

NATIONAL
BANK OF
ROMANIA

Foreign Direct Investment in Romania in 2021

FOREIGN
DIRECT INVESTMENT
IN ROMANIA
in 2021

NOTES

The paper was completed by the Statistics Department within the National Bank of Romania on 20 September 2022.

Some of the statistical data are provisional and will be updated as appropriate in the subsequent publications of the National Bank of Romania. Totals may not add up and minor differences from the percentage changes in charts and tables may occur, due to rounding.

The source of data used in charts and tables was indicated only when data were provided by other institutions.

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FOREIGN DIRECT INVESTMENT IN ROMANIA IN 2021

1. FDI FLOWS

In 2021, foreign direct investment (FDI) flows continued on the positive trend recorded in the latter part of 2020. Although the state of alert imposed by the authorities, following the persistence of the SARS-CoV-2 pandemic, remained in effect throughout the year, foreign investors have adapted to the new economic conditions by resuming the investment projects suspended at the beginning of 2020, in response to the economic bottleneck generated by the government-imposed quarantine, and by starting new projects. Investment in the development of activity in Romania was made through the reinvestment of earnings, for resident companies which were profitable in 2021, as well as through equity capital and intercompany loans.

FDI flows stood at EUR 8,940 million in 2021, which is approximately three times higher than in the previous year, following a similar trend to that of developed economies, according to the United Nations Conference on Trade and Development (UNCTAD)¹. In fact, this is the second highest value of FDI flows in Romania, next only to the one recorded in 2008 (EUR 9,210 million).

1.1. The composition of FDI flows

FDI flows by main component were as follows:

- foreign direct investors' equity in direct investment enterprises in Romania (FDI enterprises) worth EUR 6,747 million. Equity included equity capital in FDI enterprises worth EUR 2,165 million, plus reinvestment of earnings worth EUR 4,582 million²;
- debt transactions³ of direct investment enterprises with their foreign direct investors, debts to fellow companies included, stood at EUR 2,194 million.

The time series analysis of FDI flows components reveals the following:

- reinvestment of earnings has been on the rise over the past ten years; after posting negative values in the first three years of the period under review, the indicator has recorded positive values starting from 2015 (EUR +510 million), reaching EUR 4,582 million in 2021, up by 52 percent compared to 2020. The time series

¹ *Global Investment Trend Monitor No. 40*, United Nations, 2022, available at <https://unctad.org/webflyer/global-investment-trend-monitor-no-40>

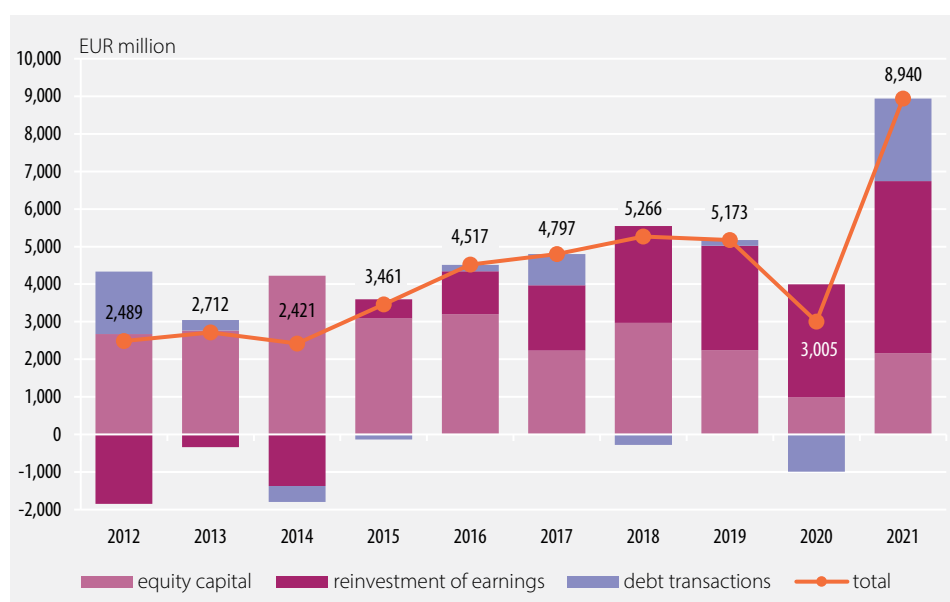
² The reinvestment of earnings was calculated as foreign direct investors' share in the 2021 after-tax profit (tantamount to EUR 11,008 million) of profitable FDI enterprises, less the dividends distributed to foreign direct investors in 2021 (worth EUR 3,720 million) and the loss of EUR 2,705 million recorded in 2021 by FDI enterprises that incurred losses on account of foreign direct investors.

³ Net debts to foreign direct investors and fellow companies (debt less claims).

analysis reveals, on the one hand, that FDI enterprises have consolidated their activity, recording significant profits on an annual basis, and on the other hand, that shareholders continue to invest in the development of these companies and have confidence in Romania's economy, which is perceived as a favourable environment for business development;

- debt transactions, the most volatile component of flows, made a fluctuating contribution to the increase in FDI flows. Thus, the positive values recorded in the first two years of the period under review were followed by negative values in the subsequent years, this sequence continuing until 2021, when the maximum value of the period under review (EUR 2,194 million) was recorded after the largest negative value of the previous year (EUR -994 million);
- equity capital made the smallest contribution to FDI flows. The downward trend of this component is closely linked to that of the reinvestment of earnings. Specifically, the reinvestment of earnings in FDI enterprises increased, while equity capital declined, as the need to finance foreign investment was mainly covered through profits that were not distributed to shareholders in the form of dividends. Furthermore, the decrease in equity capital is also a result of the persistent downward trend in losses incurred by FDI enterprises in the past ten years (as these entities no longer need to cover such losses from equity capital), as well as of lower greenfield investment made by new-entry investors in the Romanian market (Table 1 in the Statistics section).

Chart 1. FDI flows by component in 2012-2021

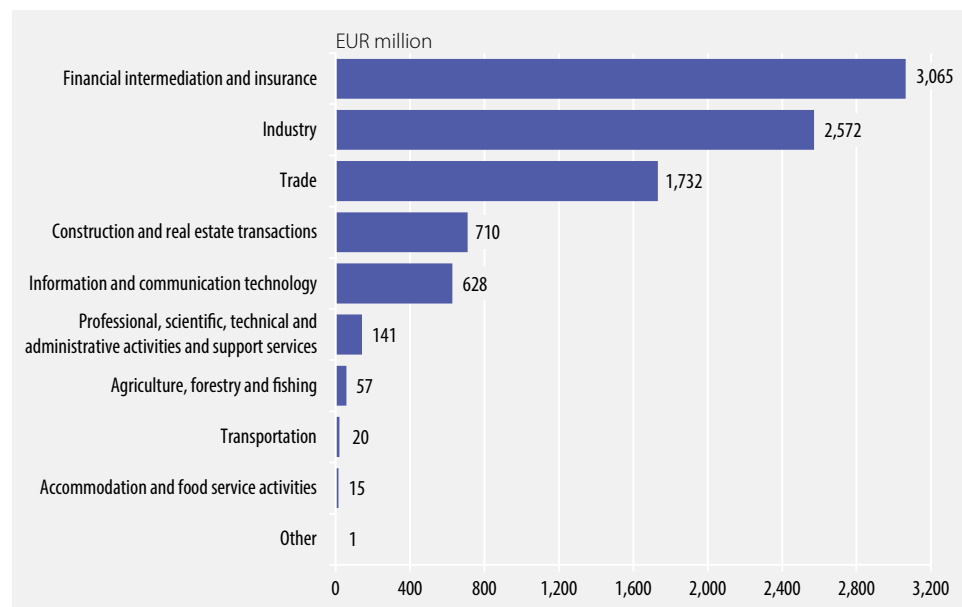


1.2. FDI flows by main economic activity

In 2021, FDI flows went primarily to financial intermediation and insurance (EUR 3,065 million), industry (EUR 2,572 million) and trade (EUR 1,732 million); the main industrial sub-sectors benefiting from foreign direct investment were

manufacturing (EUR 2,531 million), where the largest recipients were metallurgy (EUR 584 million), oil processing, chemical, rubber and plastic products (EUR 520 million), transport equipment (EUR 450 million) and manufacture of computer, electronic, optical and electrical products (EUR 332 million).

Chart 2. FDI flows by main economic activity



Distribution of FDI flows components by economic activity reveals that:

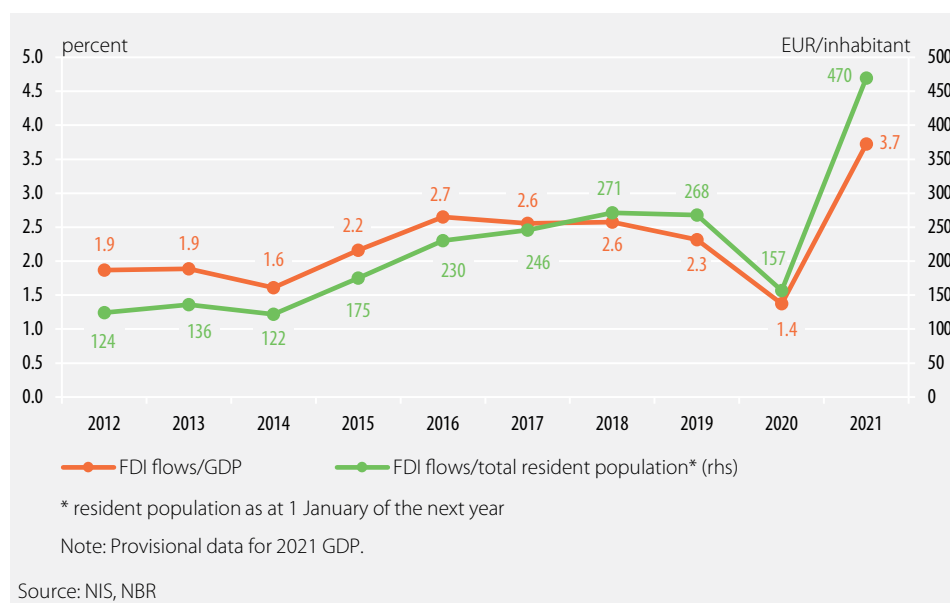
- equity capital was channelled mainly to financial intermediation and insurance (EUR 1,034 million), followed by construction and real estate transactions (EUR 419 million) and industry (EUR 239 million);
- reinvestment of earnings reached a peak in trade (EUR 1,411 million), followed by manufacturing (EUR 1,319 million) and financial intermediation and insurance (EUR 1,201 million), mainly due to the restrictions on dividend distribution imposed by the supervisory authority of credit institutions and non-bank financial institutions, to ensure they can hold the necessary capital resources to weather the impact of the pandemic on the economy;
- debt transactions made a positive contribution to FDI flows in 2021; the main economic activities that attracted FDI through loans were manufacturing (EUR 1,088 million), financial intermediation and insurance (EUR 830 million) and information and communication technology (EUR 296 million) (Table 2 in the Statistics section).

The exponential growth of FDI flows in 2021 compared to 2020 also had a positive impact on the ratios of FDI flows to gross domestic product (GDP) and total resident population. These indicators enable international comparisons regarding the globalisation of the domestic economy through foreign direct investment⁴.

⁴ Organisation for Economic Cooperation and Development (OECD), *Benchmark Definition of Foreign Direct Investment*, 4th edition, Chapter 2.5.2. Indicators of globalisation related to foreign direct investment.

Specifically, FDI flows relative to GDP rose 2.6 times to reach 3.7 percent in 2021 against 1.4 percent in 2020; FDI flows to total resident population amounted to EUR 470/inhabitant, i.e. three times higher than in 2020 (Table 3 in the Statistics section).

Chart 3. FDI flows/GDP and FDI flows/total resident population



2. FDI POSITION

As at end-2021, the FDI position amounted to EUR 100,288 million⁵. Due to the threefold increase in FDI flows in 2021 compared to 2020, mainly driven by the post-pandemic economic recovery, the closing FDI position surpassed the EUR 100 billion threshold. At end-2021, this indicator went up by 10.5 percent against the previous year, significantly higher than in 2020, when it increased by only 2.8 percent.

The FDI position components at 31 December 2021 were as follows:

- equity positions (including the accumulated reinvestment of earnings) of FDI enterprises amounting to EUR 70,257 million (i.e. 70.1 percent of the closing FDI position)⁶;
- debt positions amounting to EUR 30,031 million, i.e. 29.9 percent of the closing FDI position⁷. The breakdown of this component reveals that FDI companies' gross debt

⁵ The result was calculated by adding to the closing FDI position of the previous year the FDI flows (transactions) and the other flows (components leading to position changes, namely positive/negative adjustments from revaluations of foreign currency assets due to exchange rate changes, the repricing of some tangible fixed asset prices, the changes in the market value of listed FDI enterprises, as well as the changes in the accounting treatment of opening positions and data corrections in the previous statistical reports, etc.).

⁶ Listed FDI enterprises accounted for only 7.6 percent of the closing equity position. Due to changes in stock market quotations, these companies' FDI equity positions, as a whole, went up by 21 percent in 2021 as compared to the 14 percent decrease in 2020.

⁷ Debt positions are calculated as FDI enterprises' borrowings from foreign direct investors, including fellow companies, net of the claims of FDI enterprises on foreign direct investors and fellow companies.

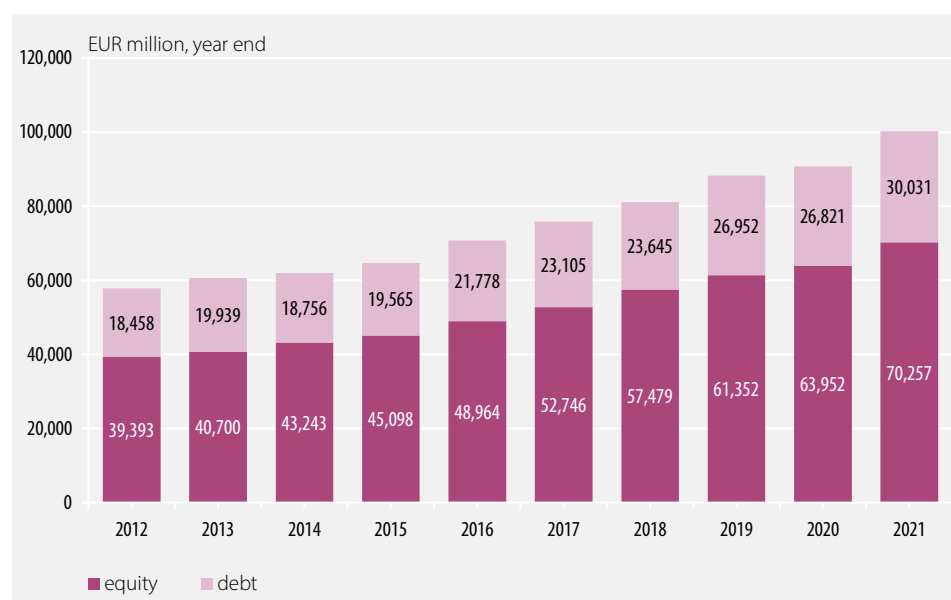
to direct investors and fellow companies amounted to EUR 40,891 million, while FDI companies' claims on these parties stood at EUR 10,860 million.

Table 1. Debt positions of foreign direct investors, including fellow companies, as at 31 December 2021

EUR million	
Debt instruments	Value
Net debt	30,031
Debt	40,891
Financial	31,312
Trade	9,178
Other accounts payable	401
Claims	10,860
Financial	4,247
Trade	6,508
Other accounts receivable	105

Equity and debt instruments went up by 9.9 percent and 12.0 percent respectively as against the previous year. Compared to the first year of the decade under review, the FDI position increased by 73.4 percent, with equity positions recording a higher growth rate than debt positions, i.e. 78.3 percent versus 62.7 percent (Table 5 in the Statistics section).

Chart 4. FDI position components in 2012-2021

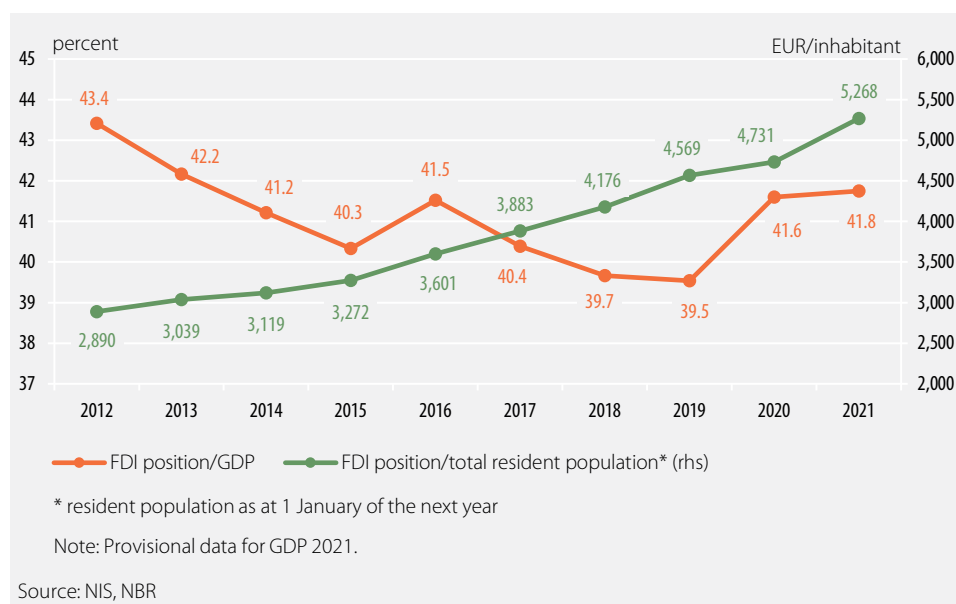


In 2021, the FDI position relative to GDP stood at 41.8 percent (+0.2 percentage points from the previous year).

The FDI position relative to total resident population ran at EUR 5,268/inhabitant, up by EUR 537/inhabitant compared to 2020 (+11.3 percent).

Over the past ten years, the FDI position-to-inhabitant ratio has followed an upward trend, on account of the annual increase in the FDI position amid diminishing population figures. At the same time, the FDI position-to-GDP ratio has fluctuated, due to the different growth rates of FDI position and GDP.

Chart 5. FDI position/GDP and FDI position/total resident population



2.1. FDI position breakdown by main economic activity⁸

By main economic activity, 38.9 percent of the FDI position was channelled to industry, primarily to manufacturing (30.0 percent of the closing FDI position). Other economic activities that also attracted significant FDI were construction and real estate transactions (17.4 percent of the closing FDI position), trade (17.2 percent) and financial intermediation and insurance (13.5 percent).

The FDI position breakdown by main economic activity shows the following:

- compared to 2020, the FDI position increased significantly in industry (EUR 3,318 million, i.e. +9.3 percent), financial intermediation and insurance (EUR 2,834 million, i.e. +26.4 percent), construction and real estate transactions (EUR 2,082 million, i.e. +13.6 percent), and trade (EUR 1,585 million, i.e. +10.1 percent);
- the share of industry in the FDI position continued to decline in 2021 as well (-0.4 percentage points) due to the significant increase in FDI in other economic

⁸ The breakdown by economic activity was made based on the main economic activity of FDI enterprises (according to NACE Rev.2).

sectors, mainly in trade, construction and real estate transactions and financial intermediation and insurance (Table 7 in the Statistics section);

- the cumulative share of the non-tradable⁹ sector in FDI went up from 40.1 percent in 2012 to 49.3 percent in 2021, at the expense of the tradable¹⁰ sector.

Chart 6. FDI position by main economic activity as at 31 December 2021

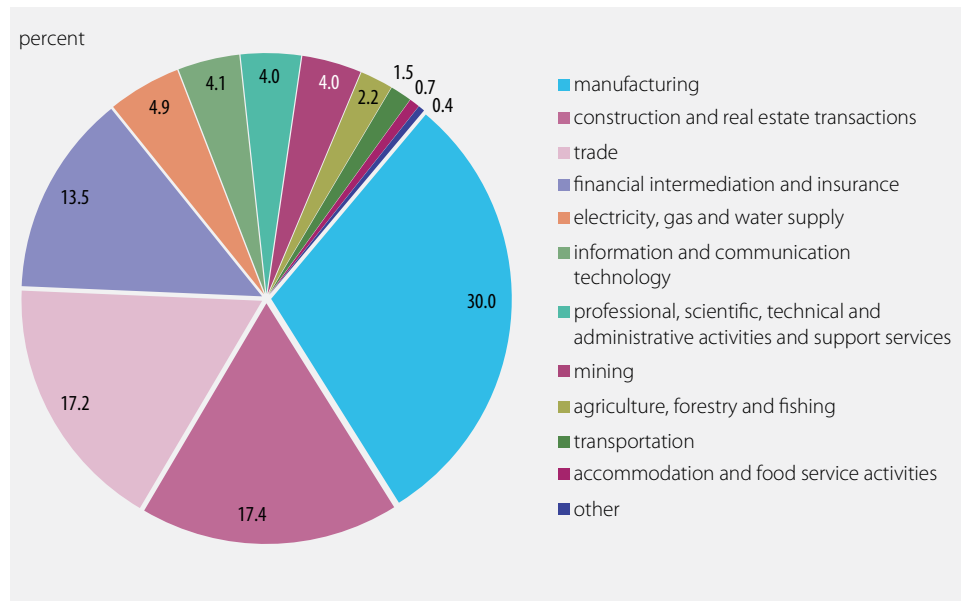
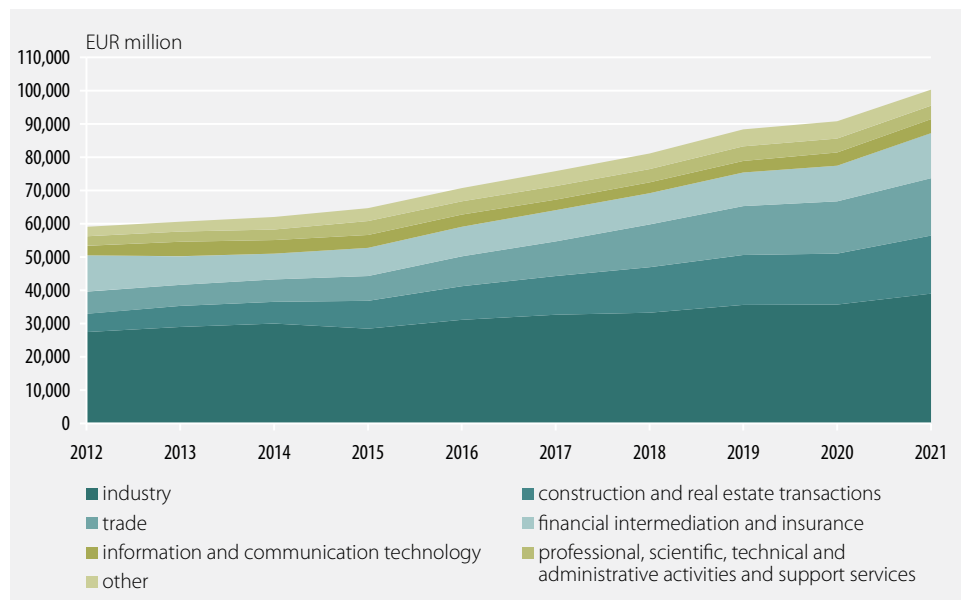


Chart 7. FDI position by main economic activity

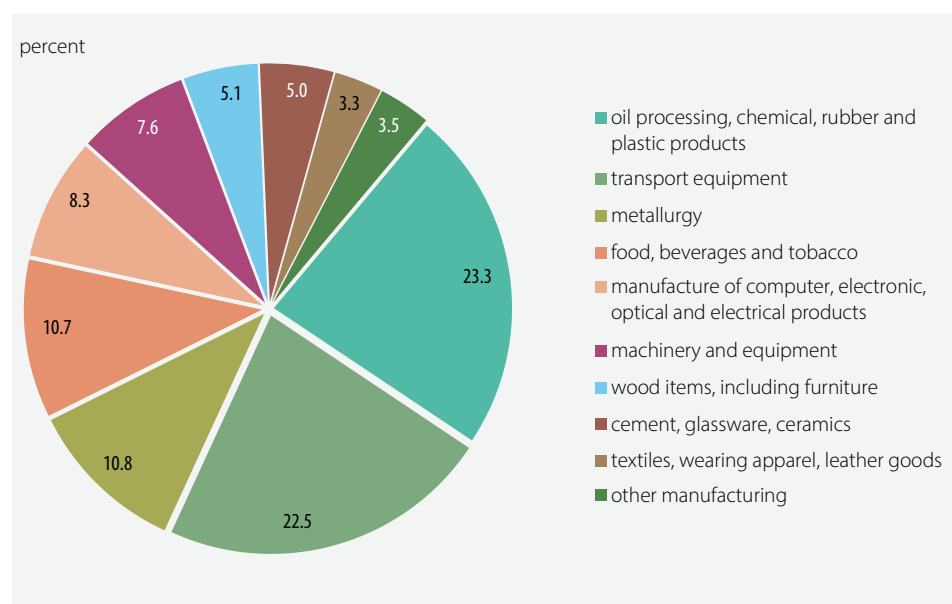


⁹ Non-tradable sector includes activities which generally do not generate exports, namely trade, construction and real estate transactions, financial intermediation and insurance, accommodation and food service activities, etc.

¹⁰ Tradable sector includes the following activities that generate exports: agriculture, industry, professional, scientific, technical and administrative activities and support services, information and communication technology, transportation.

In manufacturing, which attracted the most foreign direct investment, the largest recipient was oil processing, chemical, rubber and plastic products (23.3 percent of the closing FDI position in manufacturing), which surpassed transport equipment (22.5 percent). Significantly less FDI was channelled to metallurgy (10.8 percent) and food, beverages and tobacco (10.7 percent) (Table 7 in the Statistics section).

Chart 8. FDI position by main manufacturing sub-sector



Amid the global concerns regarding sustainable development, it is important to identify the economic sectors whose turnover is highly dependent on water and energy expenses. The analysis of these expenses in the total turnover of FDI enterprises in Romania revealed that, in 2021, the sectors with the highest consumption of energy and water (expressed as expenses) were metallurgy (among manufacturing sub-sectors), followed by mining and construction and real estate transactions.

Given the projected increase in energy and water prices, it is important to analyse the share of these water- and energy-intensive sectors in total FDI flows and the closing FDI position.

Thus, the analysis of FDI flows by economic activity reveals that, in 2021, the share of metallurgy in total FDI flows was 6.5 percent, while those of mining (negative FDI flows) and construction and real estate transactions stood at -1.7 percent and 7.9 percent respectively. Moreover, at end-2021, the shares of these economic activities in the closing FDI position were 3.2 percent for metallurgy, 4.0 percent for mining and 17.4 percent for construction and real estate transactions¹¹.

¹¹ Companies' energy and water consumption may vary over time, depending on the economic activity's technological progress, turnover volumes, as well as on energy and water prices.

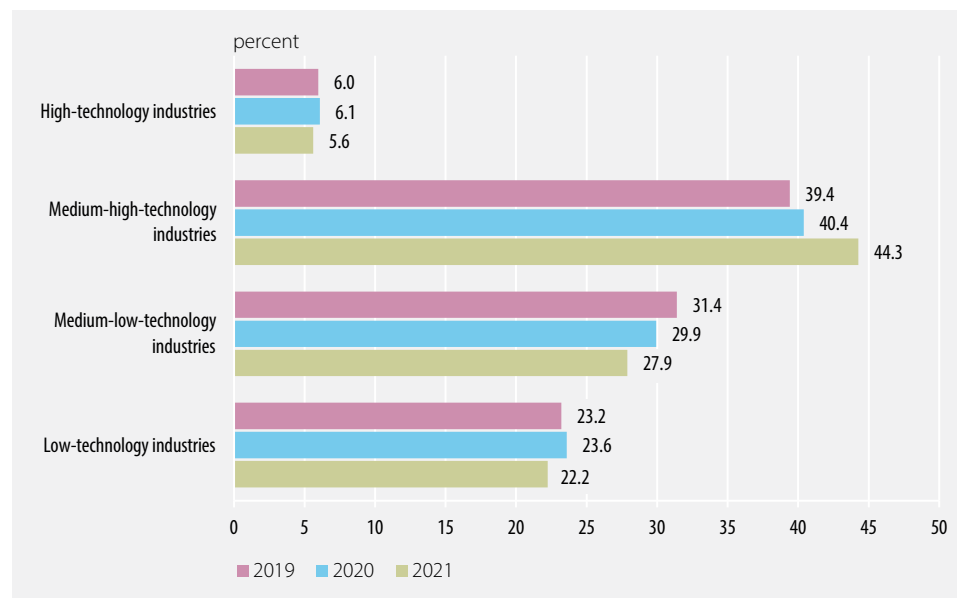
Box 1. The technological intensity¹² of FDI enterprises in manufacturing

In the context of economic globalisation, the technological development of industries is a key factor that boosts the expansion of the business environment. Firms in technology-intensive sectors exhibit a high degree of innovation, gain access to new markets, manage production factors in an efficient manner and generally have the ability to attract and retain a high level of employment¹³.

Eurostat classifies manufacturing industries according to their technological intensity and based on the nomenclature of economic activities (NACE Rev. 2) into four categories, namely (a) high-technology industries, (b) medium-high-technology industries, (c) medium-low-technology industries and (d) low-technology industries¹⁴.

In 2019-2021, the breakdown of the FDI position by technological intensity based on Eurostat classification shows that high-technology industries had the lowest share in the closing FDI position in manufacturing.

Chart A. Breakdown of FDI enterprises in manufacturing by technological intensity in 2019-2021



At end-2021, medium-high-technology industries¹⁵ held the largest share in the closing FDI position in manufacturing (44.3 percent, EUR 13,311 million), up by 3.9 percentage points as against 2020 and by 4.9 percentage points compared to 2019.

¹² Technological intensity is defined as the level of knowledge incorporated in companies' products in every industrial sector, and this indicator is measured by dividing the average research and development spending by the firm's revenue.

¹³ Rončević, B. – "Cultural political economy of Europe 2020: Jean Monnet Chair CPE 2020 and its impact", *Research in Social Change*, Vol. 11, No. 2, 2019, pp. 5-13, and Makarovič, M., Šušteršič, J., Rončević, B. – "Is Europe 2020 set to fail? The cultural political economy of the EU grand strategies", *European planning studies*, Vol. 22, No. 3, 2014, pp. 610-626.

¹⁴ Information on the content of these categories is available in the Appendix.

¹⁵ Manufacture of chemicals and chemical products; manufacture of electrical equipment; manufacture of motor vehicles, trailers and semi-trailers, etc.

At-end 2021, foreign direct investment in above-average technology-intensive industries accounted for 49.9 percent of the closing FDI position in manufacturing, up by 3.4 percentage points as against 2020 and by 4.5 percentage points compared to 2019.

As for below-average technology-intensive industries, the share of medium-low-technology industries¹⁶ in the closing FDI position in manufacturing stood at 27.9 percent (EUR 8,382 million), down from 29.9 percent in 2020, while that of low-technology industries¹⁷ ran at 23.2 percent (EUR 6,683 million), down from 23.6 percent in 2020.

FDI enterprises classified in the aforementioned four categories were also analysed based on Eurostat's definition of high-growth enterprises (growth by 10 percent or more)¹⁸.

Table A. Breakdown of high-growth enterprises by technological intensity

Category	EUR million		
	FDI position	FDI position of high-growth enterprises	Share (%)
High-technology industries	1,688	314	18.6
Medium-high-technology industries	13,311	144	1.1
Medium-low-technology industries	8,382	68	0.8
Low-technology industries	6,683	49	0.7

Data in Table A show that:

- high-growth enterprises in high-technology industries had the largest FDI position (EUR 314 million), i.e. 18.6 percent of this category's closing FDI position. Since the main challenge for entrepreneurs is not just starting a business, but rather developing it¹⁹, this result provides evidence in support of the scalability²⁰ of firms in high-technology industries. Such entities have the ability to easily adapt to market conditions amid a potentially swift-paced rise in demand for their products, as well as to increase their turnover at a faster pace than their operating expenses. Furthermore, the scalability of high-growth enterprises can also generate other positive effects, such as the development of related economic activities or the acquirement of new skills by the employees in high-technology industries. These results can encourage productivity growth in some economic sectors or regions²¹;
- by contrast, high-growth enterprises in low-technology industries recorded the lowest FDI position (EUR 49 million) and had a 0.7 percent contribution to the closing FDI position of these industries.

¹⁶ Manufacture of rubber and plastic products; metallurgy; repair and installation of machinery and equipment, etc.

¹⁷ Manufacture of food products, beverages, textiles, etc.

¹⁸ According to Eurostat, high-growth enterprises are those companies with average annualised growth in number of employees greater than 10 percent per year over a three-year period and having at least 10 employees in the beginning of the growth https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:High-growth_enterprise

¹⁹ Carucci, R. – "Midsize companies should not confuse growth with scaling", *Harvard Business Review*, Vol. 94, No. 4, 2016, pp. 1-5.

²⁰ Their ability to grow rapidly without being hindered by constraints associated with their structure.

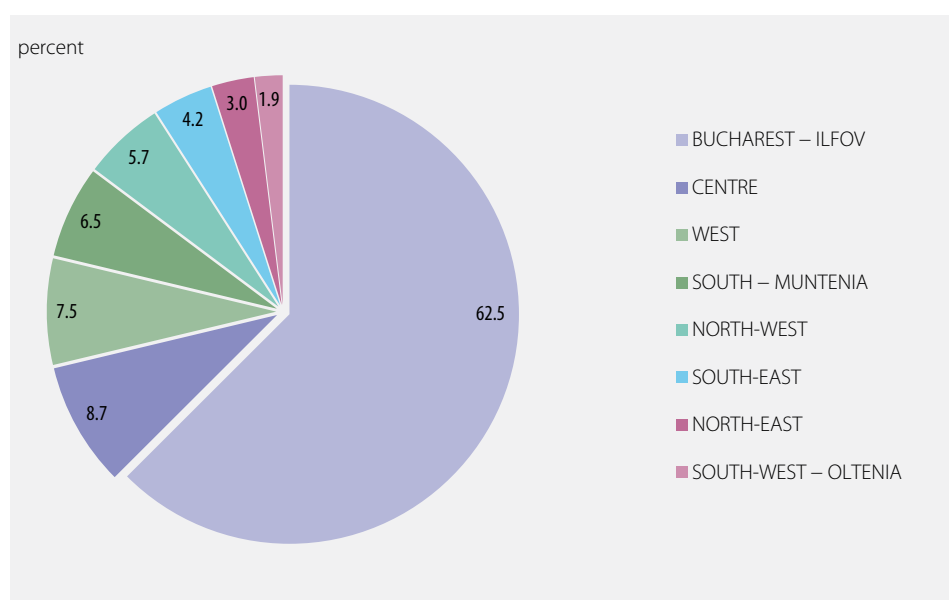
²¹ Du, J., Temouri, Y. – "High-growth firms and productivity: evidence from the United Kingdom", *Small Business Economics*, Vol. 44, No. 1, 2015, pp. 123-143.

2.2. FDI position geographical distribution

2.2.1. FDI position distribution by development region²²

From a territorial point of view, FDI went mainly to the BUCHAREST – ILFOV region (EUR 62,694 million as at 31 December 2021, i.e. 62.5 percent of the closing FDI position). Other development regions that attracted significant inward FDI were the CENTRE region (EUR 8,774 million, 8.7 percent) and the WEST region (EUR 7,494 million, 7.5 percent). By contrast, lower investment was channelled to the NORTH-EAST region (EUR 2,969 million) and the SOUTH-WEST – OLTENIA region (EUR 1,949 million) (Table 9 in the Statistics section).

Chart 9. FDI position distribution by development region



2.2.2. FDI position distribution by county for FDI enterprises with at least 20 employees and atypical enterprises

FDI enterprises with at least 20 employees, as well as enterprises referred to as atypical²³ were subject to a comprehensive statistical survey. These hold 96.5 percent of the closing FDI position²⁴, amounting to EUR 96,821 million.

The FDI position distribution by county for FDI enterprises with at least 20 employees and for atypical enterprises shows that Bucharest took EUR 54,326 million by the end

²² FDI was territorially located by the registered office of FDI enterprises, which is not necessarily the same as their place of business.

²³ Direct investment enterprises having less than 20 employees and whose turnover or share capital was more than lei 30 million, or which took long-term loans from their foreign direct investors or non-resident fellow enterprises of more than lei 15 million, as well as those for which there is evidence that they record significant FDI flows/positions. See the notes on the sample of the statistical survey at the end of this paper.

²⁴ The rest of the surveyed FDI enterprises were subject to a random survey; therefore, the results obtained from these enterprises are only representative at national and regional level. For further details, see the section entitled "Issues on the statistical survey for determining foreign direct investment".

of 2021, accounting for 56.1 percent of the closing FDI position of such enterprises, followed by Ilfov county (EUR 6,592 million) and Timiș (EUR 4,788 million). Significant investment was also attracted by the following counties: Prahova (EUR 3,029 million), Brașov (EUR 2,621 million) and Cluj (EUR 2,326 million).

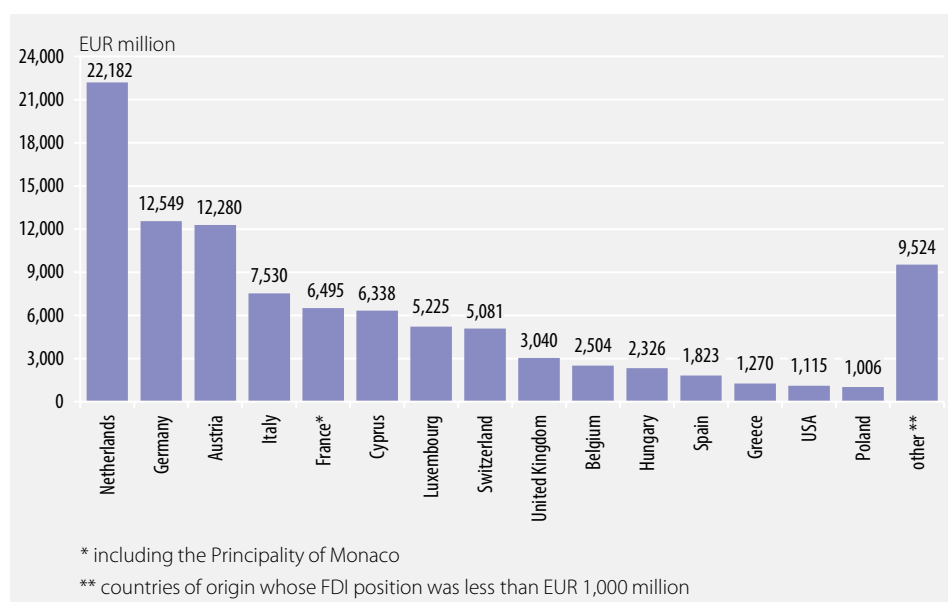
In 2013-2021, the growth rate of the FDI position in FDI enterprises with at least 20 employees and atypical enterprises was 24 times higher in Maramureș and over 4 times higher in Covasna county (Table 10 in the Statistics section).

2.3. FDI position distribution by country of origin

2.3.1. Distribution by Immediate Investor Country²⁵

The top countries ranked by the share of the FDI position in Romanian enterprises as at 31 December 2021 were: Netherlands (22.1 percent of FDI position), Germany (12.5 percent), Austria (12.2 percent), Italy (7.5 percent), France (6.5 percent) and Cyprus (6.3 percent). The breakdown took into account the country of residence of the direct holder of at least 10 percent of the share capital of FDI enterprises in Romania (Table 11 in the Statistics section).

Chart 10. FDI position distribution by Immediate Investor Country as at 31 December 2021



The top six countries exhibited a status quo in terms of the FDI position as against 2020. Out of them, Italy reported a 1.6 percent decline in its FDI position, while the FDI positions of the other five countries increased in a range between 10.9 percent (Netherlands) and 16.4 percent (Cyprus).

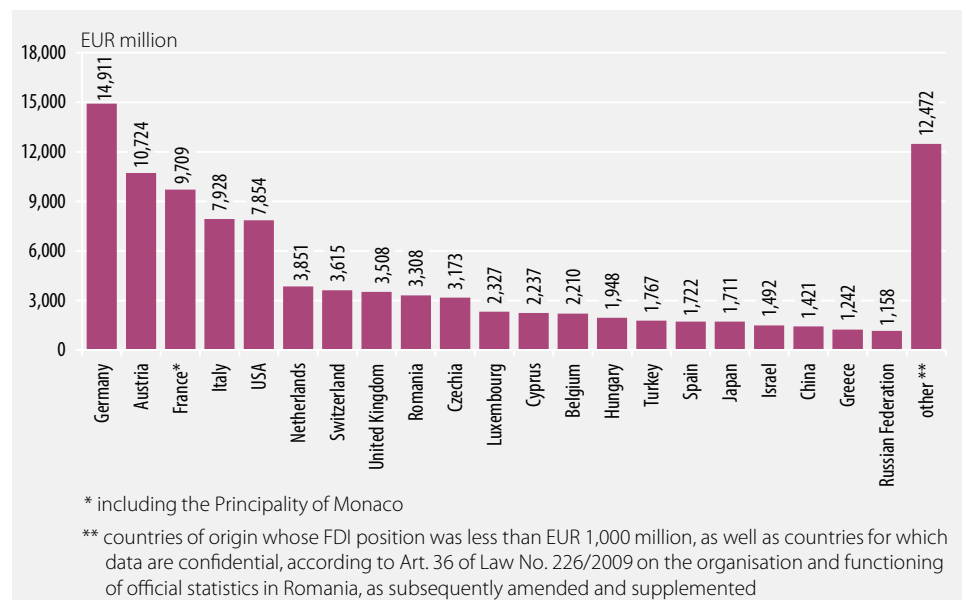
²⁵ Based on this principle, the country of origin of investment is the country of the direct holder of the equity participation in the resident enterprise.

Data analysis shows high investment concentration: the top five countries contribute by more than 60 percent to the closing FDI position, while the top ten countries account for 83.0 percent.

2.3.2. Distribution by Ultimate Investing Country²⁶

As regards the distribution of the FDI position by Ultimate Investing Country, Germany continues to rank, directly or through affiliates in third countries, topmost among the countries that invested in Romania, with a position of EUR 14,911 million²⁷ (14.9 percent of the closing FDI position), followed by Austria (10.7 percent), France (9.7 percent), Italy (7.9 percent), the United States (7.8 percent) and Netherlands (3.8 percent). The top six countries based on this principle were the same as in 2020 (Table 12 in the Statistics section).

Chart 11. FDI position distribution by Ultimate Investing Country as at 31 December 2021



The FDI position breakdown by country of origin of the ultimate investor indicates high investment concentration, similar to the distribution of the FDI position by country of origin of the immediate investor. Thus, the top five countries in the ranking of ultimate investors contribute more than 50 percent to the closing FDI position, while the top ten countries account for approximately 68 percent of this indicator.

Romania also ranks among the countries of residence of ultimate investors with large FDI, holding a closing FDI position of EUR 3,308 million. This is ascribed to both foreign direct investment made by Romanian residents through subsidiaries abroad

²⁶ The ultimate investing country is the country of residence of the entity on top of the ownership chain in a group of enterprises, which is not controlled by any other entity.

²⁷ Determined based on the control approach, according to which the entire foreign investment in the FDI enterprise is attributed to the ultimate controlling enterprise.

(round tripping²⁸) and the methodology used to compile these statistics (the control approach), according to which a company's ownership is attributed in full to the controlling investor (in the case of FDI enterprises which are not controlled by foreign investors, i.e. they own less than 50 percent of the voting rights, their FDI position is attributed to Romania, i.e. the country of the resident majority shareholder).

3. TYPES OF FDI

The analysis by destination shows that new investment in a company can be classified into: (i) investment in the establishment of a new enterprise, i.e. greenfield investment, (ii) investment in the acquisition or merger with an existing resident enterprise, (iii) investment in corporate development, through new equity capital, (iv) investment in the restructuring of enterprises whose products or services are no longer competitive and, thus, incur losses. The FDI breakdown by type of investment may show its impact on the resident economy.

The analysis of equity capital flows into FDI enterprises in 2021 (EUR 2,165 million) by type of investment reveals that:

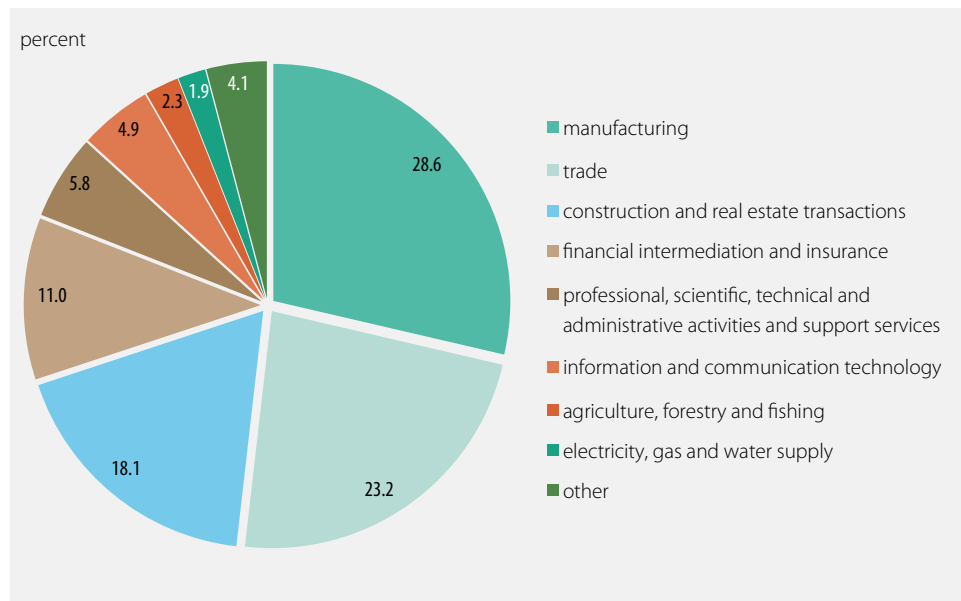
- the main beneficiary of FDI in the form of equity capital was corporate restructuring, with FDI flows tantamount to EUR 1,290 million, followed by enterprise development, with EUR 437 million;
- greenfield investment, albeit holding a small share in FDI flows, stood at a higher level in 2021 compared to previous years, i.e. EUR 391 million as against EUR 23 million in 2020;
- investment in mergers and acquisitions (M&A) followed the trend recorded in recent years, amounting to EUR 46 million, compared to EUR 42 million in 2020.

As for the FDI position at end-2021, data analysis focused on the breakdown by type of investment into two categories: greenfield and mergers and acquisitions; 64.5 percent of the closing FDI position, i.e. EUR 64,660 million, is attributed to enterprises established as greenfield investment companies, which are referred to as greenfield enterprises. This confirms foreign direct investors' lasting commitment to conducting business in Romania.

The breakdown of the FDI position in greenfield enterprises by main economic activity shows that manufacturing was the main recipient, accounting for 28.6 percent of total (up from 27.8 percent in 2020). Other sectors holding a significant share in such investment were trade (23.2 percent), construction and real estate transactions (18.1 percent) and financial intermediation and insurance (11.0 percent).

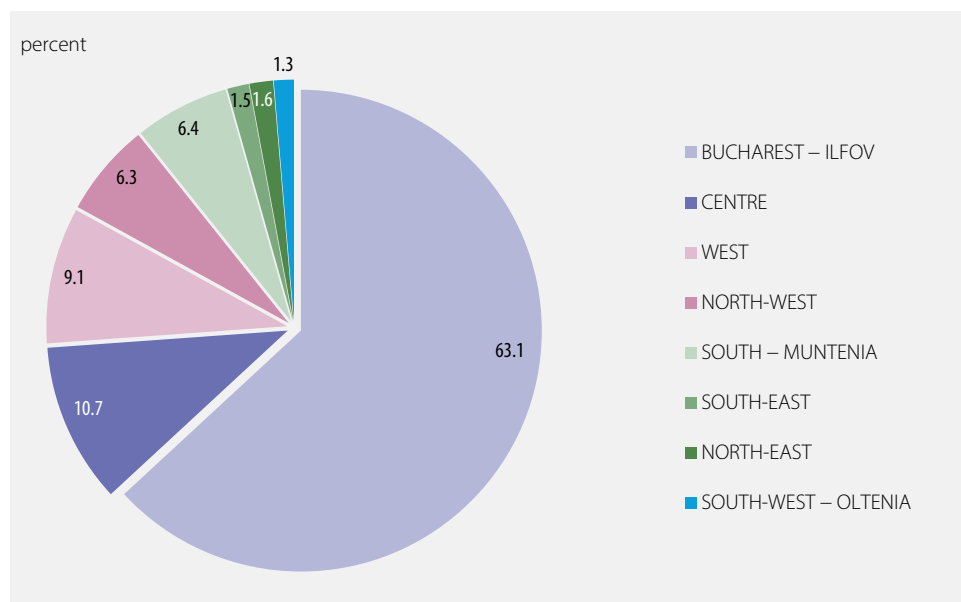
²⁸ Round tripping is when local funds are channelled abroad and then are returned to the resident economy in the form of foreign direct investment.

Chart 12. FDI position in greenfield enterprises by main economic activity



The breakdown of the FDI position in greenfield enterprises by development region where FDI enterprises are based reveals that the bulk of FDI in greenfield enterprises went, as in the case of total FDI, to the BUCHAREST – ILFOV region (63.1 percent), followed by the CENTRE region (10.7 percent), the WEST region (9.1 percent) and the NORTH-WEST region, which accounted for 6.3 percent of the FDI position in greenfield enterprises.

Chart 13. FDI position in greenfield enterprises by development region



The same as in the case of total FDI position, the top positions in the hierarchy of countries of origin (Immediate Investor Country) of foreign investors in greenfield

enterprises are filled by Netherlands (EUR 13,701 million), followed by Germany (EUR 11,752 million) and Austria (EUR 5,212 million).

Chart 14. FDI position in greenfield enterprises by Immediate Investor Country

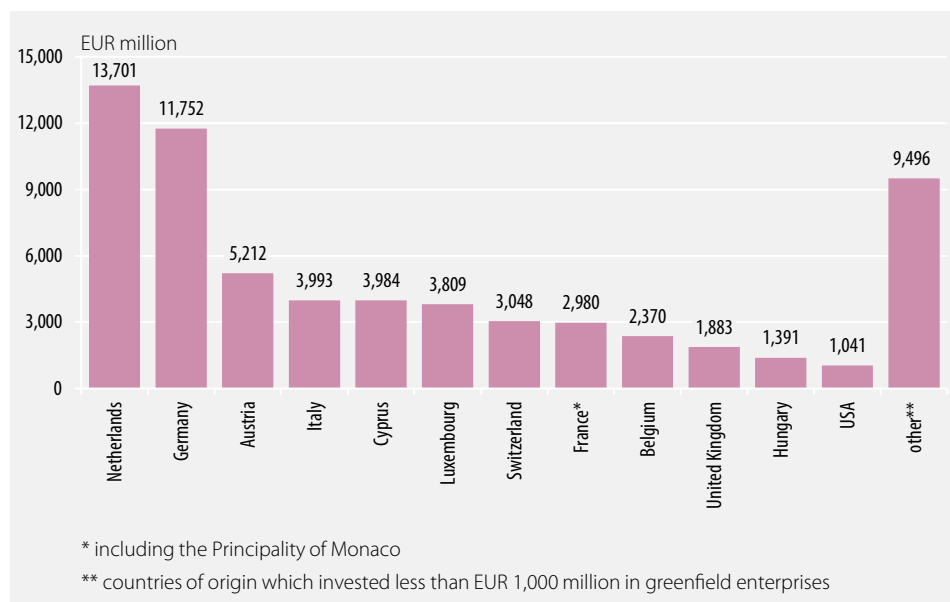
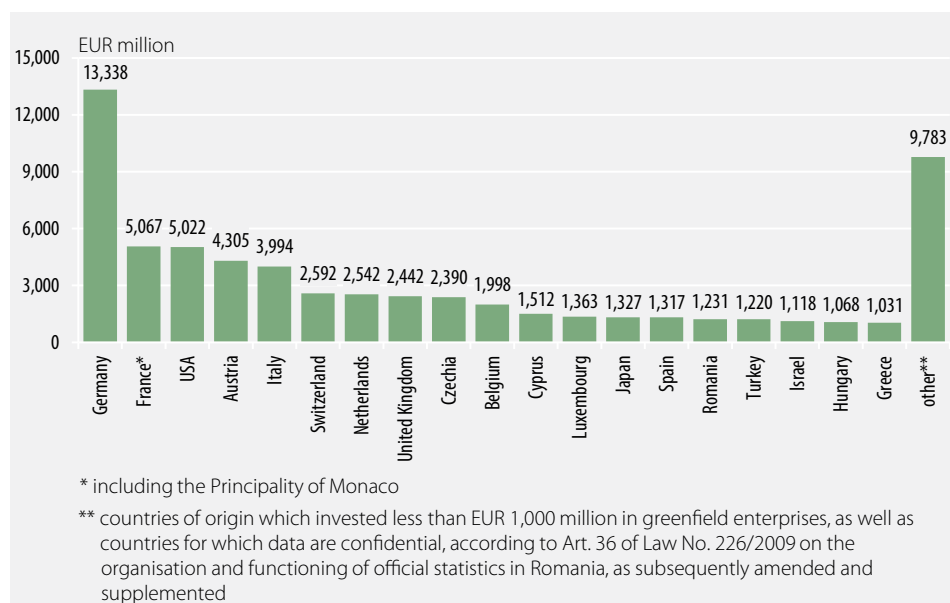


Chart 15. FDI position in greenfield enterprises by Ultimate Investing Country



The analysis of the FDI position in greenfield enterprises by country of origin, based on the Ultimate Investing Country principle, shows that out of the total investment from Germany, greenfield investment accounts for 89.5 percent, regardless of the intermediary country through which it was made. Among the countries with total FDI positions higher than EUR 1,000 million, Germany is followed by Belgium (90.4 percent of the FDI position in greenfield enterprises) and Greece (83.0 percent).

Box 2. The size of investment of large multinational groups at end-2021

Over time, multinational groups have consolidated their position as key players in the globalisation process, predominantly through foreign direct investment, thus building a complex system of subsidiaries resident in various countries, which are owned and managed by the parent company. The development of global value chains has expanded, but also fragmented the traditional sphere of influence of multinational groups, facilitating in certain cases the transition from equity-based control to network coordination (non-equity modes of investment)²⁹.

In this context, in addition to the classic factors that govern international capital movements (such as gaining access to new capital markets, the presence of resources, capitalising on specific advantages in a different context, etc.), multinational groups strategically distribute global production among their cross-border affiliates in order to benefit from reduced labour costs, more favourable legal frameworks for their activities, tax incentives or a higher skilled workforce³⁰. This led to an increased complexity of the ownership structures of multinational enterprises.

Although multinational groups operate in certain well-defined sectors, their activities are particularly laborious. The need to rein in costs or even reduce them prompts large multinational groups to structure their activity on several business lines, each coordinated globally by specialised subsidiaries. Consequently, multinational groups end up owning, directly or through subsidiaries located in intermediate countries, several companies resident in one country and making significant total investment at group level.

Table A. The size of investment in Romania of large multinational groups

FDI position/multinational group	Number of multinational groups	Number of resident companies in which they invested	Average number of resident companies/group	Cumulative FDI position as at 31 December 2021 (EUR billion)
Over EUR 2 billion	4	48	12.0	10.0
EUR 1 billion – EUR 2 billion	12	93	7.8	15.8
EUR 0.5 billion – EUR 1 billion	15	98	6.5	9.2

The analysis of the sampled enterprises which were subject to the FDI direct statistical survey³¹ revealed that, at end-2021, Romania had four multinational groups that invested over EUR 2 billion each in 48 resident companies. Additionally, 12 large

²⁹ Casella, B. – “Looking through conduit FDI in search of ultimate investors – a probabilistic approach”, *Transnational Corporations*, Vol. 26, No. 1, 2019, pp. 109-146; UNCTAD – *World Investment Report 2013: Global Value Chains: Investment and Trade for Development*, United Nations, 2013, available at https://unctad.org/system/files/official-document/wir2013_en.pdf

³⁰ Ngoasong, M. Z., Wang, J., Amdam, R. P., Bjarnar, O. – “The role of MNE subsidiaries in the practice of global business models in transforming economies”, *Management and Organization Review*, Vol. 17, No. 2, 2021, pp. 254-281; UNCTAD – *World Investment Report 2015: Reforming International Investment Governance*, United Nations, 2015, available at https://unctad.org/system/files/official-document/wir2015_en.pdf

³¹ See the section entitled “Issues on the statistical survey for determining foreign direct investment”.

groups invested between EUR 1 billion and EUR 2 billion each through 93 companies, and other 15 groups invested EUR 0.5 billion to EUR 1 billion in 98 companies (on average, 6.5 companies per multinational group).

As at 31 December 2021, 31 multinational companies invested a total of EUR 35 billion, i.e. 34.9 percent of Romania's closing FDI position.

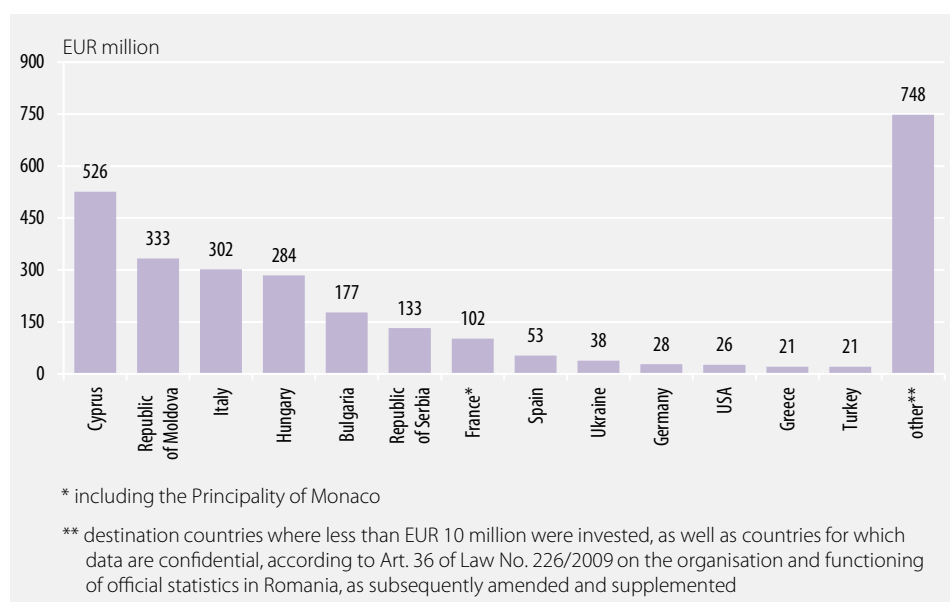
4. ROMANIA'S DIRECT INVESTMENT ABROAD

In 2021, the flows of direct investment abroad (DIA) stood at EUR 119.3 million, out of which equity capital stood at EUR 118.9 million and reinvestment of earnings at EUR 50.6 million, while debt transactions recorded negative flows (EUR -50.1 million).

At end-2021, the DIA position stood at EUR 2,793 million, out of which equity amounted to EUR 2,257 million (80.8 percent of the closing position) and debt instruments to EUR 536 million (19.2 percent). Compared to 2020, DIA position went up by 16.2 percent, mainly due the 22.5 percent increase in equity.

The main destination country³² of DIA was Cyprus (EUR 526 million), followed by the Republic of Moldova (EUR 333 million), Italy (EUR 302 million), Hungary (EUR 284 million), Bulgaria (EUR 177 million), the Republic of Serbia (EUR 113 million) and France (EUR 102 million).

Chart 16. DIA position by destination country



³² Immediate Investor Country principle.

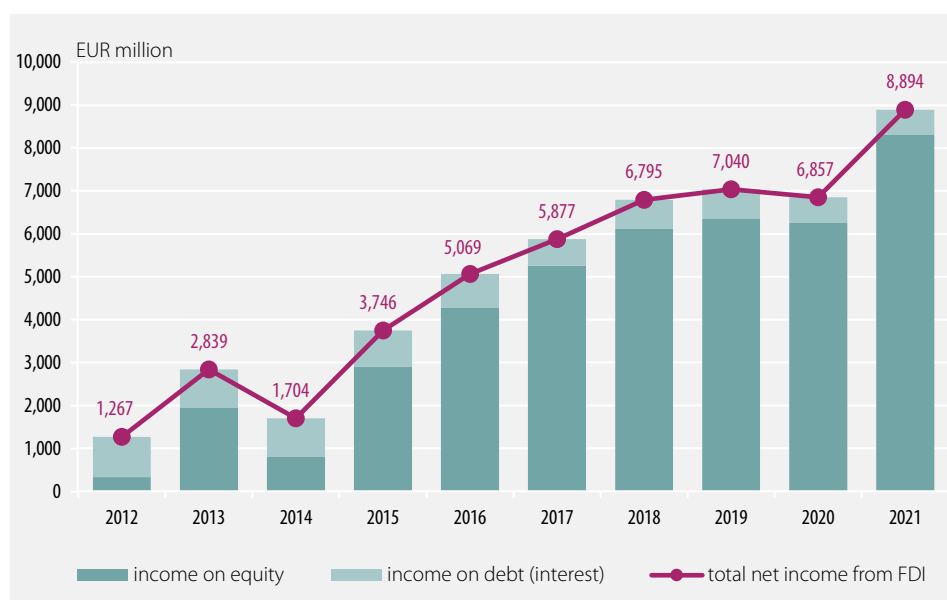
5. INCOME ON FDI

In 2021, foreign direct investors' net income amounted to EUR 8,894 million, out of which:

- income on equity ran at EUR 8,302 million³³;
- income on debt (interest) stood at EUR 592 million³⁴.

The 30 percent increase in foreign direct investors' net income as against 2020 is due exclusively to their share in the 2021 after-tax profit of FDI enterprises, which increased by 22.2 percent, from EUR 9,005 million to EUR 11,008 million, while losses incurred by FDI enterprises (EUR -2,705 million in 2021 versus EUR -2,741 million in 2020) and income on debt (interest) (EUR 592 million in 2021 against EUR 593 million in 2020) exhibited a relatively steady trend.

Chart 17. Non-residents' FDI income



6. DIRECT INVESTMENT ENTERPRISES' TURNOVER AND NUMBER OF EMPLOYEES

The favourable economic trend in 2021 was also supported by the increase in FDI companies' turnover, which went up by 17.1 percent (EUR 210,004 million) compared to 2020 and by 9.9 percent compared to 2019. The turnover of FDI enterprises stood 50.4 percent higher as against 2012 (Table 14 in the Statistics section).

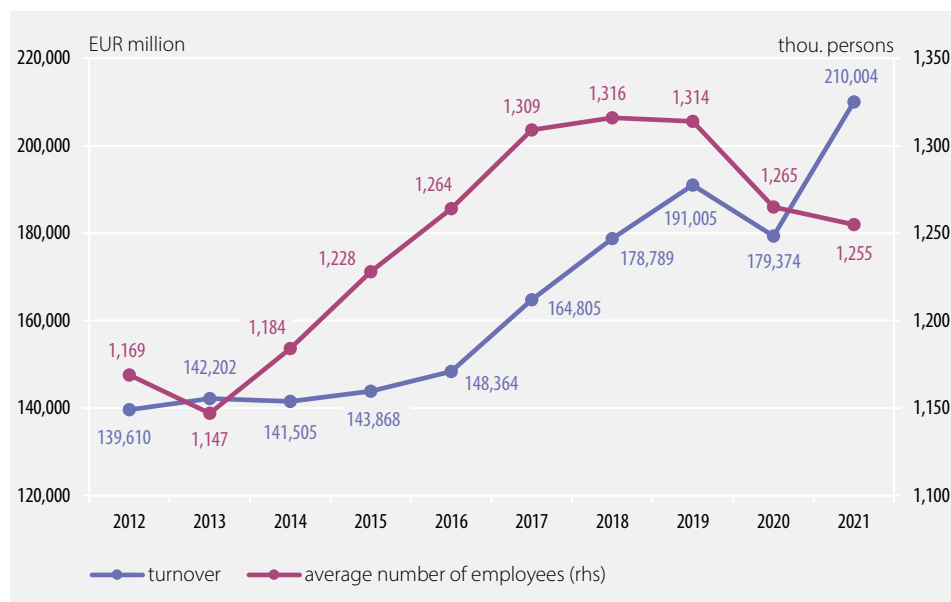
As for the average number of employees, FDI enterprises had 1,255 thousand employees in 2021, down by 0.8 percent and 4.5 percent compared to 2020 and 2019

³³ The direct investors' share in the after-tax profits of FDI enterprises in 2021 (EUR 11,008 million), net of their share in the losses incurred by FDI enterprises (EUR 2,705 million).

³⁴ The interest received by foreign direct investors on loans to their enterprises in Romania – either directly or via non-resident fellow companies – (EUR 667 million), net of the interest paid by foreign direct investors on the loans from their enterprises in Romania – either directly or via non-resident fellow companies – (EUR 75 million).

respectively. During the period under review, the average number of employees increased by 7.4 percent (Table 15 in the Statistics section).

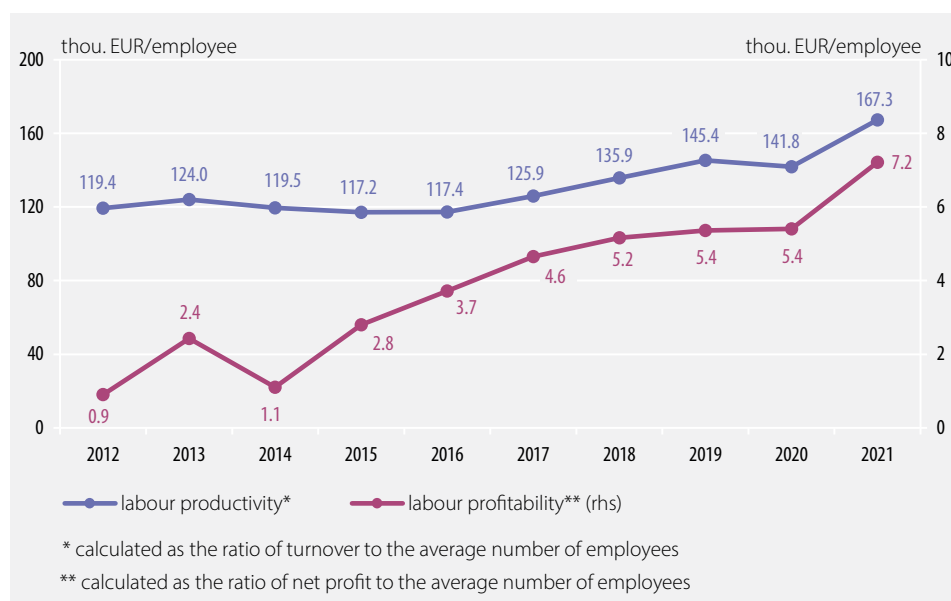
Chart 18. FDI enterprises' turnover and average number of employees



In 2021, the increase in turnover, together with the decline in the number of employees, generated a rise in FDI enterprises' labour productivity, up to EUR 167,340 (+18 percent compared to 2020).

At the same time, the growth of FDI companies' profit, amid the declining number of employees, caused their labour profitability to go up by 33.6 percent, from EUR 5,402/employee in 2020 to EUR 7,217/employee in 2021 (Table 16 in the Statistics section).

Chart 19. Evolution of labour productivity and labour profitability in FDI enterprises



The positive dynamics of FDI enterprises' turnover and profit in recent years have been supported by the strengthening of foreign investment in resident enterprises, due to the maintenance of investors' interest in the development of enterprises in which they invested.

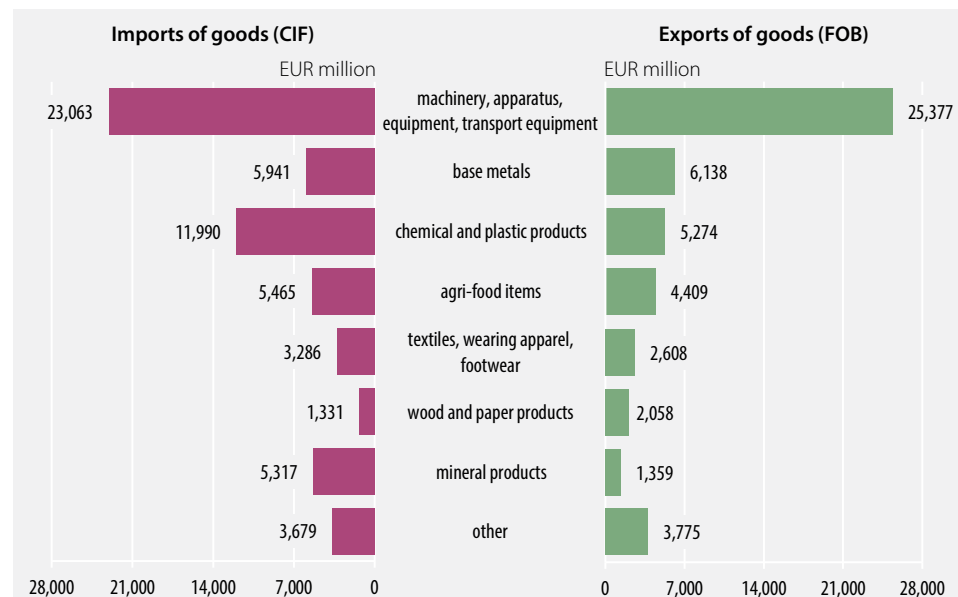
7. EXPORTS AND IMPORTS OF DIRECT INVESTMENT ENTERPRISES

7.1. International trade in goods

In 2021, the international trade in goods of FDI enterprises benefited from the favourable international context shaped by the recovery of economies after the pandemic shock in the first part of 2020, with both exports and imports of goods posting significant increases. Thus, total exports of goods (FOB) of FDI enterprises stood at EUR 50,998 million, up by 17.3 percent and 3.9 percent compared to 2020 and 2019 respectively, 2021 being the peak year of foreign trade relations of FDI companies. Total imports of goods (CIF) amounted to EUR 60,072 million, up by 17.9 percent and 7.5 percent compared to 2020 and 2019 respectively.

The share of FDI enterprises in Romania's total exports of goods stood at 72.7 percent, a level similar to that recorded in 2020 (72.9 percent). The weight of FDI enterprises in Romania's total imports of goods decreased slightly to 65.9 percent, from 66.5 percent in 2020.

Chart 20. FDI enterprises' exports and imports of goods by group of goods in 2021



The analysis by group of goods shows that the widest deficits were recorded by FDI enterprises engaged in trade in (i) chemical and plastic products (EUR -6,716 million, of which chemical products, including medicines, care products, organic surface active agents for washing and cleaning totalled EUR -5,987 million), (ii) mineral

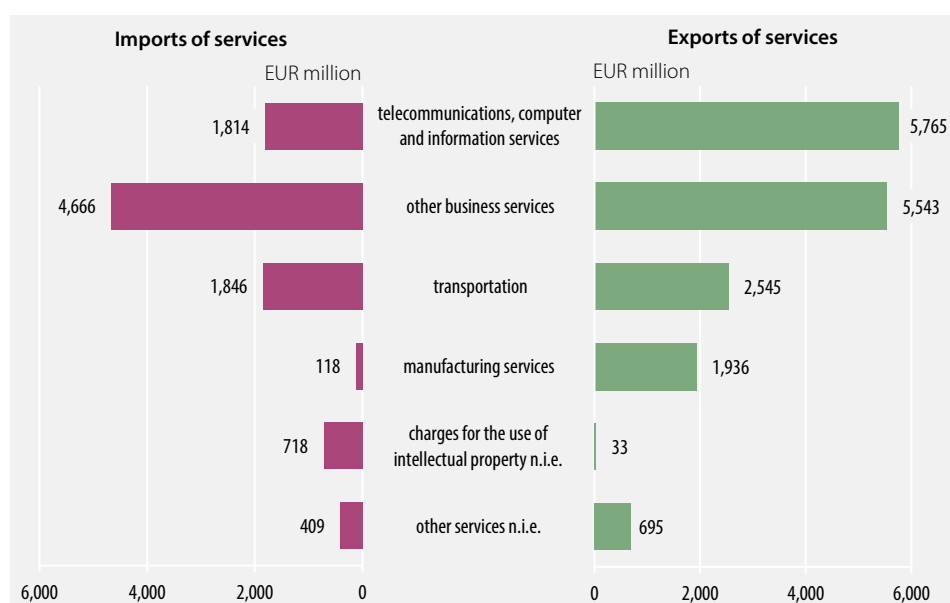
products (EUR -3,958 million, mainly on account of imports of crude oil, but also of petroleum products, petroleum gases, ores) and (iii) agri-food items (EUR -1,056 million). On the other hand, FDI enterprises trading in machinery, apparatus, equipment and transport equipment (EUR +2,314 million, due to exports of transport equipment), wood and paper products (EUR +727 million), base metals (EUR +197 million) and other goods (EUR +96 million) recorded surpluses (Table 17 in the Statistics section).

As for the breakdown of the aggregate international trade in goods balance of FDI enterprises by economic activity (based on the main economic activity of the FDI enterprise, according to NACE Rev. 2), FDI companies operating in trade recorded a FOB-CIF deficit of EUR 17,004 million, EUR 2,420 million higher than in 2020, which was partly offset by the EUR 8,655 million surplus recorded by FDI companies operating in industry (EUR 738 million higher than in 2020). Manufacturing is the main sector that recorded a trade surplus (EUR 8,597 million), mainly due to transport equipment (EUR 3,961 million surplus), metallurgy (EUR 2,179 million surplus), manufacture of wood products, including furniture (EUR 1,585 million surplus) and textiles, wearing apparel and leather goods (EUR 751 million surplus) (Table 18 in the Statistics section).

7.2. International trade in services

The same as in the case of international trade in goods, FDI enterprises benefited from the favourable international context in 2021, posting significant growth in terms of both exports and imports of services.

Chart 21. FDI enterprises' exports and imports of services by group of services in 2021



Thus, in 2021, FDI enterprises exported services worth EUR 16,517 million, up by 31.0 percent (EUR +3,907 million) compared to 2020 and by 22.3 percent (EUR +3,008 million) compared to 2019. Imports of services followed a similar positive

trend, totalling EUR 9,571 million, up by 39.1 percent (EUR +2,689 million) compared to 2020 and by 24.6 percent (EUR +1,887 million) compared to 2019. In 2021, the international trade in services balance of FDI companies recorded a surplus of EUR 6,946 million, up from EUR 5,728 million in 2020 and EUR 5,825 million in 2019.

The analysis by group of services shows that surpluses were recorded by FDI enterprises operating in almost all groups of services, except for charges for the use of intellectual property n.i.e. (EUR -685 million) and technical, trade-related and other business services (EUR -111 million).

The largest volumes of exports of services were recorded by FDI enterprises in telecommunications, computer and information services (EUR 5,765 million), followed by other business services (EUR 5,543 million) and transportation (EUR 2,545 million).

As for imports, the predominant groups of services were other business services (EUR 4,666 million), transportation (EUR 1,846 million) and telecommunications, computer and information services (EUR 1,814 million) (Table 19 in the Statistics section).

METHODOLOGICAL ISSUES ON FOREIGN DIRECT INVESTMENT STATISTICS

The main FDI-related terms are presented below:

- **Foreign direct investment:** long-term investment relationship between a resident and a non-resident entity; it usually involves a significant degree of influence exerted by the investor on the management of the direct investment enterprise in which he has invested.

Foreign direct investment includes the paid-up capital and the reserves related to a non-resident investor holding at least 10 percent of the voting power or of the subscribed share capital of a resident enterprise, debt instruments between the investor or the group to which the investor belongs and the resident direct investment enterprise, as well as the reinvestment of earnings.

According to the BPM6 methodology, foreign direct investment also includes equity investment and net debt from non-resident enterprises whose voting power or equity participation in the resident enterprise is less than 10 percent, but which belong to the same group as the foreign direct investor in the resident company (fellow enterprises).

Resident enterprises on which a non-resident investor has indirect significant influence are also considered foreign direct investment. This includes resident subsidiaries and associates of a resident enterprise in which a non-resident investor holds at least 10 percent of the subscribed share capital (indirect direct investment enterprises).

- **Foreign direct investor:** legal entity, individual or group of related entities holding at least 10 percent of the voting power or the subscribed share capital (or of the endowment/working capital in case of unincorporated entities) in an enterprise located outside the country of residence.
- **Direct investment enterprise:** an incorporated or unincorporated resident enterprise in which a non-resident investor holds at least 10 percent of the voting power or of the subscribed share capital, or of the endowment/working capital in case of unincorporated entities (branches). Holding at least 10 percent of the voting power or of the subscribed share capital, or of the endowment/working capital, is the prerequisite for the establishment of the direct investment relationship.
- **Indirect direct investment enterprise:** an incorporated resident enterprise in which a foreign direct investor holds, via a direct investment enterprise, at least 10 percent of the voting power or of the subscribed share capital. Indirect direct investment enterprises are subsidiaries or associates of direct investment enterprises. Subsidiaries are resident enterprises in which direct investment enterprises hold more than 50 percent of the voting power or of the subscribed share capital. Associates are resident enterprises in which direct investment enterprises hold between 10 percent and 50 percent of the voting power or of the subscribed share capital.
- **Fellow enterprises:** enterprises belonging to the same group, residing in different countries and not having a direct control or influence relationship (meaning that neither of them holds at least 10 percent of the voting power or of the subscribed share capital of the other).
- **Reverse direct investment:** the investment relationship opposite to the foreign direct investment between a resident direct investment enterprise and a foreign direct investor, where the former holds less than 10 percent of the voting power or of the share capital of the foreign direct investor.

Foreign direct investment components:

- **Equity:** includes subscribed and paid-up capital, both in cash and through in-kind contributions, held by non-residents in resident enterprises, as well as the related share in reserves; in the case of branches, the available endowment/working capital is taken into account.
- **Debt instruments:** the direct investment enterprise's borrowings from the foreign direct investor or the group of non-resident companies the direct investor belongs to, net of the lending by the direct investment enterprise either to the foreign direct investor or to another entity within the group of companies. Debt instruments are grouped into three categories: financial debt (standard financial loans, debt securities, revolving loans, financial leasing, overdraft facilities, cash pooling, etc.), trade debt (intercompany trade credit, trade advances) and other accounts payable/receivable (unpaid dividends, amounts being settled, other accounts payable/receivable), regardless of maturity.

Debt between affiliated financial intermediaries (credit institutions, non-bank financial institutions) is not considered direct investment.

Types of foreign direct investment (by contribution to the equity flows in direct investment enterprises):

- **Greenfield:** establishment of enterprises by or together with foreign investors (*ex nihilo* investment).
- **Mergers and acquisitions:** partial or full takeover of enterprises by foreign investors from residents.
- **Corporate development:** increase in equity holdings of foreign investors in direct investment enterprises.
- **Corporate restructuring:** equity investment by foreign investors in direct investment enterprises which incurred losses in order to turn them to profitability.

Direct investment abroad: long-term investment relationship between a resident and a non-resident entity; it usually involves a significant degree of influence exerted by the investor on the management of the direct investment enterprise in which he has invested. Direct investment abroad includes the paid-up capital and the reserves related to a resident investor holding at least 10 percent of the voting power or of the subscribed share capital of a non-resident enterprise, debt instruments between the investor or the group to which the investor belongs and the non-resident direct investment enterprise, as well as the reinvestment of earnings. Resident direct investment abroad is also the capital in non-resident companies on which the resident investor indirectly exerts a significant degree of influence.

ISSUES ON THE STATISTICAL SURVEY FOR DETERMINING FOREIGN DIRECT INVESTMENT

Data on foreign direct investment in 2021 were collected mainly through a direct statistical survey³⁵ conducted by the National Bank of Romania and the National Institute of Statistics, in compliance with the methodology set forth in the *International Monetary Fund Balance of Payments and International Investment Position Manual*, Sixth Edition (BPM6).

The sampling frame of the FDI survey consisted of 36,881 FDI enterprises, out of which 7,951 enterprises were surveyed (either via comprehensive or random survey). Specifically, a number of 6,485 enterprises were subject to a comprehensive survey, including enterprises with at least 20 employees (5,073 entities), all credit institutions (27 entities), non-bank financial institutions in the Special Register (41 entities) and insurance companies with foreign capital (36 entities), as well as the enterprises referred to as atypical, namely all direct investment enterprises with less than 20 employees whose turnover or share capital was of at least lei 30 million or which took medium and long-term loans of at least lei 15 million from their foreign direct investors or from fellow companies, as well as those for which there is information that they record significant FDI flows/positions (1,308 entities).

A sample of 704 companies out of the 6,479 FDI enterprises with 5 to 19 employees was subject to a random survey. Additionally, indirect direct investment enterprises (762 entities) were subject to a comprehensive survey. The final results of the FDI in Romania at end-2021 survey, flows and positions (for the representative sample of direct investment enterprises), have an error margin of ± 3 percent, a 95 percent confidence level being warranted for the key indicators.

Regarding the survey on the direct investment of residents abroad, 357 entities were subject to a comprehensive survey, apart from 218 FDI enterprises that also reported direct investment abroad.

The overall response rate of both the FDI survey and the Direct Investment Abroad survey was 95.90 percent.

³⁵ Further details on the methodological aspects of the FDI survey can be found at [https://www.bnr.ro/Statistical-survey-to-determine-foreign-direct-investment-\(FDI\)-18953.aspx](https://www.bnr.ro/Statistical-survey-to-determine-foreign-direct-investment-(FDI)-18953.aspx)

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APPENDIX

Classification of manufacturing industries based on technological intensity and NACE Rev.2

- **High-technology industries**
 - Manufacture of basic pharmaceutical products and pharmaceutical preparations
 - Manufacture of computer, electronic and optical products

- **Medium-high-technology industries**
 - Manufacture of chemicals and chemical products
 - Manufacture of electrical equipment
 - Manufacture of machinery and equipment n.e.c.
 - Manufacture of motor vehicles, trailers and semi-trailers
 - Manufacture of other transport equipment

- **Medium-low-technology industries**
 - Manufacture of coke and refined petroleum products
 - Manufacture of rubber and plastic products
 - Manufacture of other non-metallic mineral products
 - Manufacture of basic metals
 - Manufacture of fabricated metal products, except machinery and equipment
 - Repair and installation of machinery and equipment

- **Low-technology industries**
 - Manufacture of food products
 - Manufacture of beverages
 - Manufacture of tobacco products
 - Manufacture of textiles
 - Manufacture of wearing apparel
 - Manufacture of leather and related products
 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
 - Manufacture of paper and paper products
 - Printing and reproduction of recorded media
 - Manufacture of furniture
 - Other manufacturing

STATISTICS SECTION

The tabular data in this section are available in editable format [here](#).

Table 1. FDI flows in 2012-2021

EUR million										
Components	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	2,489	2,712	2,421	3,461	4,517	4,797	5,266	5,173	3,005	8,940
Equity capital	2,676	2,765	4,222	3,085	3,202	2,235	2,973	2,238	983	2,165
Reinvestment of earnings	-1,846	-337	-1,376	510	1,138	1,733	2,573	2,783	3,016	4,582
Debt transactions**	1,659	285	-425	-134	176	829	-280	152	-994	2,194

* FDI flows for 2012 were recompiled based on BPM6 methodology
** debt less claims in relation to foreign direct investors, including fellow companies

Table 2. FDI flows in 2021 and their components by FDI enterprises' economic activity

EUR million			
Economic activity	FDI flows		
	Total	Equity*	Debt transactions
	1=2+3	2	3
Industry	2,572	1,583	989
Mining	-148	-70	-78
Manufacturing	2,531	1,443	1,088
– food, beverages and tobacco	217	150	68
– cement, glassware, ceramics	75	95	-20
– wood items, including furniture	32	116	-83
– manufacture of computer, electronic, optical and electrical products	332	144	188
– machinery and equipment	230	89	142
– metallurgy	584	516	67
– transport equipment	450	4	445
– oil processing, chemical, rubber and plastic products	520	178	343
– textiles, wearing apparel, leather goods	5	16	-11
– other manufacturing sub-sectors	86	134	-48
Electricity, gas and water supply	189	210	-20
Professional, scientific, technical and administrative activities and support services	141	416	-275
Agriculture, forestry and fishing	57	83	-26
Trade	1,732	1,603	129
Construction and real estate transactions	710	426	285
Accommodation and food service activities	15	-6	21
Financial intermediation and insurance	3,065	2,235	830
Information and communication technology	628	332	296
Transportation	20	14	6
Other	1	62	-60
Total	8,940	6,747	2,194

* including equity capital and reinvestment of earnings

Table 3. FDI flows as a share of GDP and the value of FDI flows relative to the resident population in 2012-2021

Indicators	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
FDI flows (EUR mill.)	2,489	2,712	2,421	3,461	4,517	4,797	5,266	5,173	3,005	8,940
GDP** (EUR mill.)	133,246	143,802	150,428	160,328	170,378	187,801	204,684	223,167	218,918	240,208
FDI flows/GDP (%)	1.9	1.9	1.6	2.2	2.7	2.6	2.6	2.3	1.4	3.7
Population*** (mill. inhabitants)	20.02	19.95	19.88	19.76	19.64	19.53	19.43	19.33	19.19	19.04
FDI flows/population (EUR/inhabitant)	124	136	122	175	230	246	271	268	157	470

* FDI flows for 2012 were recompiled based on BPM6 methodology
** provisional data for 2021
*** resident population as at 1 January of the next year
Source: NIS, NBR

Table 4. Debt positions of foreign direct investors, including fellow companies, as at 31 December 2021

EUR million	
Debt instruments	Value
Net debt	30,031
Debt	40,891
Financial	31,312
Trade	9,178
Other accounts payable	401
Claims	10,860
Financial	4,247
Trade	6,508
Other accounts receivable	105

Table 5. FDI positions in 2012-2021

EUR million										
Components	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	57,851	60,639	61,999	64,663	70,742	75,851	81,124	88,304	90,773	100,288
Equity positions	39,393	40,700	43,243	45,098	48,964	52,746	57,479	61,352	63,952	70,257
Debt positions**	18,458	19,939	18,756	19,565	21,778	23,105	23,645	26,952	26,821	30,031

* FDI position for 2012 was recompiled based on BPM6 methodology
** debt less claims in relation to foreign direct investors, including fellow companies
Note: FDI positions for 2013-2016 were revised in December 2019, during the benchmark revision (for further information, see <http://www.bnr.ro/Process-of-statistical-data-revision-20812.aspx>)

Table 6. FDI position as a share in GDP and FDI position relative to the resident population in 2012-2021

Indicators	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
FDI position (EUR mill.)	57,851	60,639	61,999	64,663	70,742	75,851	81,124	88,304	90,773	100,288
GDP** (EUR mill.)	133,246	143,802	150,428	160,328	170,378	187,801	204,541	223,342	218,219	240,208
FDI position/GDP (%)	43.4	42.2	41.2	40.3	41.5	40.4	39.7	39.5	41.6	41.8
Population*** (mill. inhabitants)	20.02	19.95	19.88	19.76	19.64	19.53	19.43	19.33	19.19	19.04
FDI position/population (EUR/inhabitant)	2,890	3,039	3,119	3,272	3,601	3,883	4,176	4,569	4,731	5,268

* FDI position for 2012 was recompiled based on BPM6 methodology
** provisional data for 2021
*** resident population as at 1 January of the next year
Note: FDI positions for 2013-2016 were revised in December 2019, during the benchmark revision (for further information, see <https://www.bnr.ro/Process-of-statistical-data-revision-20812.aspx>)
Source: NIS, NBR

Table 7. FDI position by main economic activity in 2012-2021

Economic activity	EUR million									
	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	59,126	60,639	61,999	64,663	70,742	75,851	81,124	88,304	90,773	100,288
Industry	27,455	29,010	30,013	28,521	31,124	32,666	33,311	35,648	35,693	39,011
Mining	3,225	3,548	3,387	1,985	1,842	1,965	2,273	3,921	3,373	4,018
Manufacturing	18,509	18,581	19,431	19,975	22,494	24,250	25,032	25,596	26,475	30,065
– food, beverages and tobacco	2,160	2,402	2,562	2,170	2,398	2,517	2,678	2,651	2,877	3,227
– cement, glassware, ceramics	1,684	1,658	1,628	1,461	1,433	1,419	1,497	1,512	1,454	1,500
– wood items, including furniture	1,090	1,154	1,550	1,704	1,436	1,340	1,398	1,453	1,513	1,523
– manufacture of computer, electronic, optical and electrical products	1,051	1,270	1,481	1,493	1,724	1,857	1,942	2,023	2,321	2,490
– machinery and equipment	1,114	1,369	1,526	1,703	1,597	1,715	1,834	1,925	1,920	2,285
– metallurgy	2,899	2,435	2,823	2,672	2,898	3,153	3,163	3,167	3,191	3,243
– transport equipment	3,173	3,322	2,708	3,309	4,684	5,626	5,441	5,732	6,088	6,763
– oil processing, chemical, rubber and plastic products	3,962	3,687	3,679	3,882	4,530	4,884	5,175	5,217	5,136	6,993
– textiles, wearing apparel, leather goods	834	793	919	999	1,037	1,068	1,018	1,016	989	978
– other manufacturing sub-sectors	542	491	555	582	757	671	886	900	987	1,064
Electricity, gas and water supply	5,721	6,881	7,195	6,561	6,788	6,451	6,006	6,131	5,845	4,928
Professional, scientific, technical and administrative activities and support services	2,843	2,999	3,180	4,133	3,984	4,088	3,991	4,386	4,183	4,040
Agriculture, forestry and fishing	1,402	1,335	1,623	1,709	1,864	2,272	2,406	2,637	2,621	2,215
Trade	6,714	6,405	6,685	7,441	8,992	10,446	12,865	14,681	15,658	17,243
Construction and real estate transactions	5,466	6,270	6,542	8,372	10,060	11,611	13,651	14,928	15,361	17,443
Accommodation and food service activities	348	385	618	534	418	449	528	605	651	703
Financial intermediation and insurance	10,914	8,564	7,822	8,446	8,856	9,398	9,308	10,152	10,746	13,580

–continued–

EUR million										
Economic activity	2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
Information and communication technology	2,854	4,390	4,019	3,854	3,704	3,150	3,321	3,441	3,918	4,161
Transportation	876	971	1,080	1,209	1,224	1,247	1,281	1,274	1,496	1,455
Other	254	310	418	444	516	524	462	552	448	438

* FDI position for 2012 was calculated based on BPM5 methodology
Note: FDI positions for 2013-2016 were revised in December 2019, during the benchmark revision (for further information, see <http://www.bnr.ro/Process-of-statistical-data-revision-20812.aspx>)

Table 8. FDI enterprises' tangible and intangible fixed assets by main economic activity as at 31 December 2021

Economic activity	Value (EUR million)	% of total FDI
Total	43,144	43.0
Industry	22,004	21.9
Mining	2,946	2.9
Manufacturing	16,081	16.0
– food, beverages and tobacco	2,157	2.2
– cement, glassware, ceramics	1,036	1.0
– wood items, including furniture	896	0.9
– manufacture of computer, electronic, optical and electrical products	1,296	1.3
– machinery and equipment	1,236	1.2
– metallurgy	1,884	1.9
– transport equipment	3,755	3.7
– oil processing, chemical, rubber and plastic products	2,852	2.8
– textiles, wearing apparel, leather goods	422	0.4
– other manufacturing sub-sectors	547	0.6
Electricity, gas and water supply	2,977	3.0
Professional, scientific, technical and administrative activities and support services	751	0.7
Agriculture, forestry and fishing	1,135	1.1
Trade	6,688	6.7
Construction and real estate transactions	7,147	7.1
Accommodation and food service activities	443	0.4
Financial intermediation and insurance	1,839	1.8
Information and communication technology	2,063	2.1
Transportation	886	0.9
Other	188	0.2

Table 9. FDI position distribution by development region as at 31 December 2021

Region	Value (EUR million)	% of total FDI
Total	100,288	100.0
BUCHAREST – ILFOV	62,694	62.5
CENTRE	8,774	8.7
WEST	7,494	7.5
SOUTH – MUNTENIA	6,501	6.5
NORTH-WEST	5,724	5.7
SOUTH-EAST	4,181	4.2
NORTH-EAST	2,969	3.0
SOUTH-WEST – OLTENIA	1,949	1.9

Note: FDI were territorially located by the registered office of the direct investment enterprises, which is not necessarily the same as their business place.

Table 10. FDI position distribution by county for FDI enterprises with at least 20 employees and atypical* enterprises in 2013-2021

County	EUR million								
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	57,443	59,222	60,627	66,577	71,173	75,502	82,528	87,083	96,821
Alba	886	1,192	963	1,103	828	828	1,065	1,024	1,270
Argeş	1,450	582	791	1,037	1,117	1,233	1,425	1,521	1,606
Arad	760	854	959	1,079	1,216	1,011	914	1,103	1,495
Bacău	165	165	193	143	144	458	356	329	c
Bihor	526	584	613	656	667	700	876	1,023	1,014
Bistriţa-Năsăud	110	120	149	188	136	116	138	123	173
Brăila	136	136	80	90	112	131	170	199	214
Botoşani	84	70	78	80	77	76	70	74	80
Braşov	1,827	1,880	2,128	2,159	2,204	2,597	2,581	2,668	2,621
Bucureşti	32,105	32,464	33,023	36,191	38,699	41,273	45,961	48,713	54,326
Buzău	320	540	431	500	399	422	436	451	557
Cluj	1,118	1,431	1,677	1,713	1,934	1,939	2,059	2,101	2,326
Călăraşi	465	463	429	334	353	353	364	299	329
Caraş-Severin	110	207	214	331	287	162	196	216	242
Constanţa	1,157	1,424	1,559	2,019	2,163	1,852	2,033	1,804	2,038
Covasna	90	89	129	132	140	131	224	283	396
Dâmboviţa	257	277	350	352	396	334	393	442	426
Dolj	1,083	1,068	1,251	1,135	1,198	1,267	1,335	1,334	717
Gorj	12	14	13	8	4	3	3	5	7
Galaţi	546	606	513	651	603	844	838	708	744
Giurgiu	212	132	125	129	169	226	264	363	419
Hunedoara	313	379	370	379	411	393	411	456	499
Harghita	113	127	130	106	105	111	123	223	253
Ilfov	3,035	3,153	3,332	3,672	4,165	4,451	5,188	5,876	6,592

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EUR million									
County	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ialomița	197	173	212	306	293	301	315	333	357
Iași	647	516	448	462	469	460	454	515	543
Mehedinți	91	106	15	16	5	16	19	14	16
Maramureș	34	176	218	442	476	637	700	710	824
Mureș	1,499	1,599	1,511	1,757	1,620	1,674	1,766	1,884	1,991
Neamț	146	183	206	192	197	228	191	193	225
Olt	615	668	707	674	973	942	969	904	973
Prahova	2,008	2,062	2,060	2,171	2,251	2,481	2,607	2,579	3,029
Sibiu	622	882	803	907	1,310	1,476	1,560	1,820	1,887
Sălaj	403	478	458	471	457	406	421	451	422
Satu Mare	236	284	350	391	401	502	553	570	604
Suceava	457	439	498	459	453	447	445	420	435
Tulcea	283	282	198	138	322	168	249	295	c
Timiș	2,976	3,018	3,053	3,605	3,998	4,359	4,386	4,579	4,788
Teleorman	95	101	108	99	79	87	93	117	153
Vâlcea	88	133	151	175	182	194	191	183	188
Vrancea	81	87	86	91	117	121	120	120	114
Vaslui	85	78	45	34	43	92	66	58	36

* see the explanations in Section 2.2.2. FDI position distribution by county for FDI enterprises with at least 20 employees and atypical enterprises

Note: FDI was territorially located by the registered office of the direct investment enterprises, which is not necessarily the same as their place of business.

FDI positions for 2013-2016 were revised in December 2019, during the benchmark revision (for further information, see <https://www.bnr.ro/Process-of-statistical-data-revision-20812.aspx>)

c – confidential values, according to Art.36 of Law No. 226/2009 on the organisation and functioning of official statistics in Romania, as subsequently amended and supplemented

Table 11. FDI position distribution by immediate investor country between 2013-2021

EUR million									
Country	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total	60,639	61,999	64,663	70,742	75,851	81,124	88,304	90,773	100,288
Netherlands	14,999	15,107	16,538	17,222	19,638	19,389	20,515	19,994	22,182
Germany	6,816	7,792	8,014	9,367	9,704	10,298	10,893	11,070	12,549
Austria	11,575	9,600	8,933	8,350	9,575	9,915	11,107	10,858	12,280
Italy	2,644	2,717	3,279	4,445	4,739	7,669	7,263	7,652	7,530
France*	4,538	3,594	3,772	4,811	4,731	4,919	5,486	5,642	6,495
Cyprus	2,904	4,501	4,593	4,603	4,647	5,015	5,492	5,445	6,338
Luxembourg	1,516	2,218	2,824	3,035	3,543	3,439	3,779	3,906	5,225
Switzerland	2,013	2,281	2,267	2,585	3,144	3,641	3,792	4,656	5,081
United Kingdom	1,244	1,501	1,254	1,701	1,452	1,711	2,853	2,755	3,040
Belgium	1,550	1,386	1,501	1,952	1,584	2,276	2,518	2,202	2,504
Hungary	767	881	950	975	959	1,223	1,612	2,221	2,326
Spain	1,178	1,575	1,467	1,740	1,559	1,634	1,425	1,756	1,823
Greece	1,981	1,821	1,831	1,969	1,723	1,335	1,249	1,234	1,270
United States	1,079	1,142	1,652	1,347	1,128	542	901	1,037	1,115

–continued–

EUR million									
Country	2013	2014	2015	2016	2017	2018	2019	2020	2021
Poland	248	312	458	516	692	786	925	933	1,006
Malta	59	80	116	136	107	144	176	224	990
Czechia	1,072	852	669	1,196	1,431	1,639	2,036	1,799	972
Turkey	368	581	333	455	519	577	523	1,029	874
Sweden	479	644	392	534	533	626	683	810	828
Ireland	331	349	460	368	288	401	678	671	721
Denmark	320	511	448	459	581	730	642	680	635
Japan	210	239	250	285	315	424	423	548	601
Israel	172	100	75	158	224	313	332	338	491
Bulgaria	52	130	50	159	174	284	344	417	417
Norway	249	278	175	141	339	219	361	427	354
United Arab Emirates	38	49	59	31	23	260	175	145	344
Portugal	244	152	266	265	268	263	242	257	319
Lebanon	187	176	158	216	271	55	226	275	286
China	125	90	223	56	75	37	91	227	248
Russian Federation	67	39	45	145	68	63	154	137	192
Canada	189	97	68	70	158	130	138	218	136
Other**	1,425	1,204	1,543	1,450	1,659	1,167	1,270	1,210	1,116

* including the Principality of Monaco

** countries which invested less than EUR 100 million as at 31 December 2021 and countries with confidential values, according to Art.36 of Law No. 226/2009 on the organisation and functioning of official statistics in Romania, as subsequently amended and supplemented

Table 12. FDI position distribution by ultimate investing country* as at 31 December 2021

Country	Value (EUR million)	% of total FDI
Total	100,288	100
Germany	14,911	14.9
Austria	10,724	10.7
France**	9,709	9.7
Italy	7,928	7.9
United States	7,854	7.8
Netherlands	3,851	3.8
Switzerland	3,615	3.6
United Kingdom	3,508	3.5
Romania***	3,308	3.3
Czechia	3,173	3.2
Luxembourg	2,327	2.3
Cyprus	2,237	2.2
Belgium	2,210	2.2
Hungary	1,948	1.9
Turkey	1,767	1.8
Spain	1,722	1.7

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Country	Value (EUR million)	% of total FDI
Japan	1,711	1.7
Israel	1,492	1.5
China	1,421	1.4
Greece	1,242	1.2
Russian Federation	1,158	1.2
Other****	12,472	12.4

* according to the Ultimate Investing Country principle, the control approach
** including the Principality of Monaco
*** includes foreign direct investment in FDI enterprises where the ultimate investing country is Romania, as well as foreign investment in FDI enterprises in which foreign investors hold less than 50 percent of the share capital/voting rights and control is thus held by residents (the control approach)
**** ultimate investing countries with FDI positions of less than EUR 1,000 million and countries for which data are confidential, according to Art.36 of Law No. 226/2009 on the organisation and functioning of official statistics in Romania, as subsequently amended and supplemented

Table 13. Residents' direct investment abroad (position) by destination country as at 31 December 2021

Country	Value
Total	2,793
Cyprus	526
Republic of Moldova	333
Italy	302
Hungary	284
Bulgaria	177
Republic of Serbia	133
France*	102
Spain	53
Ukraine	38
Germany	28
United States	26
Greece	21
Turkey	21
Other**	749

* including the Principality of Monaco
** destination countries whose FDI position is less than EUR 10 million, as well as countries for which data are confidential, according to Art.36 of Law No. 226/2009 on the organisation and functioning of official statistics in Romania, as subsequently amended and supplemented
Note: Distribution by country of origin was based on the Immediate Investor Country principle.

Table 14. Turnover of FDI enterprises

EUR million			
Year	Direct investment enterprises	Indirect direct investment enterprises	Total FDI enterprises
2012	125,473	14,137	139,610
2013	129,615	12,587	142,202
2014	131,820	9,685	141,505
2015	133,076	10,792	143,868
2016	137,832	10,532	148,364
2017	152,217	12,588	164,805
2018	165,607	13,182	178,789
2019	174,858	16,147	191,005
2020	166,232	13,142	179,374
2021	193,739	16,265	210,004

Table 15. Average number of employees in FDI enterprises

thou. persons			
Year	Direct investment enterprises	Indirect direct investment enterprises	Total FDI enterprises
2012	1,102	67	1,169
2013	1,083	64	1,147
2014	1,124	60	1,184
2015	1,165	63	1,228
2016	1,205	59	1,264
2017	1,244	65	1,309
2018	1,252	64	1,316
2019	1,240	74	1,314
2020	1,198	67	1,265
2021	1,189	66	1,255

Table 16. Labour productivity and labour profitability in FDI enterprises

EUR/employee		
Year	Labour productivity*	Labour profitability**
2012	119,427	904
2013	123,977	2,433
2014	119,514	1,106
2015	117,156	2,803
2016	117,377	3,716
2017	125,901	4,649
2018	135,858	5,164
2019	145,361	5,363
2020	141,798	5,402
2021	167,340	7,217

* calculated as the ratio of turnover to the average number of employees

** calculated as the ratio of net profit to the average number of employees

Table 17. FDI enterprises' exports and imports of goods by group of goods in 2021*

Groups of goods (CN sections)	Exports (FOB)		Imports (CIF)		FOB/CIF trade balance
	FDI enterprises (EUR million)	(%) FDI enterprises in total economy**	FDI enterprises (EUR million)	(%) FDI enterprises in total economy**	(+) surplus/ (-) deficit (EUR million)
Goods - Total	50,998	72.7	60,072	65.9	-9,074
1. Agri-food items	4,409	6.3	5,465	6.0	-1,056
I. Live animals and animal products	318	0.5	1,056	1.2	-738
II. Vegetable origin products	2,943	4.2	1,543	1.7	1,400
III. Animal or vegetable oils and fats	199	0.3	130	0.1	69
IV. Food-items, beverages, tobacco	949	1.4	2,736	3.0	-1,787
2. Mineral products (V)	1,359	1.9	5,317	5.8	-3,958
3. Chemical and plastic products	5,274	7.5	11,990	13.2	-6,716
VI. Chemical products	1,441	2.1	7,428	8.1	-5,987
VII. Plastics, rubber	3,833	5.5	4,562	5.0	-729
4. Wood and paper products	2,058	2.9	1,331	1.5	727
IX. Wood products	1,657	2.4	606	0.7	1,051
X. Woodpulp, paper	401	0.6	725	0.8	-324
5. Textiles, wearing apparel, footwear	2,608	3.7	3,286	3.6	-678
XI. Textiles and articles thereof	2,019	2.9	2,729	3.0	-710
XII. Footwear	589	0.8	557	0.6	32
6. Base metals (XV)	6,138	8.8	5,941	6.5	197
7. Machinery, apparatus, equipment, transport equipment	25,377	36.2	23,063	25.3	2,314
XVI. Machinery, apparatus and electrical equipment	14,976	21.4	17,018	18.7	-2,042
XVII. Transport equipment	10,401	14.8	6,045	6.6	4,356
8. Other	3,775	5.4	3,679	4.0	96
VIII. Leather, furskins and articles thereof	175	0.2	501	0.5	-326
XIII. Building materials	360	0.5	617	0.7	-257
Miscellaneous goods and products (XVIII, XX, XXII)	3,240	4.6	2,561	2.8	679

* according to the Combined Nomenclature; including goods imported for manufacturing and exports of goods after manufacturing

** excluding exports and imports of NACE Rev.2 divisions: 84 - Public administration, 94 - Activities of membership organisations, 97/98 - Activities of households as employers and 99 - Activities of extraterritorial organisations and bodies

Source: NIS, NBR calculations

Table 18. FDI enterprises' exports and imports of goods by economic activity* in 2021

Economic activity	Exports (FOB)			Imports (CIF)		
	FDI enterprises (EUR million)	(% FDI enterprises)		FDI enterprises (EUR million)	(% FDI enterprises)	
		in total economy**	in total sector		in total economy**	in total sector
Total	50,998	72.7	72.7	60,072	65.9	65.9
Industry	45,429	64.8	79.9	36,774	40.3	79.4
Mining	763	1.1	90.0	942	1.0	93.4
Manufacturing	44,037	62.8	80.4	35,440	38.9	80.8
– food, beverages and tobacco	1,107	1.6	56.6	1,723	1.9	63.3
– cement, glassware, ceramics	334	0.5	71.3	470	0.5	73.2
– wood items, including furniture	2,458	3.5	70.3	873	1.0	69.3
– manufacture of computer, electronic, optical and electrical products	6,094	8.7	77.6	5,288	5.8	78.5
– machinery and equipment	4,076	5.8	93.7	3,259	3.6	90.4
– metallurgy	5,170	7.4	89.1	2,991	3.3	79.5
– transport equipment	16,327	23.3	82.0	12,365	13.6	88.9
– oil processing, chemical, rubber and plastic products	5,288	7.5	85.8	6,139	6.7	82.4
– textiles, wearing apparel, leather goods	2,496	3.6	67.7	1,745	1.9	67.6
– other manufacturing	687	1.0	62.2	587	0.6	48.8
Electricity, gas and water supply	629	0.9	52.7	392	0.4	27.0
Professional, scientific, technical and administrative activities and support services	159	0.2	35.1	589	0.7	45.2
Agriculture, forestry and fishing	448	0.6	41.5	295	0.3	30.9
Trade	4,703	6.7	43.1	21,707	23.8	54.3
Construction and real estate transactions	37	0.1	18.7	173	0.2	22.0
Accommodation and food service activities	0	0.0	2.9	13	0.0	14.9
Financial intermediation and insurance	1	0.0	14.9	69	0.1	34.6
Information and communication technology	139	0.2	85.4	334	0.4	67.6
Transportation	82	0.1	19.8	103	0.1	15.7
Other	2	0.0	2.5	16	0.0	4.5

* including goods imported for manufacturing and exports of goods after manufacturing

** excluding exports and imports of NACE Rev. 2 divisions: 84 – Public administration, 94 – Activities of membership organisations, 97/98 – Activities of households as employers and 99 – Activities of extraterritorial organisations and bodies

Note: Exports and imports of goods are aggregated by the main activity of direct investment enterprises, according to NACE Rev. 2.

Source: NIS, NBR calculations

Table 19. FDI enterprises' exports and imports of services in 2021*

Groups of services	Exports		Imports	
	FDI enterprises (EUR million)	(%) FDI enterprises in total services group	FDI enterprises (EUR million)	(%) FDI enterprises in total services group
Total services	16,517	66.1	9,571	71.4
Manufacturing services	1,936	77.9	118	77.7
Transportation, <i>of which:</i>	2,545	33.5	1,846	54.8
Freight transport on road	1,797	29.8	785	64.6
Telecommunications, computer and information services	5,765	82.5	1,814	59.2
Telecommunications services	782	89.8	558	92.3
Computer services	4,265	83.5	1,057	51.0
Information services	718	71.0	199	51.6
Charges for the use of intellectual property n.i.e.	33	42.8	718	81.6
Other business services	5,543	86.1	4,666	87.8
Research and development services	735	95.9	370	90.3
Professional and management consulting services	2,039	83.5	1,416	83.1
Technical, trade-related and other business services	2,769	85.7	2,880	89.9
Other services	695	49.7	409	65.3

* Data on exports and imports of goods and services are compiled by the NBR based on BPM6 methodology.

Note: Exports and imports are aggregated based on the type of service.

International trade in services of direct investment enterprises and percentages in total exports/imports of international services do not include travel services, insurance and pension funds services and FISIM (Financial Intermediation Services Indirectly Measured). For these types of services, primary data are not collected from enterprises but are obtained from administrative sources or estimated based on mathematical models.

