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Report Highlights:

Romania has been a growing market for U.S. food and agriculture exports. Romania's total resident population is 19.05 million people, which is a marginal increase from last year, with about 48 percent living in rural areas (2023 data). Agriculture accounted for about 4.5 percent of Romania's GDP in 2022, when Romania's economy grew by 4.7 percent. The annual rate of inflation reached 8.1 percent in October 2023, an improvement from the 15.3 percent a year ago. Food prices have grown by 8.7 percent in October 2023 compared to a year ago. In 2022, Romania's total agricultural imports reached \$13.9 billion, a 16-percent increase over 2021, of which nearly 80 percent were sourced from EU Member States (MSs). Germany, Hungary, Poland, Ukraine, and the Netherlands were Romania's major trading partners in 2022.

Market Fact Sheet: Romania

Executive Summary

Romania's total resident population is 19.05 million people, which is a marginal increase from last year, with about 48 percent living in rural areas (2023 data). Agriculture accounted for about 4.5 percent of Romania's GDP in 2022, when Romania's economy grew by 4.7 percent. The annual rate of inflation reached 8.1 percent in October 2023, an improvement from the 15.3 percent a year ago. Food prices have grown by 8.7 percent in October 2023 compared to a year ago.

Imports of Consumer-Oriented Products

In 2022, Romania's total agricultural imports reached \$13.9 billion, a 16-percent increase over 2021, of which nearly 80 percent were sourced from EU Member States (MSs). Germany, Hungary, Poland, Ukraine, and the Netherlands were Romania's major trading partners in 2022. Meat, dairy, grains, oilseeds, and beverages were the major product import categories. At the same time, Romania's exports, consisting of grains, oilseeds, live animals, and fats, reached \$12.6 billion, experiencing a year-on-year growth of 11 percent.

The United States is a top-20 supplier of food and agriculture to Romania. Valued at \$190 million in 2022 (up 4.6 percent from 2021), U.S. goods flow into Romania either directly from the United States (mainly bulk and intermediate products) or are transshipped through the other western EU ports of entry in Italy, the Netherlands, and Germany.

Food Processing Industry

Retail value sales increase by 14 percent in current terms in 2023 to \$1.28 billion. Meat and seafood substitutes are the best performing category in 2023, with retail value sales growing by 15 percent in current terms to \$53.4 million.

Food Retail Industry

Grocery retailers continued to dominate retail value sales in 2022 because Romanians traditionally allocate a significant share of their expenditure to food. In 2022 Romanians spent \$22.9 billion in offline food retail and \$448.5 million on online food retail.

<i>SWOT Analysis</i>	
Strengths	Weaknesses
Romania is accessible by sea and has an efficient distribution network. Romanians spend approx. 40 percent for purchasing food products. Marketing costs are low.	Some U.S. exports are disadvantaged because of EU non-tariff barriers and import duties.
Opportunities	Threats
U.S. high-value products could enjoy increasing demand due to growing incomes, fast developing food retail network, and consumption habits changing towards high-quality products.	EU suppliers have competitive advantages due to geographic location and ability to deliver small volumes.

Quick Facts CY 2022

Imports of Consumer-Oriented Products

(\$13.9 billion)

List of Top 10 Growth Products Imported in Host Country

- | | |
|------------------------|--------------------------|
| 1) Sugar confectionary | 2) Vegetables |
| 3) Meat (beef) | 4) Bakery products |
| 5) Cocoa Preparations | 6) Fruits and nuts |
| 7) Fish and seafood | 8) Beverages and spirits |
| 9) Coffee and tea | 10) Dairy products |

Food Industry by Channels (\$ billion) 2022

Food Exports – Agricultural and Related Products (2022)	12.5
Food Imports – Agricultural and Related Products (2022)	13.9
Retail	1.28
Food Service	1.66

GDP/Population

Population (*millions*): 19.05

GDP (*\$ billion*): 301.26

GDP per capita (*\$*): 12,279

Exchange rate (2022): 1\$=4.68

Exchange rate (*Jan – Sept 2023*): 1\$=4.55

Sources: Euromonitor, Eurostat, Trade data Monitor, World Bank, Nation Institute of Statistics, Local sources.

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MARKET OVERVIEW

In 2022, Romania outperformed the regional average in terms of real gross domestic product (GDP) growth, supported by strong domestic demand. However, then the economy began to slow down compared to the previous year, while inflation increased significantly due to global supply and demand imbalances and elevated prices of energy and commodities. Going forward, economic development in Romania is forecast to further decrease amid persisting global economic headwinds.

Over 2022, real GDP in Romania slowed down to 4.7 percent, outperforming the Eastern European average. During the year, the country's economic performance was supported by relatively strong domestic demand, thanks to elevated private spending and higher infrastructure investments. The largest driver of economic development was the services sector, which accounted for more than two thirds of total gross value added (GVA) in Romania in 2022. Over the year, financial services, real estate, and business activities remained the largest contributor to the country's economy, accounting for 23.2 percent of total GVA. However, in 2023, Romania's economic development has slowed down sharply, with real GDP growing by an estimated 2.8 percent.

Over 2022, the unemployment rate in Romania remained elevated, standing at 5.6 percent – above the pre-pandemic level. The unemployment rate in the country is expected to have decreased only slightly in 2023, yet to remain above the pre-pandemic level. Despite the elevated unemployment rate, the country is facing significant challenges related to labor shortages. One of the main reasons for the labor shortage is the emigration of Romanian workers to other EU countries, which has resulted in a lack of workers in various sectors, including construction, healthcare, and tourism. To address this issue, the Romanian government has continued to issue quotas for foreign workers, with a quota of 100,000 non-EU workers allowed into its labor market in 2023.

In January 2023, Romania's central bank increased its policy rate to 7 percent, which remained unchanged throughout 2023. Romania's central bank has tightened its monetary stance and raised key interest rates, aiming to bring rising inflation under control. Moreover, during 2022, Romania's national currency depreciated by 12.7 percent against the US dollar. While this has driven up import costs and contributed to higher inflation levels, it has also helped to improve the price competitiveness of Romania's exports.

Romania's total resident population is 19.05 million people, which is a marginal increase from last year, with about 48 percent living in rural areas (2023 data). Agriculture accounted for about 4.5 percent of Romania's GDP in 2022, when Romania's economy grew by 4.7 percent. The annual rate of inflation reached 8.1 percent in October 2023, an improvement from the 15.3 percent a year ago. Food prices have grown by 8.7 percent in October 2023 compared to a year ago.

In 2022, Romania's total agricultural imports reached \$13.9 billion, a 16-percent increase over 2021, of which nearly 80 percent were sourced from EU Member States (MSs). Germany, Hungary, Poland, Ukraine, and the Netherlands were Romania's major trading partners in 2022. Meat, dairy, grains, oilseeds, and beverages were the major product import categories. At the same time, Romania's exports,

consisting of grains, oilseeds, live animals, and fats, reached \$12.6 billion, experiencing a year-on-year growth of 11 percent.

The United States is a top-20 supplier of food and agriculture to Romania. Valued at \$190 million in 2022 (up 4.6 percent from 2021), U.S. goods flow into Romania either directly from the United States (mainly bulk and intermediate products) or are transshipped through the other western EU ports of entry in Italy, the Netherlands, and Germany. Food preparations, soybeans, sunflower seeds, tree nuts, and distilled spirits were the largest categories accounting for nearly 70 percent of total U.S. food and agricultural exports to Romania.

Table 1: Total Romanian Agricultural Trade

	2018	2019	2020	2021	2022	2023 (9 months)
Agricultural imports (Billion USD)	9	9.4	10.2	12	13.9	10.7 (+6.78 increase)
Agricultural exports (Billion USD)	7.6	8	7.9	11.2	12.5	9.7 (+1.59 increase)
Agricultural trade Deficit/Surplus (Billion USD)	-1.3	-1.4	-2.2	-0.8	-1.4	-1

Source: Trade Data Monitor

Table 2: U.S. Agricultural Trade to Romania

	2018	2019	2020	2021	2022	2023 (9 months)
Direct imports (Million USD)	113	84	72	90	81	65.87 (-5.26 decrease)
Indirect Imports (Million USD)	69	80	105	92	109	94.68 (+14 increase)
TOTAL (Million USD)	182	164	177	182	190	

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

II. EXPORTER BUSINESS TIPS

Romania has a total population of 19.05 million people. Major Romanian cities and their respective populations are Bucharest (capital, 1.87 million), Iasi (318,000), Timisoara (315,000), Cluj-Napoca (316,000), Constanta (303,000), Craiova (304,000), and Brasov (276,000).

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.

Advantages (U.S. supplier strengths and market opportunities)	Challenges (U.S. supplier weaknesses and competitive threats)
Over half of Romanians live in urban areas. Urban consumers are changing their eating habits and tend to prefer higher quality products. Romanian consumers spend a significant share of their income (more than 40 percent) for purchasing food products, which is three times higher than the EU average.	Huge economic differences remain between the urban and rural regions of Romania, contributing to the elevated poverty levels. 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.
Strong retail sector growth and easier consumer access to higher-end products. 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. Inflationary pressures are set to remain, owing to the war in Ukraine that has resulted in even higher energy prices. This translates into elevated production costs for food and other goods, whilst raising transportation costs. Food prices also increased, as fertilizer supplies are low. Higher wages are also likely to stoke inflation in the short to medium term.

<p>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. The services sector will continue to be the engine of growth for the economy, as will public investment that will be bolstered by the disbursement of EU structural funds.</p>	<p>EU suppliers have competitive advantages with due to geographic location and ability to deliver smaller volumes.</p>
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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 2023 the average monthly revenue per household was \$1,518 and \$608 per person. Total monthly expenditures per household were \$1,311, or about 86.4 percent of the total family income. Food and non-alcoholic beverages accounted for 37.2 percent of consumer spending per household, and 7.5 percent of average income was spent on alcoholic beverages and tobacco. Only 1.7 percent was spent in hotels or restaurants. Compared to the same period for the previous year total average monthly expenses increased by 12 percent per person. More about income and consumption can be found in INSSE’s latest [report](#).

Retail Market

The complete removal of all COVID-19 restrictions in Romania at the beginning of March 2022 resulted in an increasing number of local consumers relying less on the convenience of e-commerce and home deliveries, as they returned more frequently to shopping in physical stores. On the other hand, Romania experienced high inflation in 2022, which resulted in the reduction of many local consumers’ purchasing power. The increasing price of products throughout retail encouraged many consumers to prioritize their

expenditure on essential items, in addition to reducing the size of their basket, or waiting for attractive sales promotions.

Table 4: Top 10 International Retailers in Romania

International retailers in Romania	Turnover (mil. USD)			No. of stores		
	2021	2022	2022 vs 2021	Nov-22	Nov-23	
Lidl	3,576	4,056	13.42	343	346	
Kaufland	3,357	3,421	1.91	150	169	
Profi	2,289	2,491	8.82	1,600	1,667	
Carrefour	2,258	2,452	8.59	380	411	(44 hyper, 188 market, others)
Mega Image	1,795	1,862	3.73	920	956	
Metro	1,750	1,994	13.94	30	31	
Auchan	1,522	1,482	- 2.63	186	440	(33 hyper, 7 super, 404 proximity)
Rewe (Penny)	1,296	1,533	18.29	315	349	
Selgros	957	913	- 4.60	23	23	
Cora	372	323	-13.17	10	10	

**The values are different in USD than in RON due to exchange rate*

Source: Ministry of Finance

Grocery retailers continued to dominate retail value sales in 2022 because Romanians traditionally allocate a significant share of their expenditure to food. The high inflation in 2022 had a strong impact on the price of food, especially on basic groceries such as vegetables, bread, meat, dairy and sunflower oil, which placed pressure on consumers' expenditure as they suffered from the general scenario in the country, which included the rising cost of utilities, transportation and services. Retail e-commerce is expected to buck the declining trend of 2023, and record more dynamic value growth (at constant 2022 prices) compared to retail as a whole over the forecast period.

In 2022 Romanians spent \$22.9 billion in offline food retail and \$448.5 million on online food retail.

Hotel Restaurant & Institutional Food Service Sector

While in general consumer foodservice performed well in 2022, full-service restaurants registered a more muted performance, with constant value sales only increasing marginally. With inflation being high, consumers were price sensitive and some chose to eat out through cheaper channels, such as limited-service restaurants. There were also some closures during 2022, as the legacy of the pandemic and high inflation took its toll. That being said full-service restaurants continued to be the largest channel in terms of value sales and also benefitted during the summer season from a high number of local tourists who were able to avail of government-funded holiday vouchers.

Emerging trends will see a focus on sustainability, with an emphasis on short supply chains from farm to table. Also, within the cities and popular tourist destinations, vegan, vegetarian and also fish cuisine will

become increasingly popular. Outside these areas, the emphasis will continue to be local cuisine, at affordable prices. Also, while many independent restaurants still rely on telephone orders, they could benefit from switching to online platforms or third party delivery providers as such platforms are growing in popularity and restaurants that are on these platforms gain more visibility. Delivery platforms include Glovo, Tazz and Takeaway.

One of the major drivers of growth over the forecast period will be tourism, particularly for more upmarket restaurants. There has been significant investment in the restoration of historic sites throughout Romania in recent years and over the forecast period; this investment should pay off in terms of increased tourism. In particular, inbound tourism will have a key role to play in the recovery of the Romanian consumer foodservice industry in general and full-service restaurants in particular over the forecast period.

Foodservice value sales increase by 13 percent in current terms in 2022 to \$1.66 billion.

In 2022, the total number of non-resident tourists staying in the collective tourist accommodation structure was 1.57 million, their expenses amounting to \$930 million. Professional and business trips represented the main reason for the stay - 51.8 percent – and private accounted for 48.2 percent.

Food Processing Sector

The persistently high inflation in 2023 has significantly diminished the purchasing power of the majority of the population. This financial strain has been further exacerbated by the escalating average shelf prices of processed meat and seafood, compelling consumers to rethink their purchasing patterns to cope with the soaring cost of living. Despite Romania's standing as a traditional producer of processed meat with a multitude of regional and national suppliers, the surge in raw meat prices at the farm, increased energy costs for meat processing, elevated packaging expenses, and amplified logistics and retailing costs have collectively prevented the maintenance of affordable shelf prices. Consequently, consumers are turning to more budget-friendly options, leading to resurgence in demand for unpackaged chilled meat, particularly in specialist stores and dedicated areas within international grocery chains.

The traditional consumption of processed meat continues to drive sales in the largest product area in 2023, albeit facing challenges. The growth in average prices has resulted in a volume decrease, affecting both shelf-stable and chilled processed meat. However, the overall interest in chilled processed meat remains robust due to strong manufacturing and consumption traditions, offering a wide array of popular products such as salami, sausages, hot dogs, ham, and bacon.

The surging dynamics within meat and seafood substitutes are driven by an increasing consumer orientation towards a healthier lifestyle. Historically associated with religious fasting, these products have witnessed growing demand from individuals adopting diets excluding animal proteins. Although the category is relatively small, it boasts high growth potential, despite contending with pronounced seasonality dictated by religious fasts.

The forecast period will continue to see the impact of unpackaged chilled processed meat on the overall product area of processed meat, seafood, and alternatives to meat. According to consumption and purchase statistics at the level of the population, total purchases of processed meat exceeds by three times the purchase of packaged processed meat in retail. Also, consumption is higher by 15 percent compared to purchases which means that consumption from own farms is still high.

According to Euromonitor retail value sales increase by 14 percent in current terms in 2023 to \$1.28 billion. Meat and seafood substitutes is the best performing category in 2023, with retail value sales growing by 15 percent in current terms to \$53.4 million.

Processed fruits and vegetables decline in 2023 can be primarily attributed to the surge in the average unit price at the shelf, driven by persistently high inflation and an overall rise in food prices that outpaced inflation. However, the impact of drought and increased expenses for electricity and water to irrigate yards curtailed this home canning activity. The volume growth observed in frozen fruits and vegetables is primarily driven by the growing consumer perception that these products are healthier and more natural compared to their shelf-stable counterparts. This perception stems from the fact that frozen products are preserved without the need for additives, contrasting with the preservatives required in shelf-stable alternatives. Beyond individual vegetables like peas, beans, and spinach, consumers are drawn to vegetable mixes such as Mexican Mix, Wellness Mix, Soup Mix, Provence Style Vegetables, and Wok Mix, expanding the versatility of these products in a variety of meals.

Euromonitor data show retail value sales rose by 11 percent in current terms in 2023 to \$285.7 million. Frozen processed fruit and vegetables is the best performing category in 2023, with retail value sales increasing by 14 percent in current terms to \$105 million.

Entry Strategy

The best strategy for U.S. food ingredients exporters to enter the Romanian market is to contact local importer/distributors or food manufacturers directly. The main food manufacturers/importers/distributors understand the market and how to contact key stakeholders. Trade shows are also an effective way to promote new food ingredients products. The best method to reach Romanian retail buyers and prospective importers is to contact them directly via e-mail or to reach out to [FAS Bucharest](#) for additional guidance.

V. 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 also 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.

Product Category Imports 2022 (product code)	Main Suppliers	Key constraints over market development	Market Attractiveness for USA
Fish and seafood (03/1604/1605) Total imports: \$461.9 million	Netherlands - \$59.7 million Germany - \$42.3 million Poland - \$39.9 million Italy - \$33 million United States - \$2.5 million	Romanian fish consumption is below the EU average. Price-quality ratio remains the main purchase criteria.	In the first nine months of 2023 US direct exports to Romania increased by 19.7percent which shows growing interest for consumption.
Beef (0201/0202) Total imports: \$106.5 million	Netherlands - \$27.7 million Lithuania - \$19.8 million Germany - \$14.2 million Italy - \$12 million United States - \$2million	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 Unites States a country specific share of 45,000 mt duty-free high-quality beef (HQB) quota. US beef total exports to Romania increased by 67 percent which shows growing interest for consumption.
Nuts (0802) Total imports: \$64.6 million	United States - \$25.1 million Czech Rep - \$11.9 million Germany - \$10.1 million Belgium - \$7.3 million Hungary - \$6.8 million	Pricing may restrict target customers. The processing industry remains price sensitive. 95 percent of the United States imports come from indirect imports.	Lifestyle changes will spur growth. Food processing industry will focus on healthful products. US nuts exports increased by 19.5 percent in 2022.
Fruits and vegetable juices (2009) Total imports: \$64.8 million	Germany - \$15.3 million Netherlands - \$8.8 million Greece - \$6.4 million Poland - \$6.3 million United States - \$308,000	Big players already existing in the market.	Consumers' focus on healthful products is a growth driver.
Wine (2204) Total imports: \$106.3 million	Italy - \$35.9 million Moldova - \$27.7 million France - \$19.5 million Spain - \$14.6 million United States - \$405,518	Own consumption and local brands are very well represented.	Grown interest for U.S. wines.

Distilled spirits (whiskey) (220830) Total imports: \$130.5 million	United Kingdom - \$66.8 million Netherlands - \$27.5 million United States - \$13 million Belgium - \$8.7 million Ireland - \$8 million	Significant domestic production and consumption. High excise taxes.	Total imports increased by 68.8 percent in 2022.
Pet food (230910) Total import: \$325.8 million	Hungary - \$116.5 million Poland - \$84.7 million Germany - \$30.5 million France - \$13.8 million United States - \$3 million	Price range restricts target consumers and puts U.S. pet foods in the premium price category.	Imported pet food dominates in Romania. Market grows early. Total market increased by 19 percent in the first eight months of 2023.
Sauces, condiments, mustards (2103) Total imports: \$153.8 million	Germany - \$36.2 million Hungary - \$19.8 million Poland - \$15.4 million Slovakia - \$14.8 million United States - \$0.88 million	Price range restricts target consumers.	Sales of sauces, dressings, and condiments, particularly linked to international cuisines increased by 25 percent in 2022. US exports increased by 60 percent in 2022, and by 440 percent in the first nine months of 2023.

Source: Trade Data Monitor, National Institute of Statistics Romania

I. 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