



# Romania

Overview

## EIB INVESTMENT SURVEY

# 2021



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# Romania

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## **EIB Investment Survey Country Overview: Romania**

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### **About the EIB Investment Survey (EIBIS)**

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

### **About this publication**

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: [eibis@eib.org](mailto:eibis@eib.org).

**Download the findings of the EIB Investment Survey for each EU country or explore the data portal at [www.eib.org/eibis](http://www.eib.org/eibis).**

### **About the Economics Department of the EIB**

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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### **Disclaimer**

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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# EIBIS 2021 – Romania

## KEY RESULTS

### Investment Dynamics and Focus

EIBIS 2021 shows that firms in Romania became more optimistic for 2021, with more firms expecting to increase investment rather than decrease it. This represents a positive shift from EIBIS 2020. On average, firms in Romania spent two-fifths (39%) of their investment on replacing buildings and equipment. The largest share of investment went into machinery and equipment (56%).

### Impact of COVID-19

COVID-19 hit firms' sales, with nearly half of Romanian firms (47%) reporting that their sales have declined compared to the beginning of 2020. COVID-19 also had an impact on investment: 38% of the firms in Romania revised their investment plans downwards, more than across the EU (26%). Asked about the short-term actions due to COVID-19, digitalisation stood out with more than two fifths (45%) of firms having taken action or made investments to become more digital.

### Investment Needs and Priorities

COVID-19 will undeniably have a long-term impact on investment needs and priorities. Again, digitalisation stands out, with two in five firms (49%) indicating that they expect COVID-19 to lead to an increased use of digital technologies in the long-term, even more than they did in EIBIS 2020 (36%).

The majority of Romanian firms do not perceive gaps in their investment activities. In spite of the difficult circumstances, two-thirds (66%) of Romanian firms believe their investment activities over the last three years have been in line with their needs. This is broadly in line with EIBIS 2020 (60%) but remains significantly below the EU average (82%). Half of the firms (48%) report that they were operating at or above full capacity, which is in line with what was reported in EIBIS 2020 (50%) and the EU average (49%).

### Innovation Activities

Innovation activity declined: a quarter of firms (25%) developed or introduced new products, processes or services as part of their investment activities. This share is below the one reported in EIBIS 2020 (32%) and the EU average (36%). A majority of Romanian firms (53%) have implemented at least one advanced digital technology, similar to EIBIS 2020 (56%) but below the current EU average (61%).

### Drivers and Constraints

Although the picture is improving, firms remain on balance pessimistic about both the political / regulatory and the economic climate. Expectations for the business prospects in the sector turned positive again (up from -23% to +19%).

Uncertainty about the future (80%) and the availability of skilled staff (73%) are cited as the main long-term barriers to investment. These proportions are largely in line with EIBIS 2020 and the EU average.

### Investment Finance

Access to finance conditions in Romania remain worrisome: more than one in ten (12%) Romanian firms can be considered external finance constrained. This is consistent with the share reported in EIBIS 2020 (12%) and corroborates a longer term pattern, but over double the EU average (5%). Nevertheless, Romanian firms that used external finance are generally satisfied with the finance received, although levels of dissatisfaction regarding cost are relatively high compared to the EU average (11% versus 5%).

As a result of the COVID-19 crisis, over a quarter (28%) of Romanian firms have increased their debt position. This is higher than the EU average (16%). Public support was crucial: two-thirds (65%) of firms report having received financial support in response to COVID-19, above the EU average of 56%. This support has primarily come in the form of subsidies that do not need to pay back in the future.

### Climate Change and Energy Efficiency

Romanian firms feel the impact of weather events: the majority (72%) of Romanian firms report that climate change has an impact on their business, much higher than the EU average (58%). Firms are also starting to internalise the risks associated with the transition to net zero. Overall, slightly more firms see the transition to stricter climate standards and regulations as a risk rather than a opportunity for their business over the next five years (27% and 20% respectively).

Four in ten (40%) Romanian firms have already invested to tackle the impact of climate change while 57% plan to invest. These figures did not change a lot compared to EIBIS 2020, and put Romania ahead of the EU average in terms of the proportion of firms planning to invest to address the impact of climate change (47%). As well as investing in climate change, a quarter of Romanian firms (25%) invested in measures to improve energy efficiency in 2020, although this is a lower proportion than EIBIS 2020 (37%) and below the EU average (37%). Moreover, almost a third (31%) report having set and monitored internal targets on carbon emissions and energy consumption, although this is lower than the EU average of 46%.

### Firm management, gender balance and employment

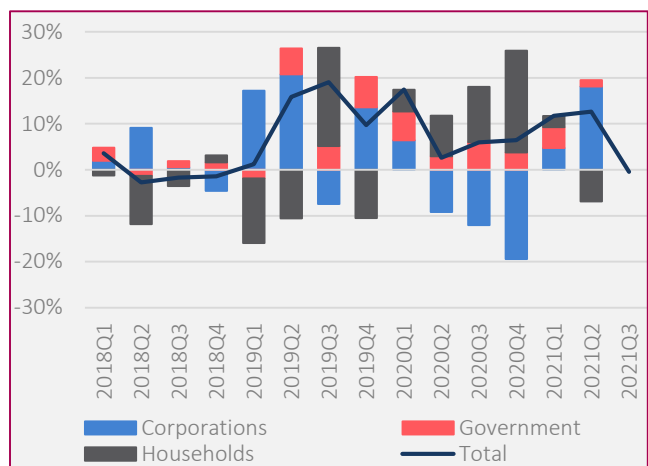
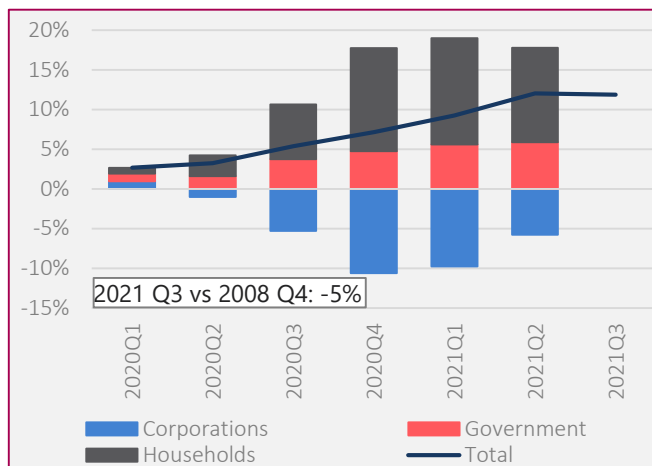
The majority (57%) of Romanian firms strove for gender balance, close to the EU average (60%). The same proportion of Romanian firms (57%) linked individual performance to pay, but this share is below the EU average (67%). A slight overall increase (+1.5%) in employment masks different experiences among SMEs and large firms. The workforce within Romania's SMEs has dropped by an average of 5.5%, compared to an increase of 2.2% within large firms.

# Investment Dynamics and Focus

## INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

In spite of the COVID-19 crisis affecting the economy, total investment levels in Romania were not largely impacted. While corporate investment has been more strongly affected by the shock, household investment as well as government

investment held up. Overall investment levels in Q3 2021 were 12% above pre-pandemic levels (Q4 2019). Corporate investment also started recovering, but in Q2 2021 it remained 6% below the pre-pandemic levels.



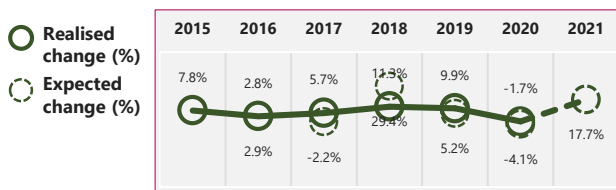
The graph on the left shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF. The four-quarter sum of total GFCF in 2019 Q4 is normalized to 0. Source: Eurostat  
The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms); by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Eurostat.

## INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

EIBIS 2021 shows that, despite having invested less in 2020 compared to 2019, firms in Romania are becoming more optimistic for 2021, with more firms expecting to increase investment rather than decrease it. This represents a positive shift from EIBIS 2020.

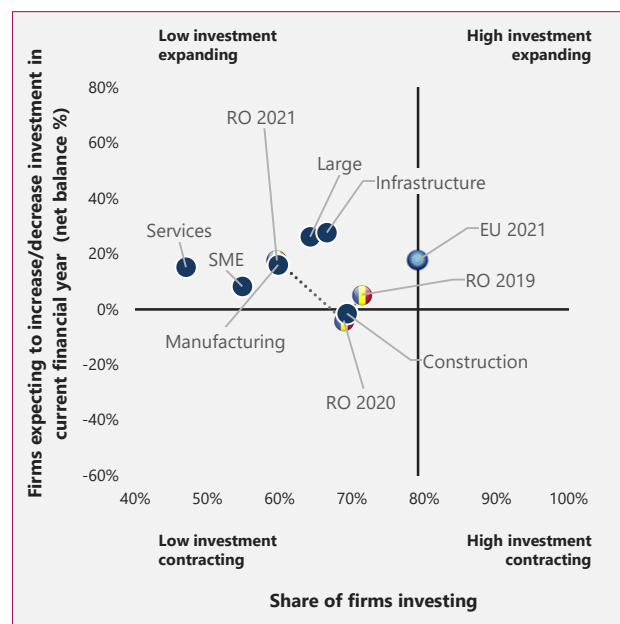
Large firms and those in the infrastructure sector tend to have the most positive investment outlook.

Investment expectations have bounced back since EIBIS 2020 and stand at their highest level since the start of the survey.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for EIBIS 2021.

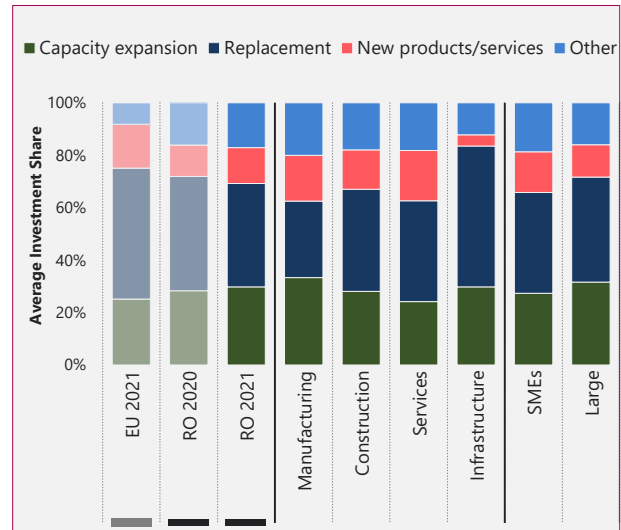
Base: All firms (excluding don't know/refused responses)

# Investment Dynamics and Focus

## PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

On average, firms in Romania spent two-fifths (39%) of their investment on replacing buildings and equipment in 2020. This proportion is in line with the one reported in EIBIS 2020, but lower than the EU average (50%). In addition, 30% of their investment spent was for expanding capacity for existing products and services and 14% was for the development of new products and services.

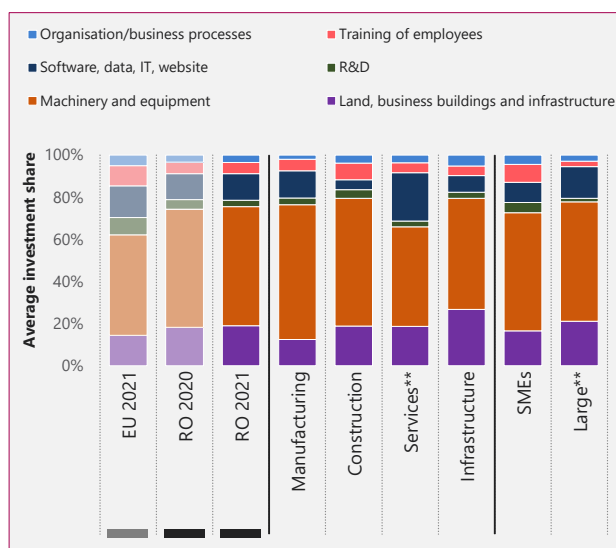
Replacement was more of an investment priority for infrastructure firms (54%) than it was for those in other sectors. Only 4% of infrastructure firms' investment was directed towards new products and services, which is almost five times lower than the one allocated by services firms in the same area of investment (19%).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

## INVESTMENT AREAS



Out of the six investment areas considered, the largest share of investment in 2020 went into machinery and equipment (56%), followed by land, business buildings and infrastructure (19%) and software, data, IT and website activities (13%). Romanian firms' distribution of investment is similar to the one reported in EIBIS 2020, but differs from the EU as a whole, where a greater share of investment was dedicated to research and development (8%) and a lower share to machinery and equipment (48%).

SMEs and firms in the service sector invested a higher share in 'intangible assets' (R&D, software, training and business processes) and a lower share in 'tangible assets' (land, buildings, infrastructure and machinery).

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

\*\*Caution small base size

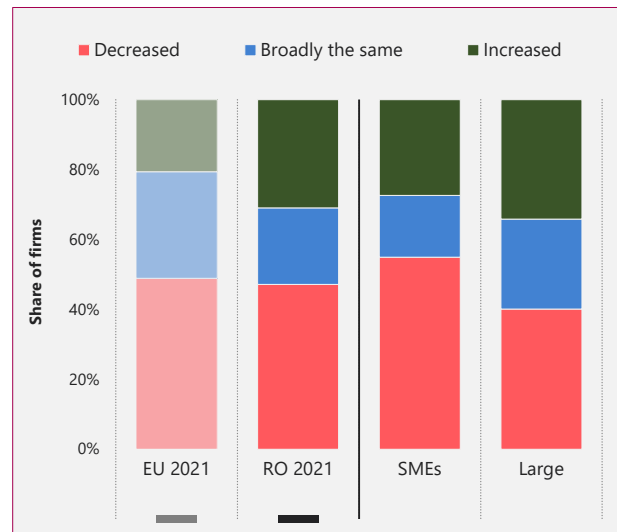
Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

# Impact of COVID-19

## IMPACT OF COVID-19 ON SALES

COVID-19 hit firms in various ways. When asked about the impact on sales, nearly half of Romanian firms (47%) report their sales to have declined compared to the beginning of 2020, which is in line with the EU average (49%). However, almost a third (31%) of firms in Romania have experienced a sales increase, higher than the EU average (21%).

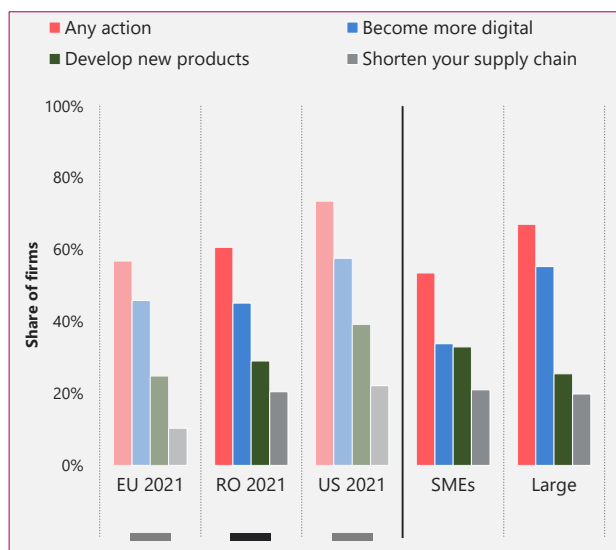
COVID-19 affected SMEs more than large firms: a majority (55%) of Romanian SMEs have suffered a fall in sales or turnover compared to 40% of large firms.



Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020?

Base: All firms (excluding don't know/refused responses)

## SHORT-TERM ACTIONS AS A RESULT OF COVID-19



In Romania, six in ten firms (61%) have taken at least one of the actions they were asked about in response to COVID-19, broadly in line with the EU (57%). The most commonly cited action is investment to become more digital (45%), followed by the development of new products (29%) and the shortening of supply chain (20%).

Large firms (67%) are more likely to have taken short-term action in response to COVID-19 than SMEs (54%), particularly in terms of becoming more digital (55% versus 34%).

Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

Base: All firms (excluding don't know/refused responses)

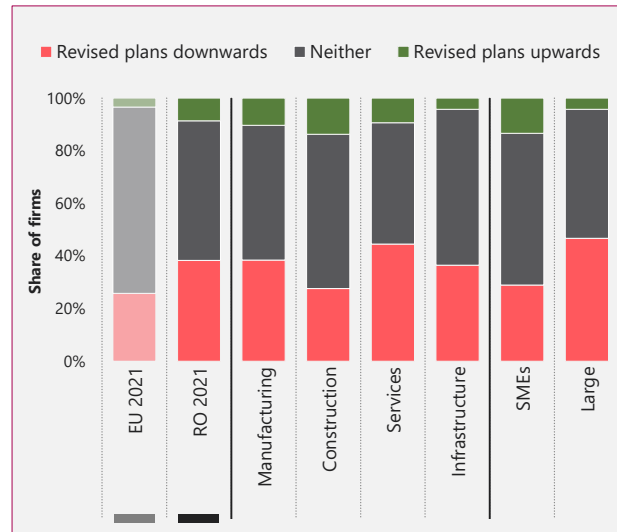


# Impact of COVID-19

## IMPACT OF COVID-19 ON INVESTMENT

COVID-19 had also an impact on investment. Almost half (47%) of firms in Romania have revised their investment plans, with 38% reporting a downward revision and 9% reporting an upward revision. The extent of the downward revision in Romania is greater than across the EU overall (26%).

The investment plans of firms in the construction sector and SMEs were less negatively impacted by COVID-19, with a relatively smaller proportion of these firms reporting a downward revision of their investment plans (28% and 29% respectively).

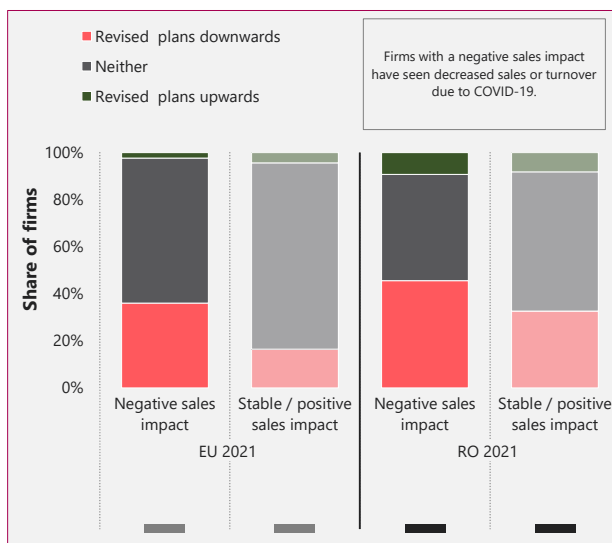


Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Q. You mentioned revising your investment plans due to the COVID-19 pandemic. Did you revise them upward or downward?

Base: All firms (excluding don't know/refused responses)

## DIFFERENCES IN IMPACT OF COVID-19 ON INVESTMENT



In Romania, the impact of COVID-19 on corporate investment was marked. Firms that experienced a negative sales impact because of COVID-19 (46%) were more likely than those reporting strong sales (33%) to have revised their investment plans downwards. In each case the proportion of firms making a downwards revision is higher than the EU average (36% and 16% respectively).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020? Has it...?

Base: All firms (excluding don't know/refused responses)

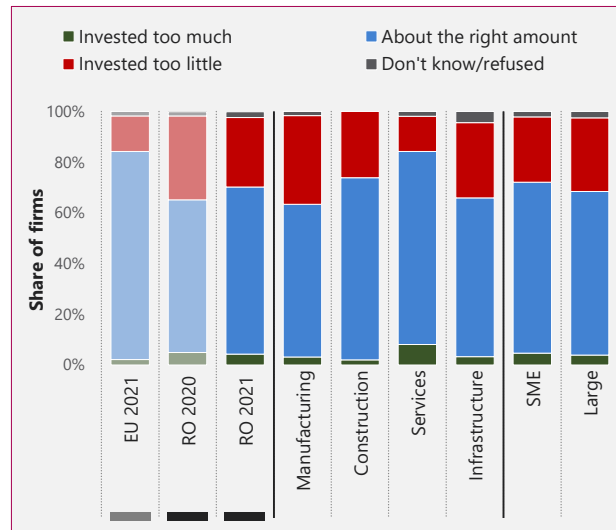
# Investment Needs and Priorities

## PERCEIVED INVESTMENT GAP

Most firms in Romania do not perceive major gaps in their investment. In spite of the difficult circumstances, two-thirds (66%) of Romanian firms believe their investment activities over the last three years have been in line with their needs. This is broadly in line with what was reported in EIBIS 2020 (60%) but significantly below the EU average (82%).

In Romania, 27% of firms report having invested too little. This share is substantially higher (almost double) than the EU average (14%).

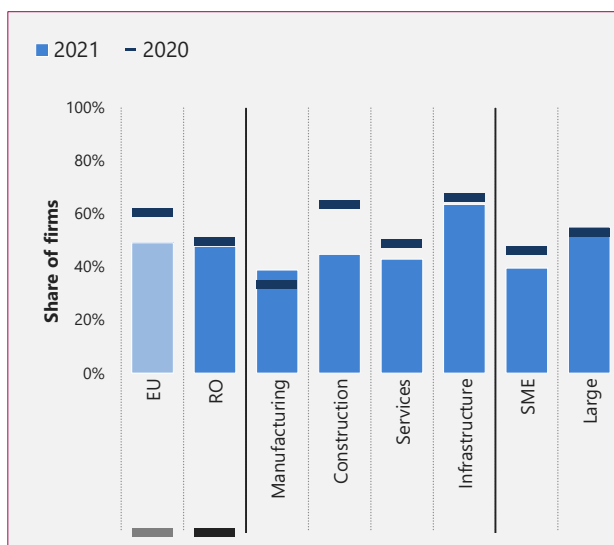
Manufacturing (35%) and infrastructure firms (30%) are more likely than firms in other sectors to have invested too little over the past three years. There is little difference across firms of different size classes.



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

## SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



Half of firms (48%) in Romania report that they have been operating at or above full capacity in 2020, which is in line with EIBIS 2020 (50%) and the EU average (49%).

Infrastructure (64%) and large firms (55%) are the most likely to have been operating at or above full capacity and they have maintained this level of activity since EIBIS 2020.

Full capacity is the maximum capacity attainable e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

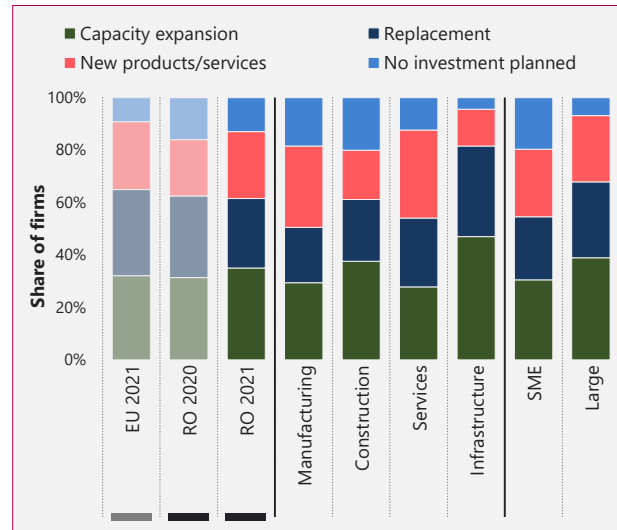
Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

# Investment Needs and Priorities

## FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, capacity expansion is the most commonly cited investment priority among firms in Romania (reported as a priority by 35% of firms), followed by the replacement of existing buildings and equipment (27%) and the development of new products and services (25%). This split of future investment priorities is broadly in line with what was reported in EIBIS 2020 and with the EU as a whole.

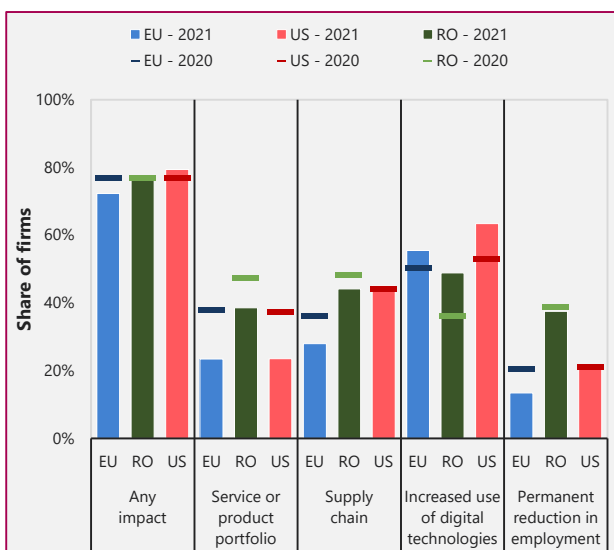
Firms in the infrastructure sector (47%) and large firms (39%) are more likely to prioritise capacity expansion than firms in other sectors. One in five SMEs (20%) have no investment planned, almost three times the figure among large firms (7%).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

## COVID-19 LONG-TERM IMPACT



Three-quarters of firms (77%) expect COVID-19 to have a long-term impact on their business, on at least one of the aspects they were asked about. This is broadly in line with the sentiment recorded across the EU (72%).

The most commonly anticipated long-term impact is the increased use of digital technologies (49%). While still lower than the EU average, the share of firms expecting this is notably higher than the share reported in EIBIS 2020 (36%).

Compared to the EU average, a relatively large proportion of Romanian firms expect changes to the supply chain (44% versus 28%) and changes to their service or product portfolio (39% versus 23%) as long-term consequences of the pandemic. More worryingly, more firms expect a permanent reduction in employment (38% versus 13% EU).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Base: All firms

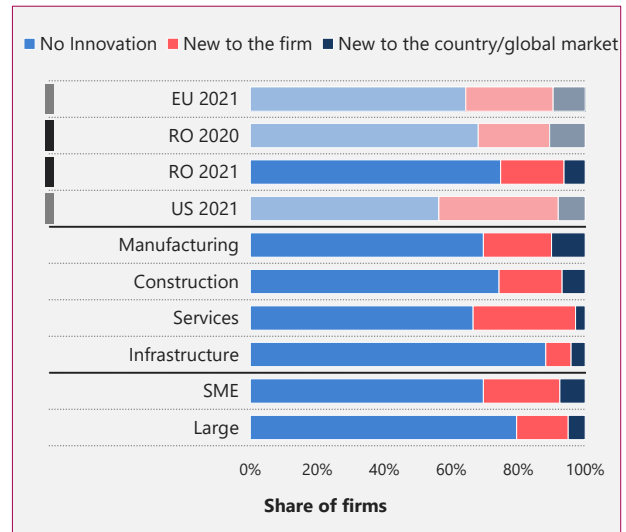
# Innovation Activities

## INNOVATION ACTIVITY

Overall a quarter of firms (25%) developed or introduced new products, processes or services as part of their investment activities in 2020, which is below what was reported in EIBIS 2020 (32%) and the EU average (36%).

Approximately a fifth of Romanian firms (19%) developed or introduced new products, processes or services activities that were new to the company as part of their investment. Only 6% claim to have undertaken innovation new to the country or global market, which is only about half the proportion of firms reported in EIBIS 2020 (11%).

Romania's infrastructure firms (12%) and large (21%) firms were the least likely to have directed investment towards innovation.

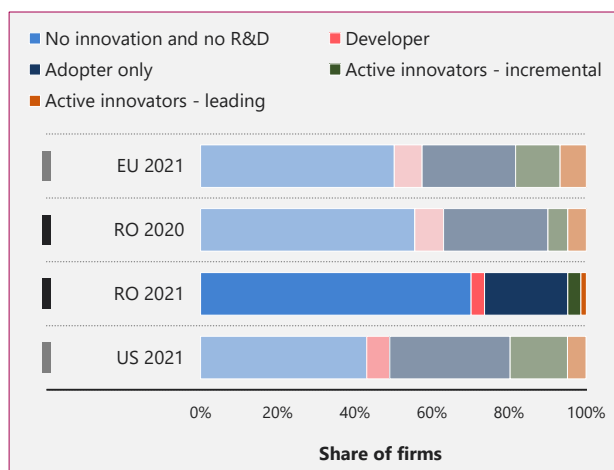


Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

## INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

When firms' innovation and research and development behaviour is profiled more widely, only one in twenty (5%) Romanian enterprises can be classified as 'active innovators'. These are firms that invested heavily in research and development and in order to introduce new products, processes or services. A further 3% of Romanian firms can be classified as 'developers'.

While these figures are in line with the ones reported in EIBIS 2020, they are markedly lower than the figures for the EU as a whole (18% 'active innovators, 7% 'developers').

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are new to the country/world'.

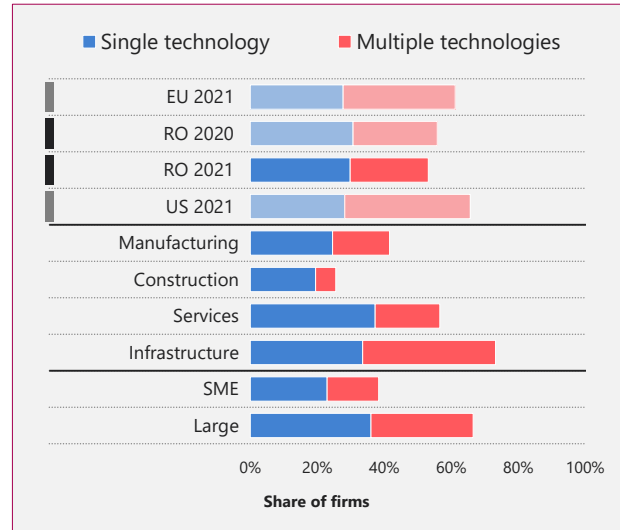
# Innovation Activities

## IMPLEMENTATION OF ADVANCED DIGITAL TECHNOLOGIES

A majority of Romanian firms (53%) have implemented at least one advanced digital technology. This is similar to what was reported in EIBIS 2020 (56%) but below the EU average (61%).

Large firms (67%) are far more likely than SMEs (38%) to have implemented at least one advanced digital technology. Only a quarter of construction firms (26%) have implemented one or multiple advanced digital technologies, which is less than half the proportion of infrastructure (73%) and services firms (57%).

Romanian firms lag behind the EU average on the implementation of big data/AI, 3-D printing, virtual reality, robotics and drone technology. Implementation of Internet of Things is on par with the EU.

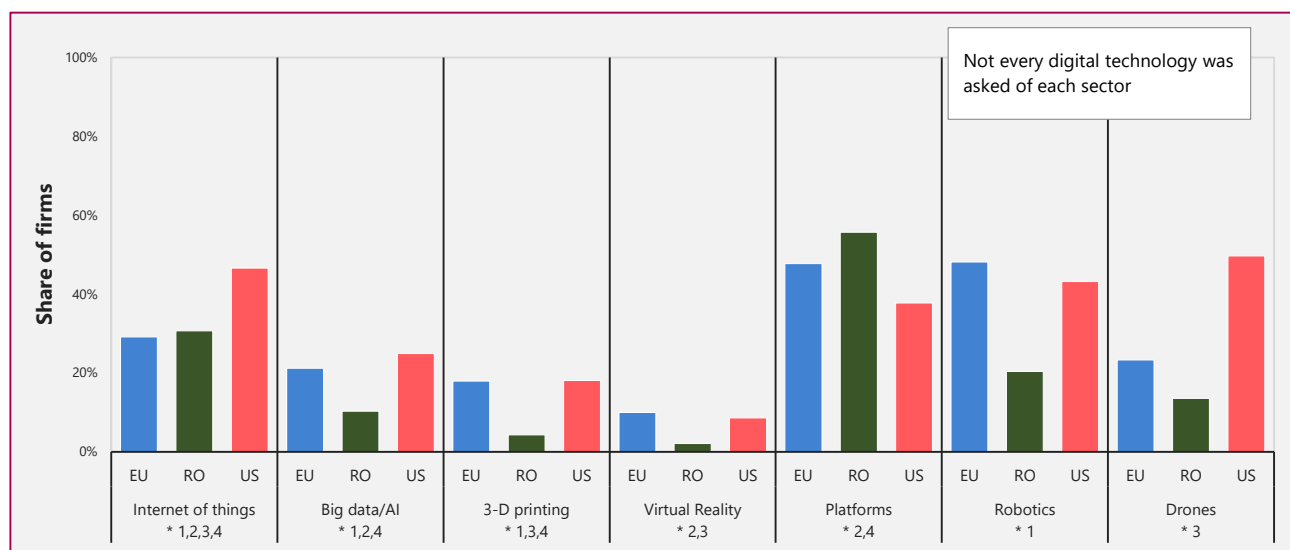


Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses)

## ADVANCED DIGITAL TECHNOLOGIES



\* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of infrastructure firms

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses);  
Sample size RO: Manufacturing (137); Construction (113); Services (103); Infrastructure (121)



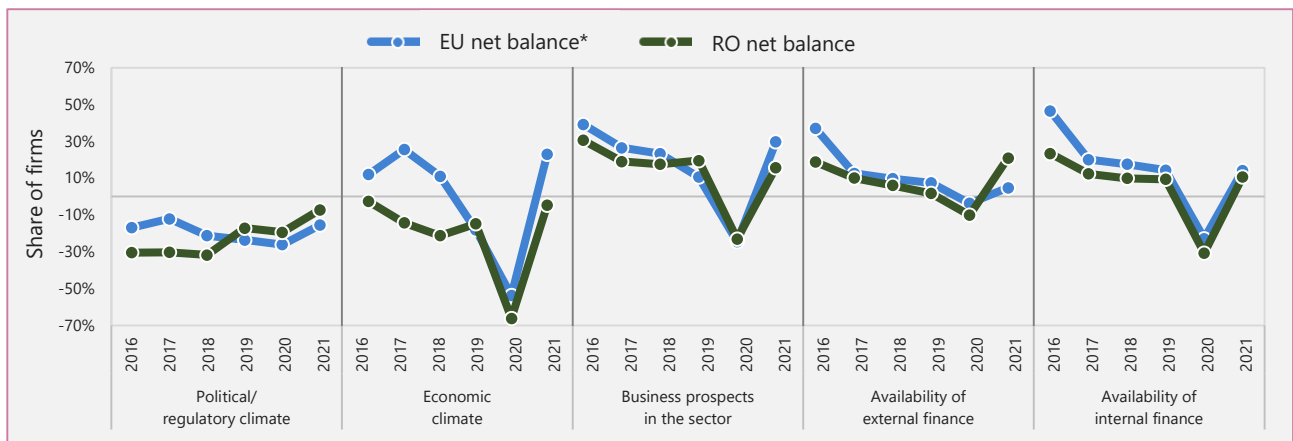
# Drivers And Constraints

## SHORT-TERM FIRM OUTLOOK

Although the picture is improving, Romanian firms remain on balance pessimistic about both the political / regulatory and economic climates. Nevertheless, expectations for the business prospects in the sector have turned positive again (up from -23% to +19%). A similar trend is seen for the availability of external (-9%

to +24%) and internal finance (-31% to +14%).

Firms in Romania are less optimistic than those across the EU about the overall economic climate, but they are more optimistic regarding the availability of external finance.

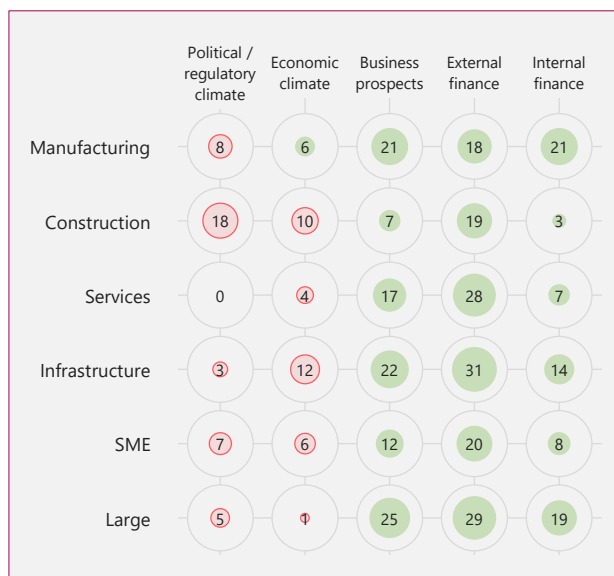


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

\*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

## SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



Please note: green figures are positive, red figures are negative

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Firms in all sectors and of all size classes are consistently more positive than negative about business prospects, external and internal finance. Manufacturing and infrastructure firms and large firms tend to be the most positive overall.

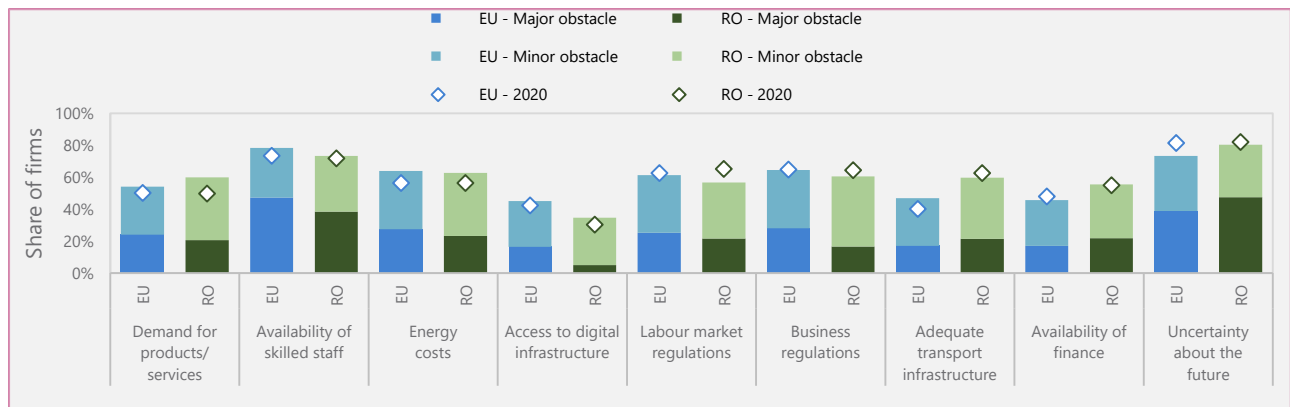
In every sector, except services, and across all size classes firms remain on balance pessimistic about the political and regulatory climate. A similar pattern is seen regarding the overall economic climate. Although here it is manufacturing firms that are a little more optimistic.

# Drivers And Constraints

## LONG-TERM BARRIERS TO INVESTMENT

Uncertainty about the future (80%) and the availability of skilled staff (73%) are cited as the main long-term barriers to investment. These proportions are largely in line with EIBIS 2020 and the EU averages.

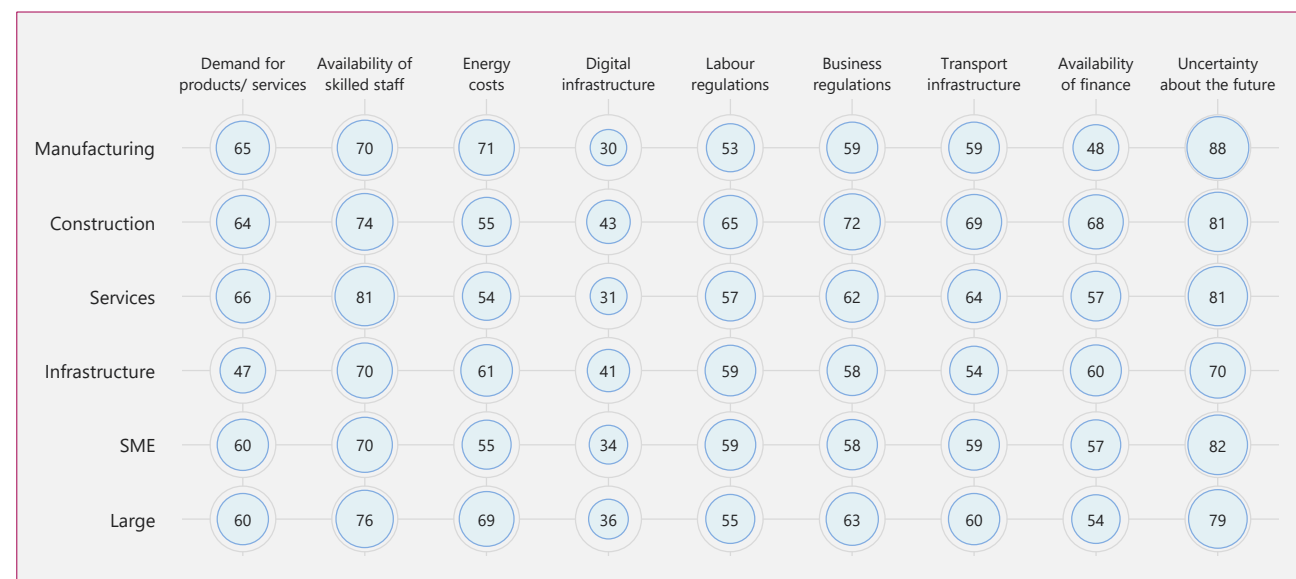
In absolute terms, the adequacy of the transport infrastructure ranks alongside many other obstacles to investment. However, relative to the EU as a whole this is a bigger barrier to Romanian firms (60% versus 47%).



Q. Thinking about your investment activities in Romania, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

## LONG-TERM BARRIERS BY SECTOR AND SIZE



Q. Thinking about your investment activities in Romania, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine 'minor' and 'major' obstacles into one category

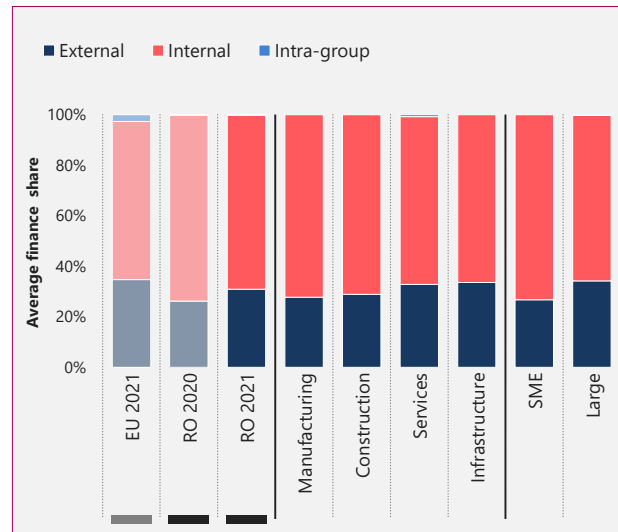
Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

# Investment Finance

## SOURCE OF INVESTMENT FINANCE

Firms in Romania continued to fund the majority of their investment in 2020 through internal financing (69%). The proportion is a little lower than the one reported in EIBIS 2020 (74%) but a little higher than the EU average (63%). On average, external finance represents almost a third of Romanian firms' investment in 2020 (31%).

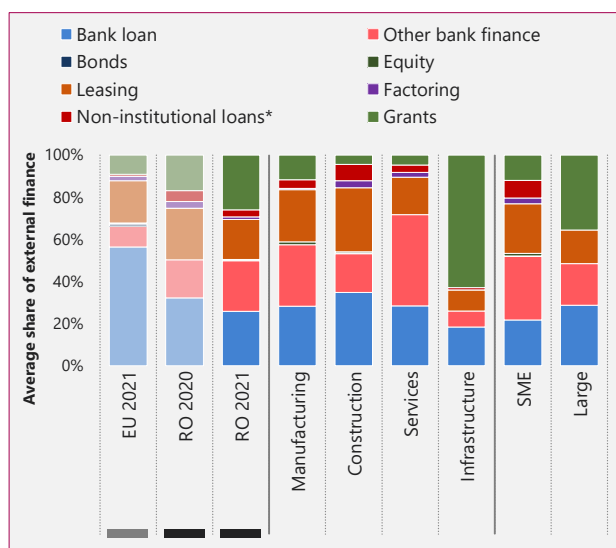
Large firms (34%) were more likely to finance investment from external sources than SMEs (27%).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

## TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Bank loans and grants (both 26%) made up the highest proportion of external finance used for investment. Grants represented a greater proportion of finance in 2020 compared to 2019, while bank loans represented a lower share.

The composition of external finance used by Romanian firms to fund investment differs from the EU average. Grants (26%) made up a larger share in Romania than in the EU as a whole (9%), while bank loans made up a smaller share (26% versus 56%).

For infrastructure firms, grants (63%) accounted for the majority of external finance used for investment activities. They also represented a significant share of large firms' external finance (36% versus 12% among SMEs).

Q. Approximately what proportion of your external finance does each of the following represent?

\*Loans from family, friends or business partners

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

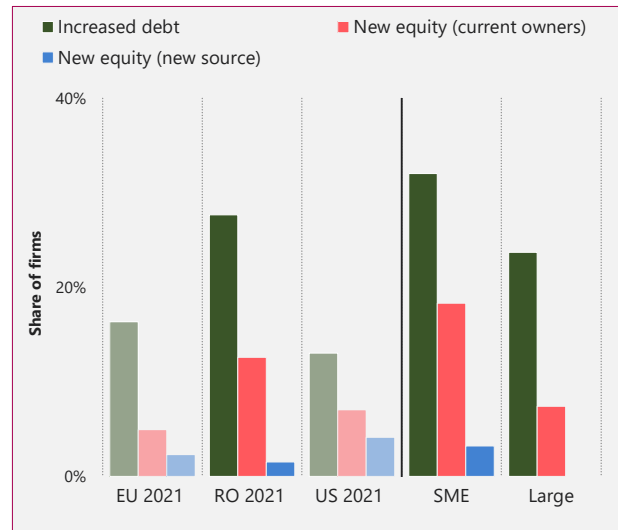
# Investment Finance

## ACTIONS TAKEN AS A RESULT OF COVID-19

As a result of the COVID-19 crisis over a quarter (28%) of Romanian firms have increased their debt. This is higher than the EU average (16%).

Over one in ten firms (13%) have raised new equity from the current owners while 2% have attracted it from a new source.

SMEs are more likely than large firms to have taken action in response to COVID-19. For example, 32% of SMEs have increased their debt as compared to 24% of large firms.



Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Base: All firms (excluding don't know/refused responses)

## SHARE OF FIRMS RECEIVING FINANCIAL SUPPORT IN RESPONSE TO COVID-19



Public support was substantial in Romania, as two-thirds (65%) of firms report having received financial support in response to COVID-19, above the EU average (56%).

This support has primarily come in the form of subsidies or other financial support that the firm is not required to pay back, with 48% of Romanian firms receiving them, above the EU average (36%). Over a quarter (28%) of Romanian firms have been supported by payment deferral and 15% by new credit.

SMEs and large firms are equally likely to have received financial support, with a majority of large firms (54%) having benefitted from subsidies or financial support that they do not need to pay back. Four times as many SMEs (25%) as large firms (6%) received some form of credit.

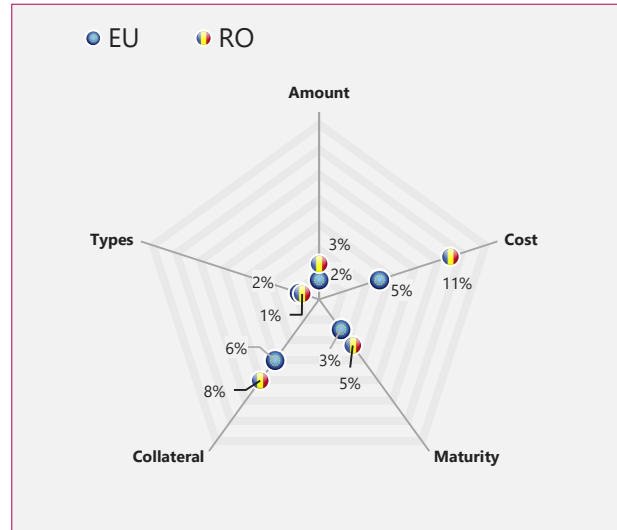
Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance

Base: All firms (excluding don't know/refused responses)

# Access To Finance

## DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

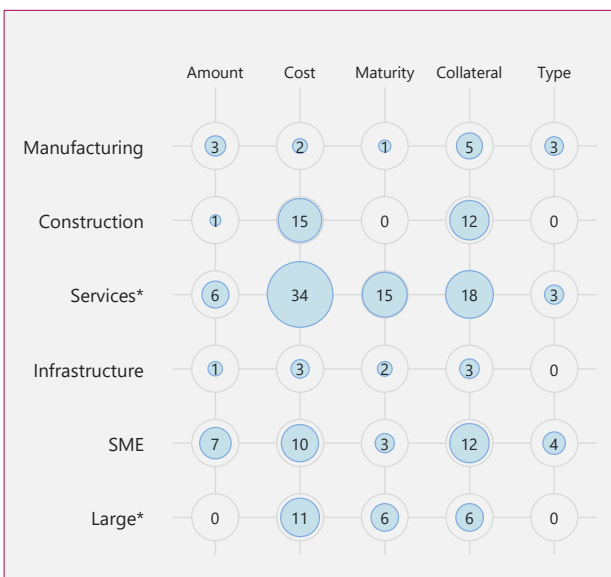
Firms in Romania that used external finance in 2020 are generally satisfied with the finance received. However, levels of dissatisfaction regarding cost are relatively high compared to the EU average (11% versus 5%).



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

## DISSATISFACTION BY SECTOR AND SIZE (%)



Across firms of all sizes and sectors, firms are least dissatisfied with the amount and type of finance received.

Service sector firms are generally more likely than others to express dissatisfaction, particularly with regard to the cost of external finance (34%).

SMEs (12%) are twice as likely as large firms (6%) to express dissatisfaction with collateral. No large firms are dissatisfied with the amount or type of external finance available.

Q. How satisfied or dissatisfied are you with ...?

\*Caution small base size

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

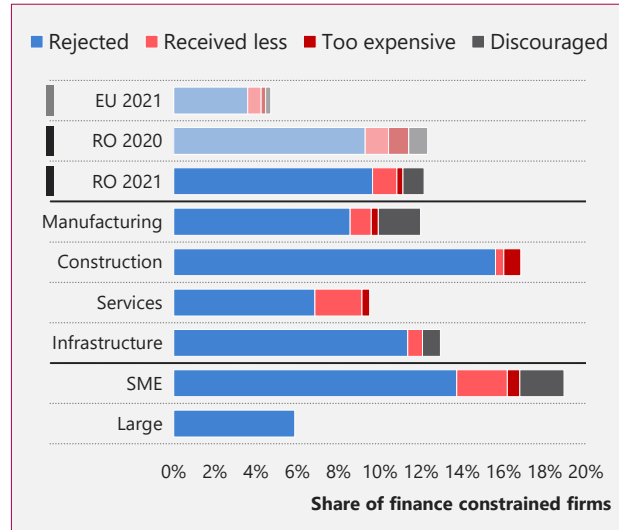


# Access To Finance

## SHARE OF FINANCE CONSTRAINED FIRMS

More than one in ten (12%) firms in Romania can be considered external finance constrained. This is consistent with what was reported in EIBIS 2020 (12%), but over double the EU average (5%).

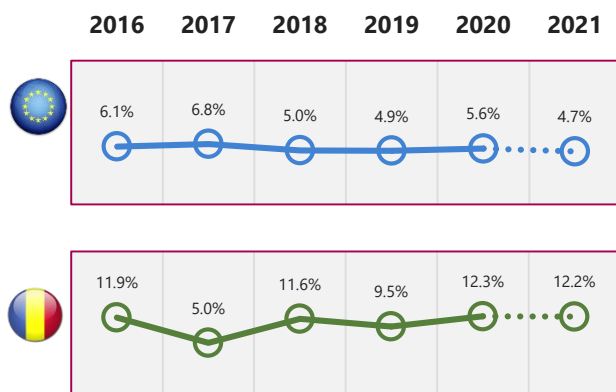
Construction firms (17%) and SMEs (19%) are the most likely to be external finance constrained. This is primarily because these firms have sought external finance but have not received it.



*Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)*

Base: All firms (excluding don't know/refused responses)

## FINANCING CONSTRAINTS OVER TIME



The proportion of Romanian firms that are finance constrained (12%) has not changed since EIBIS 2020 and is similar to that seen in EIBIS 2016.

The proportion of Romanian firms that are finance constrained is double the EU average. With the exception of EIBIS 2017 this has been the case for the past six survey waves.

Base: All firms (excluding don't know/refused responses)

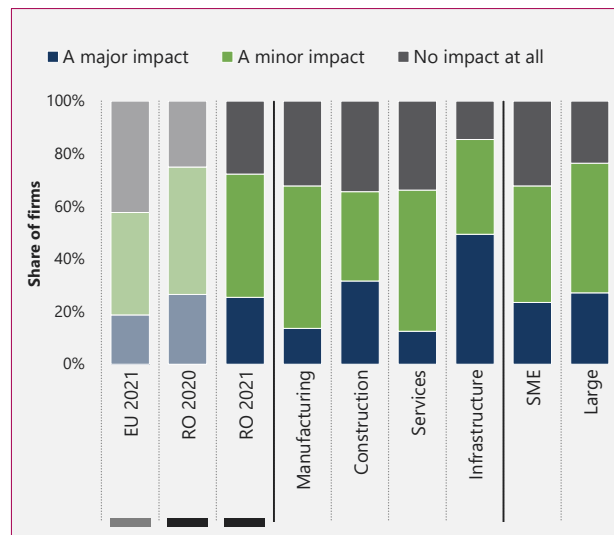
# Climate Change and Energy Efficiency

## IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

Firms in Romania feel the effect of weather events. The majority of Romanian firms believe that climate change has an impact on their business, although they are more likely to think it has a minor (47%) than a major impact (25%).

While these figures are broadly in line with the ones reported in EIBIS 2020, the proportion of firms reporting that climate change is affecting their business (72%) is higher than the EU average (58%).

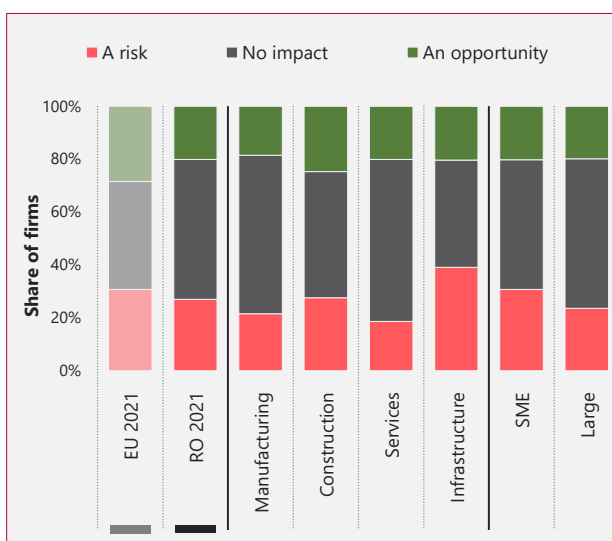
Climate change is of particular concern to infrastructure firms, with 85% reporting that climate change is having an impact on their business and nearly half (49%) describing its impact as major.



Q. Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

Base: All firms (excluding don't know / refused responses)

## IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS



Firms in Romania (27%) are equally concerned about the risks represented by the transition to stricter climate standards and regulations as firms in the EU as a whole (31%). A fifth of Romanian firms (20%) regard this as an opportunity which is lower than the EU average (28%).

Infrastructure firms appear to be the most concerned about the impact of the transition to stricter climate standards and regulations. Two-fifths (39%) perceive it as a risk as compared to 19% of service sector firms.

Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

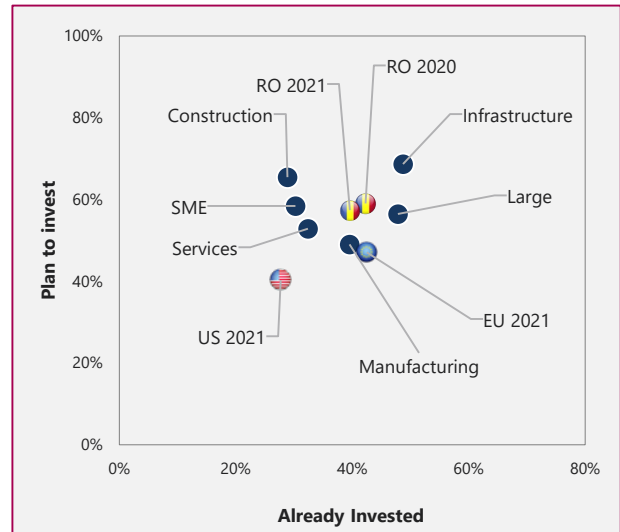
Base: All firms (excluding don't know / refused responses)

# Climate Change and Energy Efficiency

## INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

Four in ten (40%) Romanian firms have already invested to tackle the impact of climate change while 57% plan to invest. These figures are in line with those reported in EIBIS 2020. Romania has a higher share of firms planning investment than the EU average (47%) but is in line with the EU average in terms of firms that have already invested.

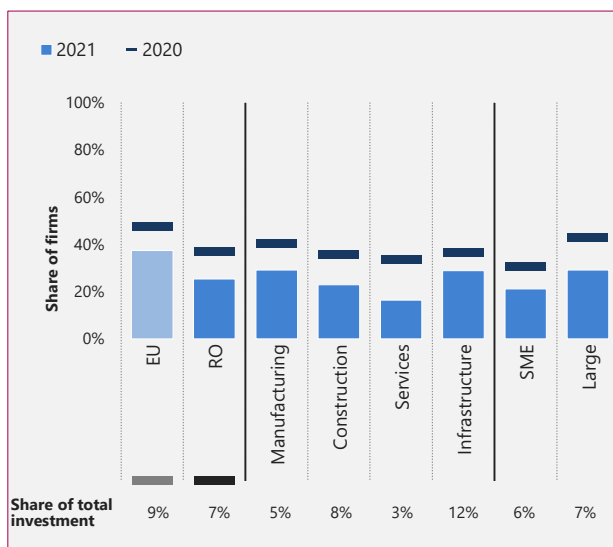
Infrastructure firms are the most likely to have already invested (49%) and to be planning to invest (69%). Large firms are more likely than SMEs to have already invested but are on a par with SMEs in terms of plans for future investment.



Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

## SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY AND SHARE OF TOTAL INVESTMENT



A quarter of Romanian firms (25%) invested in measures to improve energy efficiency in 2020, although this is a lower proportion than the one reported in EIBIS 2020 (37%) and below the EU average (37%). The average estimated share of investment allocated to energy efficiency measures is 7%.

Firms operating in the manufacturing and infrastructure sectors and large firms (all 29%) were the most likely to invest in measures to improve energy efficiency. However, since EIBIS 2020 investment in such measures has dropped in all sectors and size classes.

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms (for share of firms investing)

Base: All firms who have invested in the last financial year (excluding don't know/refused responses) (average share of investment)

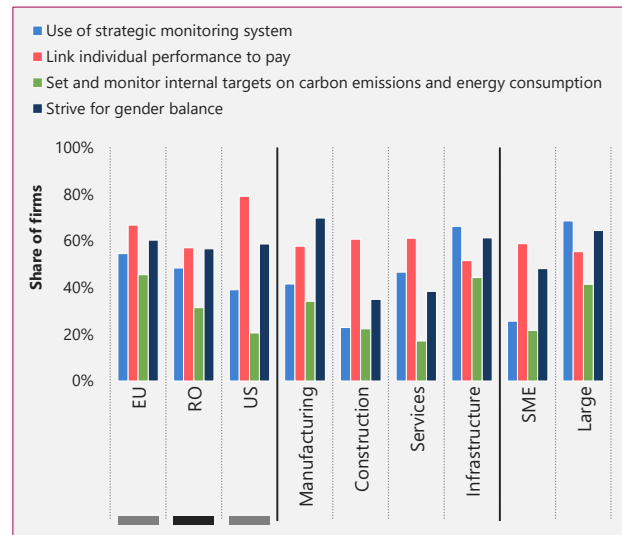
# Firm management, climate targets, gender balance and employment

## FIRM MANAGEMENT, CLIMATE TARGETS AND GENDER BALANCE

In 2020, the majority (57%) of Romanian firms strove for gender balance, close to the EU average (60%). Similarly, 57% of Romanian firms linked individual performance to pay, but in this respect, they lag behind the EU average of 67%.

In 2020, half of Romanian firms (48%) used a strategic business monitoring system (compared to an EU average of 55%) and almost a third (31%) set and monitored internal targets on carbon emissions and energy consumption (lower than the EU average of 46%).

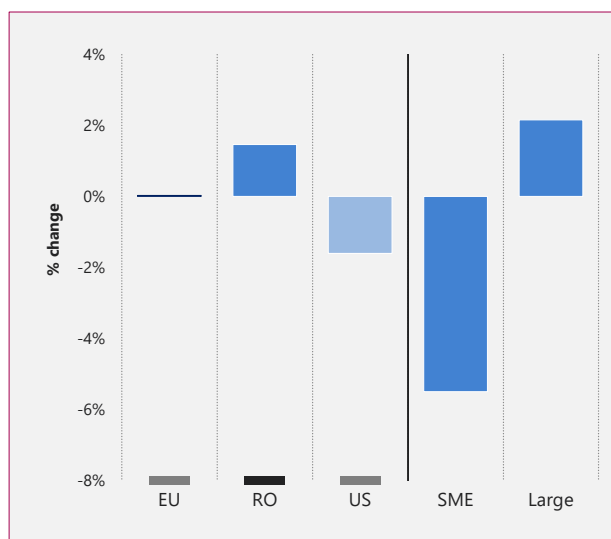
Large firms were more likely than SMEs to strive for gender balance (64% versus 48%), to set and monitor internal targets on carbon emissions and energy consumption (41% versus 22%), and to use strategic monitoring systems (69% versus 26%)



Q. In 2020, did your company...?

Base: All firms (excluding don't know/refused responses)

## CHANGE IN EMPLOYMENT DURING COVID-19



The workforce in Romania has slightly increased (1.5%) since the start of the COVID-19 pandemic, while it remained stable in the EU overall.

This slight overall increase masks different experiences among SMEs and large firms. The workforce within Romania's SMEs has dropped by an average of 5.5%, compared to an increase of 2.2% for large firms.

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2020, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused responses)

# EIBIS 2021 – Country Technical Details

## SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Romania, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	RO	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs RO	Constr Vs Manuf.	SME vs Large
	(11920)	(802)	(480)	(137)	(113)	(103)	(121)	(415)	(65)	(11920 vs 480)	(113 vs 137)	(415 vs 65)
10% or 90%	1.1%	3.5%	3.6%	6.4%	6.2%	7.7%	6.5%	2.7%	6.4%	3.8%	8.9%	6.9%
30% or 70%	1.7%	5.3%	5.5%	9.7%	9.5%	11.8%	9.9%	4.2%	9.8%	5.7%	13.6%	10.6%
50%	1.8%	5.8%	6.0%	10.6%	10.4%	12.8%	10.8%	4.6%	10.7%	6.3%	14.8%	11.6%

## GLOSSARY

<b>Investment</b>	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
<b>Investment cycle</b>	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
<b>Manufacturing sector</b>	Based on the NACE classification of economic activities, firms in group C (Manufacturing).
<b>Construction sector</b>	Based on the NACE classification of economic activities, firms in group F (Construction).
<b>Services sector</b>	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
<b>Infrastructure sector</b>	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
<b>SME</b>	Firms with between 5 and 249 employees.
<b>Large firms</b>	Firms with at least 250 employees.

*Note: the EIBIS 2021 country overview refers interchangeably to 'the past/last financial year' or to '2020'. Both refer to results collected in EIBIS 2021, where the question is referring to the past financial year, with the majority of the financial year in 2020 in case the financial year is not overlapping with the calendar year 2020.*



# EIBIS 2021 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 480 firms in Romania (carried out between March and July 2021).

## BASE SIZES *(\*Charts with more than one base; due to limited space, only the lowest base is shown)*

Base definition and page reference	EU 2021/2020	US 2021	RO 2021/2020	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 2, p. 6, p. 7, p. 10, p. 11	11920/11971	802	480/480	137	113	103	121	415	65
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11910/11949	802	479/480	136	113	103	121	415	64
All firms (excluding don't know/refused responses), p. 2	11620/11634	768	472/464	136	112	101	117	412	60
All firms (excluding don't know/refused responses), p. 4 (top)	11860/NA	800	478/NA	137	113	103	119	414	64
All firms (excluding don't know/refused responses), p. 4 (bottom)	11891/NA	802	480/NA	137	113	103	121	415	65
All firms (excluding don't know/refused responses), p. 5 (top)	11814/11971	768	476/480	136	112	102	120	412	64
All firms (excluding don't know/refused responses), p. 5 (bottom)	11760/0	766	474/0	136	112	102	118	411	63
All firms (excluding don't know/refused responses), p. 7 (top)	11765/11727	793	476/476	136	113	101	120	412	64
All firms (excluding don't know/refused responses), p. 8 (top)	11648/11720	779	476/478	137	111	103	119	413	63
All firms (excluding don't know/refused responses), p. 8 (bottom)	8780/9039	618	340/358	95	88	69	84	290	50
All firms (excluding don't know/refused responses), p. 9	11891/11938	802	480/480	137	113	103	121	415	65
All firms (excluding don't know/refused responses), p. 13 (top)	11882/NA	777	480/NA	137	113	103	121	415	65
All firms (excluding don't know/refused responses), p. 13 (bottom)	11857/NA	775	480/NA	137	113	103	121	415	65
All firms (excluding don't know/refused responses), p. 15	11518/11477	743	466/463	132	110	101	117	404	62
All firms (excluding don't know/refused responses), p. 16 (top)	11849/11898	798	474/478	135	112	103	118	411	63
All firms (excluding don't know/refused responses), p. 16 (bottom)	11384/NA	783	453/NA	125	108	96	118	391	62
All firms (excluding don't know/refused responses), p. 17	11659/11739	775	470/472	134	109	101	120	405	65
All firms (excluding don't know/refused responses), p. 18 (top)*	11616/NA	774	467/NA	132	111	101	114	405	56
All firms (excluding don't know/refused responses), p. 18 (bottom)	11664/11402	794	470/443	135	112	102	115	411	59
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (top)	9670/10138	674	374/407	106	98	73	93	316	58
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (bottom)	9523/9874	667	364/384	99	94	75	92	310	54
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	8675/9255	621	380/422	100	101	77	98	324	56
All firms who have invested in the last financial year (excluding don't know/refused responses)*, p. 17	11920/11971	802	480/480	137	113	103	121	415	65
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4003/4354	284	149/169	38	40	24	46	124	25
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	3964/4310	281	160/164	42	42	25	49	131	29








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# Romania

Overview

## EIB INVESTMENT SURVEY

# 2022