one may contact different *Economic Associations* in Romania. These may compose studies on the development of the respective industries according to company specifications.

Furthermore the Romanian state maintains the *Agency for Foreign Investment (ARIS)* as a contact point for foreign companies. This has the mandate to attract, keep and expand foreign direct investments into the Romanian economy. Especially direct investments into Greenfield investments are being supported – primarily in industries in which Romania has the biggest competitive advantages. ARIS hereby pursues a proactive approach by proposing investment projects and locations. The foreign investors receive continuous support by ARIS for the projects, i.e. before, during and after the investment.

In addition the *Romanian Chamber of Industry and Commerce (CCIR)* offers a good contact point for foreign investors. The CCIR is an organisation of 42 chambers of industry and commerce all over Romania and also comprises several associations of enterprises. It is interesting to know that the CCIR is a non-governmental autarkic organisation. The tasks of the CCIR are to represent the interests of domestic and foreign companies to Romania's national administration, the creation of a sustainable development of the private sector and a beneficial business environment in Romania and an open market economy for foreign companies and markets.

The CCIR also operates the *Euro Info Centres (EIC)* which amongst others offer information on European subsidies in Romania. The European Union disposes of structural funds in order to provide financial help to eliminate structural, economical and social problems. The respective administrations in the member states are responsible for all co-financed programs by the structural funds. In Romania the Finance Ministry together with other ministries as managing authorities for the several programs who also are responsible for their implementation have the supervision on the programs.

Moreover one may get in touch with *development banks* in Romania. One development bank is the *European Bank for Reconstruction and Development (EBRD)*. It finances projects for banks, industrial plants and companies, both for start-ups and investments into established companies. Also it co-operates with publicly owned undertakings in order to support privatisations, restructurings of state owned companies and the improvement of municipal services. The EBRD is one of the biggest investors in Romania with an investment portfolio encompassing themes as electricity,

transport, urban infrastructures, investments into the private sector and finance intermediation.

Besides there is the *European Investment Bank (EIB)* which is the financing institution of the European Union with its target to contribute to the integration, to a balanced development and to the economic and social cohesion of the Union's member states. For this purpose it takes up substantial funds on the capital markets. These are provided on friendly terms for investments supporting the Union's targets.

Co-operations

The limitation of risks arising potentially by an entry into the Romanian market may be achieved by co-operating with Romanian partners.

There are several options to engage into partnerships. One is to conclude a co-operation (Joint Venture) with a Romanian company, another is to take over a Romanian company. If one decides for an autonomous business start-up in Romania, for instance by founding a limited company (called SRL in Romania), it is advisable to hire local experienced management or to work together with local consultants.

By these measures the risk of the market entry into Romania may be alleviated to a great degree, provided one has the necessary sure instinct at the choice of the partners, management or consultants.

If one has found a Romanian partner the questions arises how to behave towards him so that the co-operation is successful. Generally one may say the Romanian behavioural culture has an Italian flair, characterized by a hearty, respectful and polite behaviour both in business and private. One should not assume that all made promises will be strictly maintained. It is for instance advisable to anticipate more than 15 minutes delay at the promise of a meeting at a certain time point, especially taking into regard the difficult traffic situation in Bucharest.

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