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Report Highlights:

*This report is being published to correct the report Number RO2022-0016. Correction for Table 4: Lidl's turnover for 2021 is \$3,576 million. Romania and its 19.03 million consumers offer increasingly viable market opportunities for U.S. food and agricultural products. In 2021, Romania imported just over \$12 billion worth of food and agricultural products (a 17 percent increase over 2020), of which around 1.5 percent, or \$182 million, was sourced from the United States. During the first eight months of 2022, total Romanian food and agricultural imports increased by 14 percent compared to the same period in 2021. In the first eight months of 2022, U.S. direct imports increased by 17.9 percent, while indirect imports increased by 16 percent. U.S. products with strong market potential include fish and seafood, beef, tree nuts, groundnuts, wine, distilled spirits, dried fruit, and innovative food processing ingredients.

Market Fact Sheet: Romania

Executive Summary:

Romania's strategic location, improved business climate, dynamic port facilities, and surging consumer demand have contributed to its robust GDP growth over recent years. Romania's total population is 19.03 million, which is 0.85 percent lower than a year ago, with about 46 percent living in rural areas as of 2021. Agriculture plays an integral and unique role in Romania's economy. It accounted for about 4.3 percent of Romania's Gross Domestic product (GDP) in 2021, when Romania's GDP grew by 5.9 percent.

Imports of Consumer-Oriented Products:

Romania's total agricultural imports reached \$12 billion in 2021, with U.S. products representing 1.5 percent. According to U.S. Census Bureau (BICO) data, in 2021, U.S. food and agricultural exports to Romania reached \$82 million. However, according to Romanian customs data, which reflects both direct and indirect shipments, Romania sourced upwards of \$182 million of U.S. food and agriculture products. U.S. suppliers ship directly to Romania, particularly for bulk and intermediate commodities, or through western EU ports in the Netherlands, Italy, and Germany for higher-value products.

Top 10 Exporters of Agricultural Products to Romania

Partner Country	USD	* first nine months
	2021	%Δ 2022/21
Germany	1,897,498,005.00	5.13
Hungary	1,736,754,800.00	- 9.45
Poland	1,149,779,048.00	7.86
Netherlands	913,754,508.00	18.47
Bulgaria	830,305,990.00	0.52
Italy	753,314,596.00	7.41
Spain	508,179,442.00	22.53
Turkey	465,282,355.00	3.57
France	422,993,250.00	11.65
Belgium	373,219,093.00	8.00

Food Processing Industry:

Retail sales rose by 28 percent in 2022 to \$1.1 billion. Processed meat was the best performing category, with retail sales increasing by 31 percent to \$874 million, compared to \$603 million in 2021. Sales of processed fruits and vegetables increased in value by 19 percent, but declined in volume, resulting in the unit price growth, generated by increasing prices of energy, packaging, and transportation.

Top 5 Growth Products in Romania

(Imported from the world)

- 1) Food preparation
- 2) Beverage and spirits
- 3) Fish and seafood
- 4) Sugar and sugar confectionary
- 5) Dairy products, eggs, honey

Food Retail Industry:

Romania's food retail market was valued at about \$32.45 billion in 2021, with over 4,000 stores. Four major players account for about 60 percent of total market share: Kaufland, Carrefour, Lidl and Profi.

According to estimates by the Romanian Association of Online Stores (ARMO), total e-commerce sales exceeded \$7.3 billion at the end of 2021, a 10 percent increase over 2020 (not including online travel and services sales).

Hotel, Restaurant & Institutional Sectors:

The recovery of full-service restaurants in 2021 was limited compared with the significant decline seen in 2020. Foodservice sales increased by 13 percent in 2021 to \$1.58 billion, whilst outlet numbers decreased by 2 percent to 5,029.

GDP/Population:

Population: 19.03 million
GDP: \$284.1 billion (2021)
GDP per capita: \$14,861

Data and Information Sources: Euromonitor, Trade Data Monitor, World Bank, Local sources

MARKET OVERVIEW

In 2021, Romania outperformed the regional average real GDP growth, supported by improved domestic demand, expanded export values, and EU recovery and resilience funds. However, inflation increased well above the target and public debt continued to rise. Over the medium term, the country's economic output is projected to rebound supported by the services sector, but challenges for public finances will remain. Following a contraction of 3.9 percent in 2020 due to COVID-19, real GDP increased by 5.9 percent in 2021, outperforming the Eastern European average of 4.6 percent. As a result, according to the World Bank, 2021 GDP per capita reached \$14,861. Romania's exports increased by 22.7 percent and imports rose by 24.8 percent in 2021.

Industrial activity in Romania is increasing and forecast to gain momentum in the coming years. Resilience and sustainability will shape private and public investment priorities in green and digital infrastructure development. In December 2021, Romania received \$2.1 billion from the European Commission in pre-financing, 13 percent of the country's allocation under the Recovery and Resilience Facility (RRF) to be used for a green transition, support of digitization, and to reinforce economic and social resilience. Overall, Romania is set to receive \$34.4 billion by the end of 2026.

Total 2021 Romanian agricultural imports reached \$12 billion (see Table 1), of which U.S. imports accounted for 1.5 percent of the total. U.S. suppliers ship directly to Romania, particularly for bulk and intermediate commodities, or through western EU ports in the Netherlands, Italy, and Germany. According to BICO data, in 2021, U.S. food and agricultural exports to Romania reached \$82 million. However, according to Romanian Customs data, which reflect both direct and indirect shipments, Romania sourced upwards of \$182 million of U.S. food and agriculture products (see Table 2).

The United States ranked 21 on Romania's list of foreign food and agricultural suppliers in 2021. During the first eight months of 2022, the United States moved up one position to become Romania's 20th largest food and agricultural supplier. Notable U.S. exports to Romania include beef, fish, soybeans, soybean meal, tree nuts, dried fruit, horticultural products, and alcoholic beverages.

Table 1: Total Romanian Agricultural Trade

	2017	2018	2019	2020	2021	2022 (8 months)
Agricultural imports (USD)	8.3 billion	9 billion	9.4 billion	10.2 billion	12 billion	8.94 billion (+14.13 increase)
Agricultural exports (USD)	7.3 billion	7.6 billion	8 billion	7.9 billion	11.2 billion	8.62 billion (+32.51 increase)
Agricultural trade Deficit/Surplus (USD)	(1 billion)	(1.3 billion)	(1.4 billion)	(2.2 billion)	(0.8 billion)	(0.32 billion)

Source: Trade Data Monitor

Table 2: U.S. Agricultural Trade to Romania

	2017	2018	2019	2020	2021	2022 (8 months)	Increase over the same period of 2021
Direct imports (Million USD)	82.61	113.21	83.95	72.38	90.00	64.70	(+17.9)
Indirect imports (Million USD)	66.00	69.00	80.00	104.88	92.00	73.60	(+16)
TOTAL (Million USD)	148.61	182.21	163.95	177.26	182.00	138.30	

Source: Trade Data Monitor, National Institute of Statistics in Romania

II. EXPORTER BUSINESS TIPS

Romania has a total population of 19.03 million people. Major Romanian cities and their respective populations are Bucharest (capital, 1.84 million), Iasi (320,000), Timisoara (310,000), Cluj-Napoca (303,000), Constanta (297,000), Craiova (293,000), and Brasov (275,000).

Romania typically has 12 official holidays, and if local holidays fall on a Tuesday or Thursday, they can be officially expanded to create a four-day weekend. FAS/Bucharest (Post) recommends that interested U.S. stakeholders check in advance before planning to visit as to avoid local holidays. Keep that in mind that Romanian dates are written in the day/month/year format.

Introductions: U.S. stakeholders may directly contact Romanian companies, although in-person introductions are appreciated and can help one’s credibility. Oftentimes there is only one decision maker in a company, and that person is not typically the purchasing manager.

Seasonal sales: Christmas and Easter offer significant sales opportunities. December sales are normally two to three times higher than other months, and retailers often expand business hours to accommodate customers. During the holidays, retailers focus on higher-end products, as consumers tend to splurge.

Consumer characteristics: Romanian food shopping has changed dramatically in recent years, with consumers shifting toward product variety and influences by international trends. Many Romanians also look for the best cost-benefit ratio in their food and beverage purchases.

There are well-established brands in most food and beverage categories, and new-to-market products may require extra marketing efforts when first introduced. Post suggests visiting Romania for market-research, product testing, price comparisons, and understanding the competition.

U.S. exporters should establish good relationships with local importers, distributors, supermarkets, retailers, etc., as these stakeholders are critical in facilitating and promoting U.S. consumer-ready foods. Trade shows offer good platforms for raising product awareness and for meeting business contacts.

Table 3: Advantages/ Challenges for U.S. suppliers

Advantages (U.S. supplier strengths and market opportunities)	Challenges (U.S. supplier weaknesses and competitive threats)
Romanian consumers more than 40 percent for purchasing food products, which is three times higher than the EU average.	In 2021, 19.7 percent of the Romanian population lived below the national poverty line. Price sensitivity accounts for more than 60 percent in consumers' decision.
In 2021 e-commerce grew by 10 percent reaching \$7.3 billion. Romania is among the EU countries with the highest annual growth rate for online commerce.	Romanian transportation infrastructure is still not well developed. A lot of U.S. food products come through western EU ports of entry (the Netherlands, Italy, and Germany) and shipped overland.
Rising incomes and the lower VAT (from 19 percent to 5 percent) for hospitality, restaurants, and certain sport facilities means more disposable income for consumers.	Higher energy prices caused inflation to rise significantly in 2021. Food prices also increased, as fertilizer supplies are low.
Over 2022-2026, Romania’s average annual real GDP growth is forecast to be 3.5 percent compared to 1.3 percent for the Eastern European average.	EU suppliers have competitive advantages with due to geographic location and ability to deliver smaller volumes.

II. IMPORT FOOD STANDARD & REGULATIONS and IMPORT PROCEDURES

As an EU member state, Romania follows EU standards and regulations. Details about food laws, food additives regulations, labelling, specific standards, and import procedures are available in the Romania and European Union Food and Agricultural Import Regulations and Standards (FAIRS) [reports](#).

III. MARKET SECTOR STRUCTURE AND TRENDS

Consumer demographics

Currently, Romanians aged 35-39 are the country's top-income earners, although by 2040 the top income age bracket will be 40-44. Given these age groups, demand for family-related goods and services like transport, education, and household products is growing fast. Still, the number of households in Romania is forecast to decrease moderately over 2021-2040. In terms of household types, the decline will be mainly fueled by the shrinking number of couples with children, which is set to decline by 17.7 percent accounting for 19.8 percent of all households by 2040.

Consumption patterns for people in their 20s tend to focus more on food and beverages, entertainment, and communications. As people in their late 20s and 30s begin to settle down and start families, they become more interested in family-oriented product categories.

According to the latest National Institute of Statistics (INSSE) data, in the second trimester of 2022 the average monthly revenue per household was \$1,344 and \$536 per person. Total monthly expenditures per household were \$1,160, or about 86 percent of the total family income. Food and non-alcoholic beverages accounted for 35.1 percent of consumer spending per household, and 7.8 percent of average income was spent on alcoholic beverages and tobacco. Only 1.7 percent was spent in hotels or restaurants. More about income and consumption can be found in INSSE's latest [report](#).

Retail Market

In 2021, Romania's food retail market was valued at \$32.45 billion, with over 4,000 stores. Four major players account for 60 percent of total market share, including [Kaufland](#), [Carrefour](#), [Lidl](#) and [Profi](#). Romania is a top-five European country for retail growth (by space), following Turkey, Russia, France, and Italy. Romania's retail sector doubled in square meters per 1,000 inhabitants in the last four years.

Table 4: Top 10 International Retailers in Romania

International retailers in Romania	Turnover (mil. USD)			No. of stores	
	2020	2021	2021 vs 2020	Nov-21	Nov-22
Lidl	3,033.71	3,576.00	17.88	315	343
Kaufland	3,027.31	3,357.00	10.89	147	150
Profi	2,084.21	2,289.00	9.83	1,570	1,600
Carrefour	2,127.14	2,258.00	6.15	330	380
Mega Image	1,704.46	1,795.00	5.31	906	920
Metro	1,443.44	1,750.00	21.24	29	30
Auchan	1,309.73	1,522.00	16.21	138	186
Rewe (Penny)	1,115.84	1,296.00	16.15	294	315
Selgros	912.71	957.00	4.85	23	23
Cora	383.50	372.00	- 3.00	10	10

**Increases are higher in USD than in RON due to exchange rate*

According to estimates by the Romanian Association of Online Stores (ARMO), total e-commerce sales exceeded \$7.3 billion at the end of 2021, a 10 percent increase over 2020 (not including online travel and services sales). The increase was smaller than initially forecast, in part due to increased energy prices and the low inventory of global manufacturers (caused by the pandemic) that altered the distribution chain.

The fallout from COVID-19 and the subsequent government-imposed restrictions on businesses has deeply affected Romania's hospitality, restaurant, and institutional (HRI) sector. As much as possible, Romanian HRI businesses have turned to online and digital platforms. Many food and beverage processors and distributors previously that focused on HRI sales have since adapted their websites for direct consumer distribution. For more information on how the pandemic transformed the Romanian HRI and food retail sectors please see FAS/Bucharest's [report](#).

Hotel, Restaurant & Institutional Food Service Sector

The recovery of full-service restaurants in 2021 was limited compared with the significant decline seen in 2020. This was due to Romania's third and fourth waves of the COVID-19 pandemic, which led to restrictions until May 15, 2021, and again from October 15-December 10, 2021. As limitations on certain destinations were still in force at the beginning of the summer tourism season, the demand for domestic tourism increased significantly. Consequently, the tourism and full-service restaurants symbiosis worked well during the summer. Foodservice value sales increased by 13 percent in 2021 to \$1.58 billion, whilst outlet numbers decreased by 2 percent to 5,029.

Recovery strategies for full-service restaurants in large cities are likely to continue including delivery and takeaway. Delivery is usually based on online ordering through independent mobile applications like Glovo, Foodpanda (acquired by Glovo in December 2021), Tazz by eMAG, Takeaway, and Bolt. Online ordering (from restaurants with their own delivery) and delivery have become the norm for many Romanians still working from home, and these services are expected to continue to develop as the remote working remains common.

In 2021 both foreign arrivals to Romania and departures of Romanian citizens traveling abroad increased compared to 2020, by 35.2 percent and 22.4 percent, respectively. According to INSSE, in 2021 837,000 non-resident tourists visited Romania and spent \$476.6 million. Business trips (including participation in conferences, courses, fairs, and exhibitions) represented the main reason for the stay.

Food Processing Sector

While current retail value growth is double-digit, the volume decline in 2022 is primarily the result of higher unit prices, with the increasing cost of raw meat, pet food, energy, and transportation passed on to the consumer. Inflation has also meant that consumers have become more price-conscious, with many reducing purchases of processed meat, seafood, and meat-alternatives. However, due to the higher price of packaged products, many consumers are shifting to unpackaged, chilled meat sold in specialty stores and dedicated areas within groceries. In addition, the decline of shelf-stable processed meat, seafood, and alternatives to meat in 2022 resulted from stockpiling during the outbreak of COVID-19 and the lifting of restrictions leading to less demand for canned food.

An increased trend toward a healthy lifestyle and concerns for sustainability and animal welfare is expected over the next five years, leading to the highest growth for meat and seafood substitutes. Religious fasts will continue to lead substitute sales, with an increasing number of consumers adopting a daily vegan lifestyle. The taste of plant-based meat substitutes is increasingly important, especially in terms of texture. Verdino Green Foods has 60 products in its portfolio and is listed in more than 2,000 stores in Romania and seven foreign countries. It offers five versions of pea protein-based sausages, hot dogs, burgers, traditional “mititei” sausages, pate, salami, bacon, and plant-based tuna fish. Orkla Foods is also present, with the brand Naturli’ and soy-based burgers, veggie balls, and schnitzel.

According to Euromonitor, retail sales rose by 28 percent in 2022 to \$1.1 billion. Processed meat was the best performing category with retail sales increasing 31 percent to \$874 million. Chilled processed red meat will remain the single biggest category within processed meat, seafood, and alternatives to meat. However, it may lag behind chilled processed poultry and chilled processed seafood in retail volume growth, as health concerns are encouraging Romanians to reduce their consumption of red meat.

Sales of processed fruits and vegetables increased in value by 19 percent but declined in volume, resulting in the unit price growth generated by increased energy, packaging, and transportation costs. In addition, stockpiling during the COVID-19 pandemic meant that many already had surplus supplies and did not need to purchase more. Several reasons drive positive retail volume terms for frozen fruit and vegetables. The growing health and wellness trend boosts sales, with the perception for frozen offerings being that they are healthier, free-from additives, and therefore, more 'natural' when compared to shelf-stable options. The presence of sugar, salt, and other additives in shelf-stable varieties hinders growth. Practically, frozen fruit and vegetables increased visibility and demand through the expansion of large modern retailers that provide generous freezing areas. A further advantage of frozen vegetables is the wide varieties and mixes of vegetables that have become viable alternatives to traditional cooking.

Fragmentation remains high among Romanian dairy, processed meat, and bakery product producers due to a longstanding tradition of manufacturing such products and the growing number of small, regional players. Artisanal production and sales are growing rapidly, particularly for bread products. Retail chains are increasing shelf space for artisanal dairy, processed meat, and bread production.

III. AGRICULTURAL AND FOOD IMPORTS

Romanian importers generally view U.S. suppliers as reliable sources of well-known brands and high-end products. They usually prefer products with at least six months of shelf-life. Besides the product itself, packaging implies status, and innovation is an important attribute. Products that combine these characteristics are more likely to succeed in Romania. U.S. food categories most often exported to Romania are tree nuts, fish and seafood, and pet food.

“All-natural” and organic products represent a growing sector in Romania. The local food processing industry is slowly developing these segments, as the consumer base for these products must have a high income. The sales value of packaged organic food grew by 15 percent in 2021 to \$91.8 million, and sales are expected to reach to \$126 million in 2025. Local suppliers offering consumer-ready organic products in Romania remain limited, and prices for these items are high.

Table 5: Product Category Imports and Main Suppliers

Product Category Imports 2021	Main Suppliers	Key constraints over market development	Market Attractiveness for USA
Fish and seafood (03/1604/1605) Total imports: \$430.5 million	Netherlands - \$57.8 million Poland - \$54.4 million Spain - \$35.7 million Italy - \$35.1 million United States - \$1.5 million	Romanian fish consumption is below the EU average. Price-quality ratio remains the main purchase criteria.	In the first eight months of 2022 US direct exports to Romania increased by 57.3 percent which shows growing interest for consumption.
Beef (0201/0202) Total imports: \$71.49 million	Netherlands - \$20.8 million Lithuania - \$13.3 million Poland - \$11.8 million Italy - \$7 million United States - \$1.74 million	Market access is restricted because of EU non-tariff barriers. The EU tariff rate quota for beef also restricts U.S. access to this market.	U.S. and EU agreed to grant the United States a country specific share of 45,000 mt duty-free high-quality beef (HQB) quota. US beef exports to Romania increased by 248 percent in 2021 (only indirect imports) which shows growing interest for consumption.
Nuts (0802) Total imports: \$49.8 million	United States - \$21 million Germany - \$10.2 million Ukraine - \$6.8 million Belgium - \$5.8 million Turkey - \$4.7 million	Pricing may restrict target customers. The processing industry remains price sensitive. 95 percent of the United States imports comes from indirect imports.	Lifestyle changes will spur growth. Food processing industry will focus on healthful products. US nuts exports increased by 79 percent in 2021.
Fruits and vegetable juices (2009) Total imports: \$58 million	Germany - \$12.2 million Netherlands - \$10.5 million Greece - \$6.8 million Ireland - \$5.3 million United States - \$343,517	Big players already existing in the market.	Consumers' focus on healthful products is a growth driver.
Wine (2204) Total imports: \$106.3 million	Italy - \$29.4 million Moldova - \$25.2 million France - \$16.2 million Spain - \$12.9 million United States - \$623,339	Own consumption and local brands are very well represented.	Grown interest for U.S. wines. Sales increased by 43 percent in 2021.
Distilled spirits (whiskey) (220830) Total imports: \$77.3 million	United Kingdom - \$48.8 million United States - \$12.2 million Germany - \$6 million Netherlands - \$3.7 million Ireland - \$3.7 million	Significant domestic production and consumption. High excise taxes. Imports increased by 77.3 percent in 2021 after Horeca restarted.	US whiskey exports increased by 12.2 percent compared to 2020.

<p>Pet food (230910) Total import: \$311.8 million</p>	<p>Hungary - \$112.2 million Poland - \$84.7 million Germany - \$31.8 million Italy - \$13.1 million United States - \$2.8 million</p>	<p>Price range restricts target consumers and puts U.S. pet foods in the premium price category.</p>	<p>Imported pet food imports dominates in Romania. Market grows early. Total market increased by 32 percent in 2021 and by 31 percent in the first eight months of 2021.</p>
<p>Sauces, condiments, mustards (2103) Total imports: \$122.2 million</p>	<p>Germany - \$27.2 million Hungary - \$14.8 million Slovakia - \$14.6 million Poland - \$12.2 million United States - \$0.53 million</p>	<p>Price range restricts target consumers.</p>	<p>Sales of sauces, dressings, and condiments, particularly linked to international cuisines increased by 24 percent in 2021. US direct exports increased by 22 percent.</p>

Source: Trade Data Monitor, National Institute of Statistics Romania

IV. KEY CONTACT AND FURTHER INFORMATION

For specific stakeholder contact information or further information regarding this report, please contact our office:

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Attachments:

No Attachments