General Assessments Regarding the Evolution of Foreign Direct Investments in Romania

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Abstract:

The article makes a critical analysis of the attractiveness of the Romanian legislative framework for foreign investors. The analysis goes beyond national borders and extends to Bulgaria, the Czech Republic, Poland and Hungary, as we believe that the states in the region, EU members and with a similar transition history, are formidable rivals for Romania in the race to attract FDI, able to capture the advantages of this type of investment to the detriment of Romania. In this part we emphasize the fact that, in the absence of increased attention paid to these issues, Romania risks losing its attractiveness for FDI, with negative consequences on its economic development.

The research methods included observation methods, comparison methods and generalization methods, and the result of the research is its own considerations regarding the controversies of investment policy and FDI determinants, the controversies of the globalization process, the role of FDI in the global economy, such as and their positive role in modernizing Romania and enhancing future opportunities in the national economy.

Keywords: foreign investors; economic development; FDI; transition; investment; market economy.

JEL Classification: F21; F23; P33.

Introduction

The investment climate in which the economic agents carry out their activity has its particularities in the national economy and, of course, distinctive features compared to the economy of other states. The notion of investment environment has been noted in publications in recent decades, in connection with the evolution of foreign direct investment and the activity of transnational corporations, as the creation of stimulating conditions for attracting the factors of production that the country lacks (Hîncu 2004).

International experience shows that improving the investment climate is the main condition for attracting foreign investors (Irtyshcheva *et al.* 2020). Creating a favorable investment climate has been and will continue to be one of the main tasks of the economic policy of market economy and transition economies.

Regarding the determinants of FDI, empirical studies highlight the existence of traditional factors, but also of factors specific to the transition period experienced by these states (Lopez 2010, Simionescu 2018). According to Johnson (2006), traditional determinants refer to indicators related to market size, abundance of natural resources and low production costs, in addition to others mentioned in several empirical studies such as: market factors and efficiency, opening of the host country, free trade zones. There are also many heterogeneous determinants of location, quality of work and macroeconomic variables.

Identifying, analyzing and assessing the amount of parameters that characterize the investment climate of a country, branches, economic units or other structure requires a lot of skill on the part of experts due to the coherence between investment and risk, accelerated dynamism of factors in time and long duration of investments.

In these circumstances, investors in the substantiation of the investment decision, make a general assessment, depending on their objectives, on the investment climate, using in this sense both ordinary techniques but also using the opinion of various renowned experts in this field (Fetiniuc and Timuş 2003).

Uncertainty is what makes investments risky and, as a result, requires investors to take risks. From this perspective, determining the investment climate for a country, branch or economic unit is a requirement of time for investors, especially since the magnitude of these components is able to change the investment behavior of operating units and the attitude of potential investors.

1. The Development of Foreign Direct Investments and Transnational Companies in the Romanian Economy After 1990

During the transition years, the amount of foreign direct investment in CEE countries reached different levels and followed distinct trajectories, due to the particularities of each state, the degree of openness, the level of understanding and forecasting of investment phenomena, political will and absorption capacity. The differences that were created between Romania and the other countries in transition generated a problem that was difficult to overcome and an unfavorable image that influenced the decision-making of foreign investors. These differences, which consist of the total volume invested, the annual rate of investment, per capita investment or other indicators, can be explained by several causes that actually characterize the position that a certain country has in the international financial circuit.

First of all, in Romania, the position of decision makers, especially political ones, towards foreign direct investment was different, both in content and consistency compared to neighbor countries. We consider that this factor largely explains the differentiations mentioned above. At the same time, in order to strengthen these findings, one can use the characteristics of the general investment environment, determined among others by the social, cultural and educational climate in which they developed during the transition. The receptivity of the citizens, their degree of education and training, flexibility and mentality were decisive, especially during the first years after 1989.

Romania's potential in terms of foreign direct investment did not reach high levels after 1990. Initial figures were lower than in neighbor countries and the policies implemented by governments in power between 1990 and 2004 were not such as to encourage foreign capital to invest in the long term. Moreover, the country risk assessed by international rating agencies has been a major obstacle to long-term investment. Beside the poor performance of the economy there were political instability and the less democratic aspects that accompanied the transition of the 1990s. In brief, we have the image of a country that has consistently been ranked on one of the poorest positions in Europe in terms of democracy and economy. This statistic shows that in the first decade after 1990, virtually no investment was made in Romania. The absence of a functioning market economy, the lack of political will to create a stable and transparent business environment, the chaotic granting of tax incentives that many investors (especially individuals) have used to create ghost companies and tax evasion, and the lack of business opportunities due to the delay in the privatization process, kept large foreign investors away. In addition, there were sufficient investment attractions in Hungary, the Czech Republic and Poland where there was a stronger political will to complete economic reforms and complete the process of transition to a market economy.

Romania received the status of a functioning market economy from the EU only in the October 2004 country report, one year after Bulgaria and 8 years after the leading group of Central European countries. In the absence of any priority sectors set at the economic level by the government, each ministry considered its field as the most important for the country's economic growth. Under these conditions, investors were welcome in all sectors, but this indiscriminate opening created even more mistrust among them. At the same time, the websites of development agencies in the Czech Republic and Hungary briefly describe the economic areas of priority interest to those governments.

In Romania, foreign investments of 10,000 USD were treated in the same way as those of 50,000,000 USD, for both cases the Romanian law offering the same fiscal or other incentives. Legislative and institutional instability, continuous and unpredictable changes in taxation in a negative sense, but also the underground resistance to change of state structures and outdated mentalities of employees of companies with majority state capital, corroborated by the absence of a real privatization offer have determined investors, in the early 1990s, to focus mainly on greenfield investments in labor-intensive industries or the creation of joint ventures with local partners.

In these conditions, the political decision taken by the EU in 1999 on the opening of Romania's EU accession negotiations and their effective start in February, 2000 were finally a sign for foreign investors that in Romania it is possible to face a normalization of social and economic life, to achieve economic stability that will create a favorable climate for investment.

The preamble of Romania's integration into the EU was characterized by the intensification of the circulation of goods and services between Romania and the other Member States, so Romania tightened its economic relations with other Member States, and in the last ten years imports and exports have doubled in real terms.

Between 1990 - 2002, the profile of foreign investors had some specific features: they either focused on making an investment that would bring short-term gains or made a medium-term business plan, hoping that at the end of five years of investment they could retrieve what they have invested and think about what they can do next, how they can readjust the business to the ever-changing economic environment. Investments made during this period increased quite a bit, suffered stagnation and obstacles, experienced some difficulties in expanding the business. Although important packages of incentives and fiscal facilities were granted, the reaction of the economic environment was still delayed and weak (Pîrvu *et al.* 2011).

Under these conditions, of a low elasticity of the economic environment to an item invested by a foreigner, the investor could not accelerate the cycle of his investments and did not want this. Profits did not react elastically to an invested item, they could be large investments that did not generate profits for a long time, or they could be very small investments that would bring big and fast gains (Pîrvu *et al.* 2008). After 2002, there was an increase in value registered at the investor level, which encouraged and made them increase their contributions in Romania. An invested item could suddenly end up generating profits above budgeted expectations, and there were some cases when, once a market segment being conquered, either the segment itself expands or other categories of buyers are attracted, above expectations and without being based on a sustained marketing policy.

As a result of the favorable developments, in 2004 the GDP reached the level of 1989, but in the conditions of substantial improvement and modernization of the structure on sectors and sub-sectors of the national economy, tightening relations with economically developed countries within the EU. The most important results of the economic policy applied during this period we consider that they aimed at:

- macroeconomic stabilization and increasing economic growth, in order to achieve convergence with the level of development of the Member States of the European Union, the level of economic growth being, from 2001 to 2006, among the highest among the candidate countries and in the world;
- improving Romania's access to foreign capital markets under favorable interest conditions, the rating agencies improving each year the ratings of Romania;
- the recovery of public finances, through the strict control of the budget deficit and the improvement of the collection of revenues, completing the reform in the financial field, so that the financial policy becomes a stimulating factor of the economic growth;
- reducing inflation: coherent and balanced programming of macroeconomic policies has ensured the achievement of a single-digit inflation target in 2004;
- the accelerating the structural reforms, the privatization and restructuring, making the private sector becoming predominant in the structure of the social capital for the first time after 60 years.

The following paragraph is focused on a retrospective analysis of foreign direct investments and their vectors - transnational companies - in the Romanian economy after 1990, following their development during the two stages of qualitative development of the national economy in these three decades: the transition period to the market economy and pre-accession (1990-2006) and the period since getting the status of member of the European Union until present. We have to say that the data and information regarding the values of foreign direct investments that we will present in this subchapter are very different for the same analyzed period, depending on the methodology of their presentation by various institutions (UNCTAD, BNR, INSSE, Trade Register Office).

Thus, in the period 1990–2002 investments hardly increased, profits required increased efforts and there was little resilience of the economy to investments, then in the period 2002-2005 investments grew rapidly, profits exceeded the budget and economy elasticity to investment was high; so, in 2005-2007 unexpected flows of foreign capital were registered, starting to witness a competition between Romanian and foreign investors, but also between foreign ones and investors started to learn about the funds that they can obtain for various projects.

The foreign direct investments flows to Romania were largely determined by the degree of safety that investors felt regarding guaranteeing the free movement of goods, services, capital and labor. The table below shows the evolution of foreign direct investment in Romania during 1999-2006, compared to other EEC countries.

Table 1. FDI flows received by CEE countries (1991- 2006)

Country/ Year	1991-1996 annual average	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Czech Republic	1.177	1300	3.718	6.324	4.986	4.916	8.483	2.101	4.974	11.658	5957
Estonia	162	267	581	305	387	542	307	919	971	2.879	1.674
Poland	2.119	4.908	6.365	7.270	9.342	8.830	4.131	4.589	12.890	9.602	13.922
Romania	206	1.215	2.031	1.041	1.025	1.137	1.144	2.213	6.517	6.483	11.394
Slovenia	122	334	216	107	136	503	1.865	333	827	496	363
Slovakia	201	220	684	390	2.075	1.475	4.094	756	3.031	2.107	4.165
Hungary	2.205	2.173	2.036	1.944	1.643	2.414	2.994	2.137	4.506	7.619	6.098

Note: millions of dollars
Source: UNCTAD, World Investment Report 1999, 2003, 2006 and 2007 p. 252-254

Table 1 shows that Romania is the beneficiary of constantly increasing foreign investment flows. The year 1997 was the one when a real intention to invest in Romania developed, which led to the starting of the government policy measures regarding the regional and overall development of the Romanian economy. Economic growth proved to be directly related to these investments, the packages of measures that began to be implemented at that time showed a change in the management mentality of the Romanian macroeconomic for fear of further repatriations of capital, which would affect the balance of payments, when promoting regional development measures, based exactly on the flows of foreign direct investments. Government packages taken at that time precisely aimed attracting foreign investment and direct it to certain regions or sectors, with the aim of sustainable development and raising or sustaining living standards.

According to the data presented in the World Report on Foreign Investments 2007 (UNCTAD), in the period 1991-2006, Romania attracted foreign direct investments totaling USD 41,001 million, a lower level than that registered by other countries in the region, such as: Poland (103,616 million USD), Hungary (81,760 million USD) and the Czech Republic (77,460 million USD).

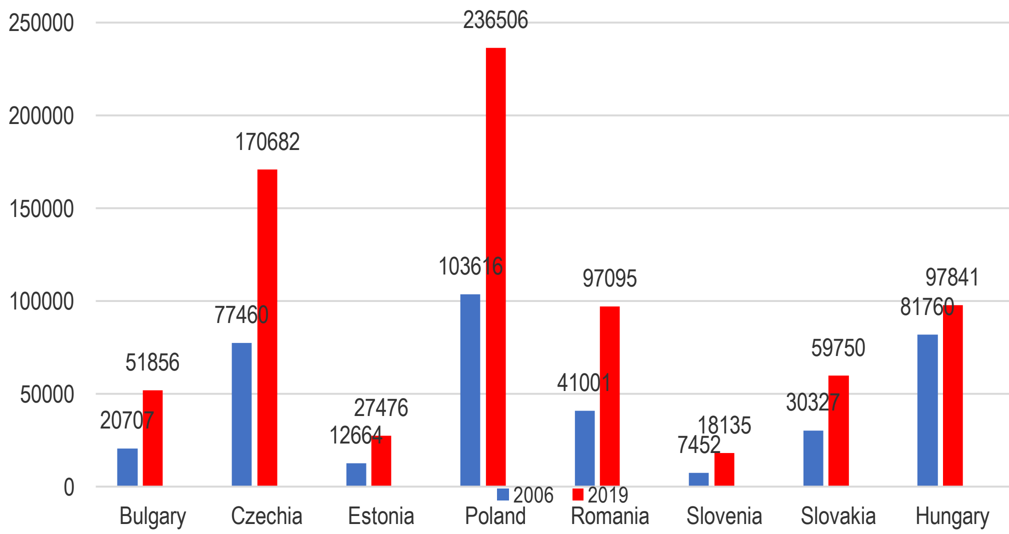
Table 2. FDI inflows by receiving economy 2007-2019

Country/ Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bulgaria	12388	9855	3385	1525	1849	1375	1450	462	2220	1026	1829	1214	1223
Czech Republic	10444	6451	2927	6141	2318	7984	4990	5492	465	9815	9522	11010	7577
Estonia	2725	1731	1840	1598	340	1517	950	685	36	1059	1921	1486	3044
Poland	23561	14839	12932	13876	20616	6059	6038	14269	15271	15690	9179	13947	13220
Romania	9921	13909	4844	2940	2522	2748	3617	3216	3840	5000	5419	6219	5971
Slovenia	1514	1947	-659	360	998	-59	-679	1051	1675	1246	898	1369	910
Slovakia	3581	4868	-6	1770	3491	2826	591	-513	106	806	4017	1184	2449
Hungary	71485	6325	1995	2202	6290	13983	3091	7968	-14537	-5439	3502	8365	5205

Note: millions of dollars
Source: UNCTAD, World Investment Report 2010, 2014, 2020 p. 241-256

After 2007, the gap between Romania and the other countries in Central and Eastern Europe becomes more and more visible. Thus, although it benefited from increasing foreign direct investment flows in the last years until joining the EU, which ranked it 2nd place within the analyzed countries, until 2006, and 4th place until 2019, Romania registered poorer results when we analyze the stock of foreign direct investments and the stock of foreign direct investments per capita (Figure 1 and Figure 2).

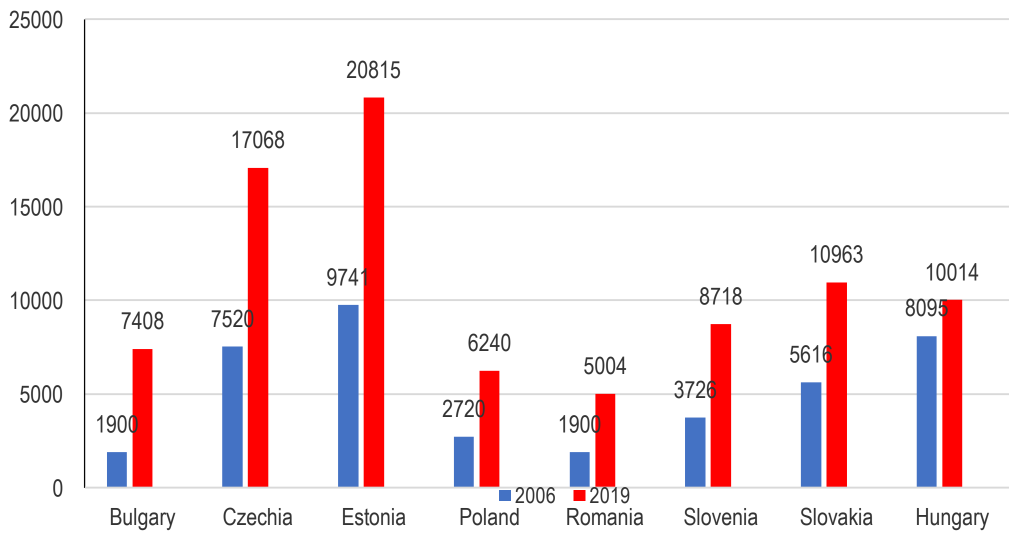
Figure 1. FDI stock, by economy, 2006 and 2019(mil. USD)



Source: UNCTAD, World Investment Report 2010, 2014, 2020 p. 241-256

Therefore, although it is the second largest country (area and population) in Central and Eastern Europe, after Poland, Romania ranks 4th in terms of the stock of FDI received. This development proves the weak involvement of foreign capital in the Romanian economy compared to other Central and Eastern European states, highlighted even more strongly if we use the economic indicator the stock of FDI per capita as a criterion. From this point of view, in the ranking of the Central and Eastern European countries analyzed, Romania is on the last position with a level of FDI stock per capita of only 1900 USD/capita in 2006 and 5004 USD/capita in 2019. In comparison with the other countries in the region, the discrepancies are very deep, especially if we compare the level of FDI stock per capita registered in Romania with that of countries like Estonia (9741 USD/capita in 2006 and 20,815 USD/capita in 2019) and the Czech Republic (7520 USD/capita in 2006 and 17,068 USD/capita in 2019). A similar situation, though not as dramatic as the situation in Romania, is recorded in Bulgaria (USD 7408/capita).

Figure 2. FDI stock, by economy, 2006 and 2019 per capita (USD)



Source: Author calculation using data from following source: UNCTAD, World Investment Report 2007, World Investment Report 2020, Romania's Statistics 2007, p. 948-949

Romania and Bulgaria were much below the region's average in terms of FDI stocks per capita, which strongly proves the low attractiveness of these countries for foreign direct investment. At the opposite pole there were states such as Estonia, the Czech Republic and Hungary, where massive inflows of foreign capital registered significant stocks in 2006, confirming the success of FDI promotion policies.

Economic crisis starting in the second half of 2008 interrupted the flow of foreign direct investment: after reaching an absolute record of about $ 14 billion in current prices in 2008, they fell by about 70% after, practically returning to levels of about $ 4 billion per year, levels recorded in 2004-2006.

2. Romania's Foreign Direct Investment Inflows by Country of Origin

The improvement in business environment, the effects of the introduction of the single tax rate and the positive attitude of foreign partners regarding Romania led to the attraction of a volume of foreign direct investments totaling 9.1 billion Euros in 2006. The 2006 record value of 9.082 billion Euros, increased by 74.24% in comparison to the same period last year (5.213 million Euros), includes the amount of 2.2 billion euros, representing the takeover by Erste Bank of 36.8% of RCB shares. On 31st, December, 2019, the FDI balance registered, compared to 2006, a total FDI balance increased by 136.8%.

The first 5 countries (see Table 3.) ranked by the share in the FDI balance on December 31st, 2006, respectively December 31st, 2019, are: Austria, the Netherlands, Germany, Greece and Italy, respectively, the Netherlands, Germany, Austria, Cyprus and Italy, in 2019.

Table 3. FDI in Romania on 31st December, 2006 versus 31st December, 2019 by countries of origin

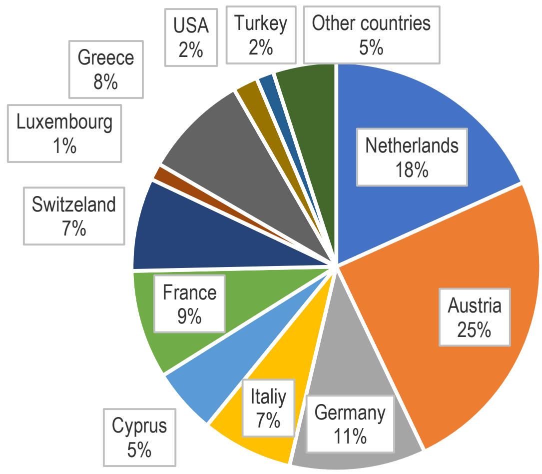
Countries	2006		2019	
	Total	of which greenfield	Total	of which greenfield
Netherlands	5,887	4,160	20,515	12,208
Austria	7,942	2,029	11,107	4,905
Germany	3,473	2,393	10,893	9,798
Italy	2,322	1,378	7,263	3,202
Cyprus	1,674	1,050	5,492	3,691
France	2,766	901	5,486	2,380
Switzerland	2,372	279	3,792	1,977
Luxembourg	428	174	3,779	2,442
United Kingdom	335	403	2,853	1,673
Belgium	321	293	2,518	2,370
Czech Republic	330	68	2,036	1,103
Hungary	-(1)	-	1,612	1,139
Spain	263	171	1,425	960
Greece	2,680	970	1,249	809
Poland	-	-	925	-(2)
USA	628	461	901	820
Sweden	347	314	683	-
Ireland	-	-	678	-
Denmark	-	-	642	-
Turkey	446	292	523	-
Other countries	-	-	3,932	5,098

Note: (1) countries with investment lower than 100 million euro; (2) origin countries with *greenfield* companies' investment lower than 500 million euro

Source: NBR, FDI balance in Romania on December 31st 2006, www.bnr.ro; NBR, FDI in Romania in 2019, p. 15-17

The ranking was made according to the country of the direct shareholder of at least 10% of the share capital of the resident direct investment enterprises, according to the "immediate country basis" principle.

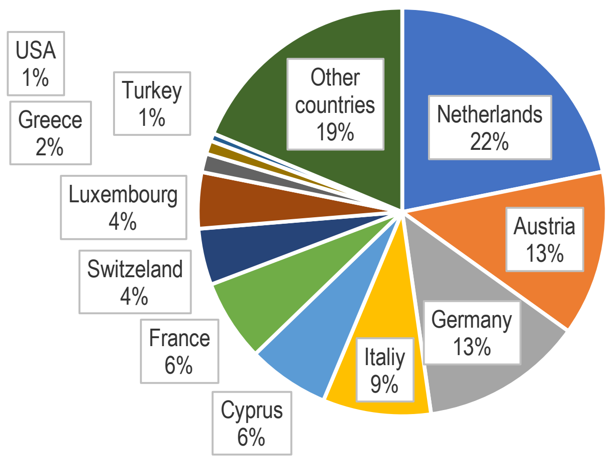
Figure 3. FDI structure in percentage in Romania, by country of origin on December 31st 2006



Source: Author calculation using: NBR, FDI balance in Romania, December 31st 2006, www.bnr.ro; NBR, FDI in Romania in 2019, p. 15-17

"According to BD4 and BPM6 methodologies, the ultimate investor is the entity at the top of the ownership chain, *i.e.* not controlled by any other entity. Internationally, there are two different approaches used to reallocate the FDI stock from the immediate investing country (the direct holder of the equity) to the ultimate investing country: – the proportional approach, which identifies the entity that controls the direct investor, namely the entity that makes the decision to invest; – the control approach, which identifies the entity that controls the FDI enterprise by employing the concept of ultimate controlling institutional unit.

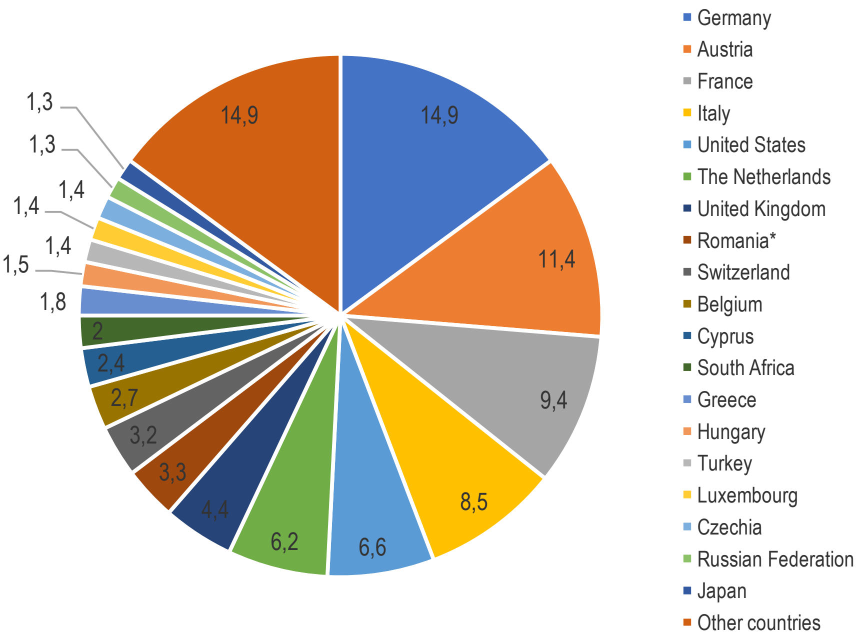
Figure 4. Percentage structure of FDI in Romania, by country of origin on December 31st 2019



Source: Author calculation: NBR, Balance of FDI in Romania on December 31st 2006, www.bnr.ro; NBR, FDI in Romania, 2019, p. 15-17

The statistics on the ultimate investing country of resident FDI enterprises presented in Figure 5 were based on the European Groups Register 15 and were compiled using the control approach, as well as the data provided by the Statistics Department of the National Bank of Romania regarding the source and destination of inward and outward direct investment. In the case of FDI enterprises where the identification of the ultimate investor was not possible, the breakdown by country relied on the Immediate Country Basis principle" (BNR, FDI in Romania in 2019).

Figure 5. FDI stock by ultimate investing country



Note: NBR, FDI in Romania in 2019, p. 15-17; * includes foreign direct investment in FDI enterprises where the ultimate investing country is Romania, as well as foreign investment in FDI enterprises in which foreign investors hold less than 50% of the share capital/voting rights and control is, thus, held by residents (the control approach)

Romania's attractiveness as a destination country for foreign investors was also represented by the increase in the number of newly registered foreign-owned companies. As a share, the year 2006 represents 9.1% of the total number of companies with foreign participation in capital registered in Romania during the period 1991-2006 (see Table 4 from Appendix A).

European countries are Romania's main business partners, taking into account that 92% of the value of the subscribed share capital from the stock accumulated in the period 1990 - 2019 comes from these countries, and the percentage of capital from European Union countries is 88%. In the ranking of foreign investments by countries of origin, the first five positions are countries of the European Union, countries whose presence in Romania represents a tradition in the field of business development.

The share capital subscribed by the newly registered companies with foreign participation in the registered capital followed the same ascending trend, with a high growth rate in the years 2004 - 2016, and slightly lower after this interval.

In 2007, 15,720 companies with foreign capital participation were registered, which represents the largest number of companies registered annually, until 2020. During the periods between 1992 - 1994 and 2004 - 2008 a number of annual registrations of more than 10,000 companies with foreign capital participation was recorded (Table no. 5).

The share capital subscribed by the companies with foreign participation - indicator that shows the total value of the contributions, in cash and in kind, subscribed by the shareholders to the incorporation of the company, as well as to the increase of the share capital during the existence of the company - recorded the highest values in the period 2004-2014, with peaks in 2008 and 2010.

The forecasts of the international organizations are confirmed by the development registered by the foreign direct investments in Romania, as well as by the number and value of the share capital subscribed by the companies with foreign participation. So, Romania represents an increasingly attractive destination for foreign investors due to joining the European Union, the adoption of the acquis communitaire and the low price of highly qualified labor.

Conclusion

In terms of *policies to attract foreign direct investment*, Romania has gone through two distinct periods, a first period, which is broadly identified with the past decades, characterized by economic and legislative instability along with the lack of an adequate institutional framework and a clear and coherent strategies, followed, during the

EU accession period, by the significant improvement of the legislative and institutional framework against the background of achieving economic stability.

Currently, in order to attract foreign investment, it is necessary to maintain a more favorable investment environment, which includes long-term macroeconomic stability, predictability of legislation that will ensure investors' rights and clear rules on investment activity, business infrastructure development, including financial, legal services, etc., as well as other components, among which the transparency in the activity of the state bodies, trusting the business environment, *etc*. Thus, special attention must be paid to attracting investment in export-oriented sectors of the national economy, which are able to ensure innovation and know-how transfer, high added value and the creation of an efficient technical and economic infrastructure. The core of macroeconomic policies aimed at attracting foreign capital investment is to identify those national competitive places able of providing an upward trend in the productivity and competitiveness of the economy as a whole, but all these are coordinated through strategic concepts enough compatible with emerging processes on the regional or even global level.

The stocks of foreign direct investments received by Romania are relatively low compared to the other CEE countries (especially Estonia, Hungary and the Czech Republic), being strongly concentrated in the areas that benefit from a higher level of development and a more modern infrastructure. The analysis of the evolution of foreign investment flows to Romania in the last 30 years has led us to the conclusion that economic policies, legislative and institutional stability, as well as the granting of incentives can greatly influence the decision of foreign investors. The size, attractiveness and clarity of the presentation of the investment projects offer play a major role in determining the volume of investment inflows. At the same time, we found that the use of financial or fiscal incentives is not a substitute for a stimulating legal framework but, in some cases, can be considered an additional element to an already attractive investment framework or compensation for market imperfections that can not be addressed and fixed otherwise. Joining the European Union, on January 1st, 2007, Romania achieves *a change of options and development mechanisms and tools*, making the transition from resource control to qualitative development through capital infusion and investment, based on the principle of competitiveness. Romania is currently making the transition from a sectoral approach, economic policies, to a multisectoral, integrated approach to development objectives.

Foreign direct investment is *one of the main leverages* that the Romanian state has at its disposal to stimulate regional development and the national economy as a whole. The increase of the GDP, of the living standard as a whole depends directly on the stimulation of the foreign investment flows to Romania. The investment activity of foreign companies is important for Romania due to the international, European, regional conditions. Market opportunities must be seized in order not to lose regional competition, given that there is already a group of Central and Eastern European (CEE) states that lead the group (here we have the Czech Republic, Poland, Hungary, Slovenia and Slovakia), the group of Baltic countries that is strongly supported by the Nordic countries, thus having a distinct developing trajectory, and Bulgaria seems to have in many situations a better image, but also determination in what it does, much more obvious than Romania.

Foreign direct investment should not be seen as an ultimate resource, which automatically leads to positive macroeconomic and microeconomic effects. *The efficiency of foreign direct investments* depends on their quality, as well as on the sectors where they are attracted, representing only one of the factors of Romania's economic growth. The flow of foreign investments significantly influences the evolution of *the share of different sectors* in the contribution to the GDP, determining, especially, the increase of the share of the services sector by entering a significant volume of investments in this sector, especially in the form of greenfield investments. Thus, we can say that the flow of foreign direct investment contributes, to a certain extent, to the convergence process, because, through the evolution of its composition, the GDP structure tends to become more similar to that of the older member countries of the European Union.

The inflows of foreign direct investment so far have been characterized by a strong polarization, with several areas or regions attracting most of the foreign investment. The positive effects that FDI generates cannot be denied, but their tendency to concentrate in certain regions, giving rise to growth poles, must be fixed by state actions, and last but not least overcoming this situation depending on the activity of local authorities. For the systemic transformation process to be truly successful, it must encompass all regions, and not remain concentrated only on certain regions, those that remain outside this process being negatively affected from economic development point of view. However, during the last 30 years, the gap between the regions of Romania has deepened, so that we can appreciate that currently in Romania there are several levels of development.

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*** NBR, FDI balance in Romania on December 31st 2006, www.bnr.ro; NBR, FDI in Romania in 2011.

*** UNCTAD, World Investment Report 2007, 2014, 2020.

APPENDIX A

Table 4. Ranking* by resident country of investors in companies with foreign participation in capital on December 31st 2019

Rank	Country	Companies with foreign participation		Value of share capital					
				Total in domestic currency RON		Total in exchange currency USD		Total in exchange currency EURO	
		No.	%	Thousand RON	%	Thousand USD	%	Thousand EURO	%
0	1	2		3		4		5	
	Total ROMANIA	226.892	100,00	179.013.471,8	100,00	63.536.039,5	100,00	48.635.699,0	100,00
1	NETHERLANDS	5.414	2,41	36.534.068,0	21,05	12.603.134,8	20,56	9.287.822,8	20,61
2	AUSTRIA	7.761	3,45	16.599.925,9	9,56	7.067.270,3	11,53	4.899.153,0	10,87
3	GERMANY	23.157	10,31	16.599.074,8	9,56	6.963.380,8	11,36	4.979.638,3	11,05
4	CYPRUS	6.144	2,74	19.144.829,5	11,03	6.010.106,8	9,81	4.595.114,1	10,20
5	ITALY	48.799	21,72	11.320.880,9	6,52	3.698.491,1	6,03	2.755.341,2	6,11
6	FRANCE	9.570	4,26	8.634.162,5	4,97	3.182.907,2	5,19	2.220.499,7	4,93
7	GREECE	7.648	3,40	7.114.335,7	4,10	2.636.662,2	4,30	1.904.002,9	4,23
8	LUXEMBOURG	1.029	0,46	8.269.135,4	4,76	2.528.172,0	4,13	1.966.536,0	4,36
9	SPAIN	6.102	2,72	7.148.180,5	4,12	2.348.819,2	3,83	1.766.240,4	3,92
10	HUNGARY	13.952	6,21	5.714.429,3	3,29	1.811.982,1	2,96	1.412.680,0	3,13
11	SWITZERLAND	3.106	1,38	4.454.014,0	2,57	1.672.959,9	2,73	1.229.207,6	2,73
12	CZECH REPUBLIC	1.098	0,49	5.138.560,0	2,96	1.456.223,1	2,38	1.216.909,1	2,70
13	UK	5.957	2,65	3.924.963,9	2,26	1.442.678,4	2,35	1.018.771,0	2,26
14	SUA	7.865	3,50	2.669.296,4	1,54	1.144.863,7	1,87	778.284,8	1,73
15	BELGIUM	4.149	1,85	2.867.690,2	1,65	905.471,6	1,48	712.485,3	1,58
16	TURCEY	15.832	7,05	2.202.128,3	1,27	811.920,1	1,32	591.343,7	1,31
17	POLAND	1.187	0,53	1.929.600,7	1,11	543.612,6	0,89	424.513,2	0,94
18	DENMARK	975	0,43	1.371.230,8	0,79	459.247,8	0,75	330.602,3	0,73
19	SWEDEN	1.599	0,71	1.169.986,8	0,67	412.815,8	0,67	294.432,2	0,65
20	CHINA	12.847	5,72	1.050.490,2	0,61	408.349,7	0,67	286.605,1	0,64
21	VIRGINE BRIT. ISLANDS	393	0,17	1.234.274,1	0,71	379.719,9	0,62	304.206,6	0,68
22	JAPAN	378	0,17	1.089.676,4	0,63	344.084,0	0,56	258.966,1	0,57
23	PORTUGAL	646	0,29	998.820,3	0,58	343.336,7	0,56	246.065,5	0,55
24	SOUTH KOREEA	265	0,12	864.720,8	0,50	291.441,7	0,48	231.366,7	0,51
25	BULGARIA	2.690	1,20	806.460,2	0,46	229.263,3	0,37	186.158,7	0,41

26	BERMUDA ISLANDS	17	***	599.623,7	0,35	164.005,5	0,27	137.803,8	0,31
27	LEBANON	4.245	1,89	400.047,6	0,23	161.818,5	0,26	115.159,3	0,26
28	CANADA	2.072	0,92	427.382,5	0,25	145.703,0	0,24	107.327,1	0,24
29	FINLAND	200	0,09	231.784,4	0,13	123.561,0	0,20	70.715,5	0,16
30	NORWAY	410	0,18	377.304,0	0,22	120.905,1	0,20	91.103,5	0,20
31	UKRAIN	924	0,41	436.241,7	0,25	112.332,3	0,18	97.889,9	0,22
32	MALTA	194	0,09	191.180,9	0,11	58.620,5	0,10	45.398,8	0,10
33	MOLDAVIA	6.085	2,71	160.270,2	0,09	55.580,4	0,09	40.855,9	0,09
34	SEYCHELLES	52	0,02	188.471,2	0,11	55.159,5	0,09	42.632,2	0,09
35	BELIZE	45	0,02	169.695,8	0,10	54.442,4	0,09	41.513,2	0,09
36	MARSHALL ISLANDS	33	0,01	154.337,7	0,09	53.677,7	0,09	37.483,5	0,08
37	SLOVAKIA	758	0,34	147.037,7	0,08	50.977,8	0,08	36.515,4	0,08
38	SYRIA	6.188	2,75	105.295,4	0,06	49.399,6	0,08	34.693,8	0,08
39	EGIPT	1.861	0,83	115.820,3	0,07	43.217,0	0,07	31.455,7	0,07
40	ISLAND	70	0,03	124.726,9	0,07	39.231,2	0,06	21.090,8	0,05
41	LIECHTENSTEIN	224	0,10	136.009,1	0,08	38.528,1	0,06	17.896,2	0,04
42	RUSSIA	546	0,24	148.848,5	0,09	37.091,0	0,06	33.224,9	0,07
43	AMR.VIRGINE ISLANDS	187	0,08	120.222,7	0,07	36.236,5	0,06	27.057,5	0,06
44	IRELAND	943	0,42	106.195,9	0,06	33.398,5	0,05	22.911,5	0,05
45	SAUDIA ARABIA	220	0,10	98.178,2	0,06	31.986,6	0,05	23.912,0	0,05
46	UNITED ARABIAN EMIRATES	419	0,19	105.872,5	0,06	29.085,9	0,05	23.844,6	0,05
47	JORDAN	3.439	1,53	46.110,4	0,03	26.441,8	0,04	17.346,5	0,04
48	BOSNIA-HERZEGOVINA	38	0,02	88.564,0	0,05	23.290,8	0,04	19.377,9	0,04
49	AUSTRALIA	822	0,37	27.471,9	0,02	23.066,7	0,04	13.100,5	0,03
50	IRAK	6.084	2,71	41.810,5	0,02	22.596,9	0,04	15.551,8	0,03

Note: *) includes a selection of countries, in relation to the amount of the total subscribed share capital in USD, in descending order (col. 4); col.2 represents the number of registrations made until 31st December, 2019. The data on the subscribed share capital include the capital subscriptions for the registration of companies during that specific period, to which the capital increases were added and the share capital subscribed by the companies deleted from the trade register during the that period was substracted.

Table 5. No of companies with foreign capital participation and the value of the subscribed social capital, during 1991 – 2019

Year	Number of companies		Value of share capital					
			Total in domestic currency RON		Total in exchange currency USD		Total in exchange currency EURO	
	No.	%	Thousand RON	%	Thousand USD	%	Thousand EURO	%
1991 - 2019, din care:	226.892	100,00	179.013.471,8	100,00	63.536.039,5	100,00	48.635.699,0	100,00
1991	5.499	2,42	258.165,5	0,14	1.058.260,8	1,67	817.975,6	1,68
1992	11.765	5,19	65.153,0	0,04	573.271,2	0,90	443.106,2	0,91
1993	10.583	4,66	92.793,2	0,05	417.844,8	0,66	322.970,3	0,66
1994	11.053	4,87	230.535,9	0,13	881.673,3	1,39	681.483,5	1,40
1995	3.400	1,50	67.893,9	0,04	237.717,0	0,37	183.741,8	0,38
1996	3.630	1,60	229.256,3	0,13	573.594,2	0,90	443.355,8	0,91
1997	5.251	2,31	232.229,8	0,13	359.912,8	0,57	278.192,2	0,57
1998	8.801	3,88	728.612,4	0,41	755.475,3	1,19	583.939,6	1,20
1999	7.383	3,25	1.214.843,7	0,68	944.365,3	1,49	729.940,9	1,50
2000	8.567	3,78	1.870.247,9	1,04	839.143,8	1,32	648.610,6	1,33
2001	7.175	3,16	4.820.820,8	2,69	1.540.810,8	2,43	1.190.959,4	2,45
2002	7.518	3,31	3.541.822,9	1,98	1.078.746,2	1,70	833.809,6	1,71
2003	6.609	2,91	4.441.402,8	2,48	1.288.885,0	2,03	996.235,1	2,05
2004	10.167	4,48	9.040.577,5	5,05	3.032.218,4	4,77	2.343.732,9	4,82
2005	11.719	5,17	7.173.157,1	4,01	3.149.681,6	4,96	2.434.525,4	5,01
2006	12.823	5,65	6.646.972,2	3,71	3.127.314,6	4,92	2.417.237,0	4,97
2007	15.720	6,93	7.737.574,2	4,32	3.314.201,6	5,22	2.389.392,2	4,91
2008	12.264	5,41	15.034.925,8	8,40	5.924.852,8	9,33	3.984.432,8	8,19
2009	6.801	3,00	15.303.310,6	8,55	4.817.293,2	7,58	3.512.610,5	7,22
2010	6.302	2,78	17.430.494,7	9,74	5.144.560,8	8,10	3.914.440,6	8,05
2011	6.377	2,81	10.190.486,1	5,69	4.659.785,0	7,33	3.329.432,4	6,85
2012	6.385	2,81	12.704.688,6	7,10	3.678.762,1	5,79	2.856.416,6	5,87
2013	6.624	2,92	10.428.974,1	5,83	3.150.281,2	4,96	2.355.803,8	4,84
2014	6.219	2,74	17.241.875,9	9,63	5.011.953,9	7,89	3.877.239,8	7,97
2015	5.831	2,57	5.521.459,6	3,08	1.428.513,1	2,25	1.239.305,8	2,55
2016	5.348	2,36	9.030.282,9	5,04	2.169.253,4	3,41	1.999.866,9	4,11
2017	5.837	2,57	7.599.154,6	4,25	1.875.305,2	2,95	1.660.647,0	3,41
2018	5.683	2,50	8.337.380,5	4,66	2.083.817,4	3,28	1.791.661,9	3,68
2019	5.558	2,45	1.798.379,1	1,00	418.544,6	0,66	374.632,9	0,77

Note: col.1 represents the number of registrations in that period. The data regarding the subscribed share capital include the capital subscriptions for the registration of companies during this period to which the capital increases were added and the subscribed share capital of the companies deleted from the Trade Register during that period was substracted