

## KEYS TO DOING BUSINESS IN ROMANIA

*José María Rodríguez Clemente\**

One of the countries in Europe that offers good opportunities for doing business is Romania, since in addition to its status as a Member State of the European Union (EU), it constitutes a market of twenty million people with many needs to be met in order to reach the status of its main European partners in terms of development and economic welfare.

The Carpathian country led European growth figures in 2016 at a surprising rate of 5.2% and it is expected to continue on an excellent path in 2017, at a rate of 4.2%, according to the International Monetary Fund, a figure above all other EU countries, including Ireland, which is expected to grow by 3.4%.

The current Romanian anti-corruption plan has set an unquestionable example for the entire region, with the arrest of more than 1,250 public officials, including a former prime minister, Victor Ponta. This contrasts highly with the dismal anti-corruption results of neighboring countries such as Hungary and especially Bulgaria. The population of Romania has been very reactive to possible backward steps, with the most numerous demonstrations since the fall of Ceaușescu in the first months of 2017. This has resulted in the implementation of significant amendments to the bill that would have exempted those responsible for cases of corruption worth less than 44,000 euros from imprisonment and the ratification of a law that prohibits *autrefois* convicted politicians from exercising as ministers in Romania.

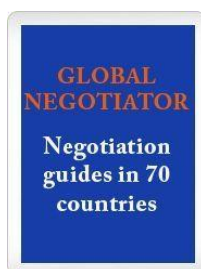
Romania has met the convergence criteria to enter the Eurozone uninterruptedly since July 2015, including infrastructure development, increase in tax revenue, consolidation of public finances, increased competitiveness, production with higher added value, SME development, adequate funding for education and health, and more. However, the management of its central bank has consistently adopted a conservative approach and for the moment advocates maintaining an independent monetary policy in order to support the progressive convergence of the country's per capita income before depriving itself of its monetary sovereignty and thus incurring multiple risks in case of economic cycle changes.

In addition to its enviable growth, Romania now boasts a sound financial situation, with a public debt of only 40% of its GDP, well below the European average of more than 83%. If we add to it the development of its air and maritime infrastructure (16 airports and 23 river and sea ports), its 53 industrial parks, its wealth of natural resources (water, fertile lands, oil and natural gas), its growing appeal to foreign investors, its legislative alignment with the EU acquis, its access to European funds (€ 23 billion between 2014 and 2020) and its sound fiscal policy, we can speak of Romania as one of the most attractive economies and with best prospects of the European continent.

On that basis, we can offer **10 fundamental keys** so that the exporter addressing this market enters it on good footing and can protect against avoidable risks:

1. **Hold a formal attitude at the first business meeting and project an image of cautious trust.** Be patient at the beginning of your partnership, show good faith, and analyze how your potential partner corresponds to you. Trade relations in Romania are formed on the basis of reciprocity and it is in the first steps when attitudes and behaviors are revealed that may constitute evidence more or less indicative of a lack of seriousness or reliability likely to aggravate over time. Excessive trust or bounty may generate temptations of abuse on your counterparts. Be observant, pay attention to figures, compare data, analyze reactions and do not rush. A good tool to carry out comprehensive preliminary studies of the companies with which you plan to negotiate is the Icelandic firm established in Romania CreditInfo (<http://www.creditinfo.ro>).
2. **Before going to a meeting make sure it can take place in a language in which you are able to negotiate.** While it is relatively common to find Romanian managers who communicate fluently in English, French, Italian or Spanish, it is not uncommon to meet others who only know their native language. Check on this situation in advance and, if necessary, do not forget to hire an interpreter.
3. **Prepare your presentations with an emphasis on the facts and clarity.** Include graphs and statistics that provide easy access to the information displayed and allow key data to be presented in a maximum of fifteen minutes. Provide your offer in advance (price list, catalogs translated at least to English, etc.), with information on volumes, timing and conditions of shipment and form of payment, as well as on certifications and references of your customers in other countries. All this will project an image of solvency and seriousness, essential to generate confidence in a first approach.
4. **Confirm your meetings several weeks in advance and avoid Christmas and Easter.** When the date arrives, come to the meeting punctually, as the Romanians usually value it and plan to arrive even before the designated time. In negotiations get ready for tough positions. The Romanian managers will defend their interests with cunning, trying to obtain the result that best favor their interests in each case. Avoid aggressive confrontation as much as possible.
5. **Offer your potential partners corporate or typical gifts from your country of origin.** It is a well-appreciated custom in Romania, which is often interpreted as a demonstration of genuine interest. For that purpose office material (pens, folders, agendas, etc. with your corporate logo) or a select wine of Spanish origin serve equally well.
6. **The Romanian business culture is especially hierarchical and still predominantly male.** Managers in more or less traditional sectors have a rigid and extensive power, so the only way to reach agreements with their companies is to identify them, in order to negotiate only with those whose decision-making power does not end up being merely apparent or fictitious.

7. **Designate a distributor capable of delivering a quality after-sales service in a serious and predictable manner.** Once appointed, provide their staff with a thorough training about your product, how to sell it and how to effectively solve its most common problems. Also, periodically update them on future developments, modifications and the activity of the competition, to the extent that it may affect your position in the market.
8. **Deepen personal relationships as a key to the development of your business partnerships.** The informal channel and friendship are key to better understanding who you are dealing with in the country and to establishing a firm foundation that will serve as a platform for a prosperous and mutually beneficial partnership. In that sense, it is not surprising that, before dealing with business matters, there may be inconsequential conversations about personal interests, sports, travel or politics. Romanians tend to be relatively humble and view ostentation and arrogance very negatively: if you want to get their sympathy, be polite, friendly and approachable. Moreover, as a demonstration of attention and interest, it is important to maintain visual contact with the interlocutor.
9. **Be patient with bureaucracy (especially in cases of company establishment).** Romania is still considerably burdened with the weight of inefficiency in the procedures before the Public Administration. Prepare to jump from one instance to another, sometimes with dozens of papers and in the obligation to observe multiple legislative texts of different territorial orders. The best possible relief for the tedium of these procedures is to use personal relationships and well-established local partners, who know practical shortcuts and tricks.
10. **Trust facts more than words.** In Romania communication may not be directly stated. For example an exporter may not be told directly "I am not interested", "I do not want our business relationship to continue", or "I will not fulfill my part of the agreement", so it is critical to pay closer attention to attitudes than to words. An apparent demonstration... An apparent demonstration of initial interest may lead to an unsuccessful chase, in which our potential partner will be unable to openly express his change of mind, however insistent we may be. In Romania, paying attention to the facts and relativizing words will allow us to save a lot of time and not a few short and medium-term disagreements.



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[Business Culture and Etiquette Guides in 70 Countries](#)

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# NEGOTIATION AND ETIQUETTE GUIDES IN 70 COUNTRIES

How to negotiate and do business in  
**BRAZIL**



**KEY FACTS**

- POPULATION: 191.1m
- AREA: 8,511,965 sq km
- FORM OF GOVERNMENT: Federal republic (26 states and 1 Federal district)
- GDP PER CAPITA (PPP): USD 1,336
- COUNTRY RISK RATING (Global Risk): Medium-High (2.5-3.0 on a 1-5 scale)
- CURRENCY: Real (R\$) + 100 cents
- OFFICIAL LANGUAGE: Portuguese
- LANGUAGE FOR BUSINESS: Portuguese, Spanish and English (ESL) in major and gateway cities
- RELIGION: Catholic (70%), Protestant and Evangelical (25%), Muslim and traditional (5%)
- CAPITAL: Brasilia (Br)
- MAIN CITIES: Sao Paulo (1.8m), Rio de Janeiro (1.2m), Belo Horizonte (1.2m), Curitiba (1.1m)
- TELEPHONE CODE: 55
- INTERNET CODE: .br
- NATIONAL HOLIDAY: 1<sup>st</sup> September

*Negotiation and Etiquette in Brazil*

How to negotiate and do business in  
**CHINA**



**KEY FACTS**

- POPULATION: 1,338m
- AREA: 9,596,961 sq km
- FORM OF GOVERNMENT: Communist Party (CCP) - 1 administration regions, 22 provinces, 5 administrative regions, 4 municipalities, 3 special administrative regions
- GDP PER CAPITA (PPP): USD 5,426
- COUNTRY RISK RATING (Global Risk): High (4.0-4.5 on a 1-5 scale)
- CURRENCY: Yuan (RMB) + 100 cents
- OFFICIAL LANGUAGE: Chinese
- LANGUAGE FOR BUSINESS: English
- RELIGION: Traditionally Confucian, Buddhist, Taoist and Buddhist
- CAPITAL: Beijing (21.2m)
- MAIN CITIES: Shanghai (23.9m), Shenzhen (16.3m), Hong Kong (7.3m), Guangzhou (12.4m), Chengde (8.9m), Beijing (21.2m)
- TELEPHONE CODE: 86
- INTERNET CODE: .cn
- NATIONAL HOLIDAY: 1<sup>st</sup> October

*Negotiation and Etiquette in China*

How to negotiate and do business in...  
**RUSSIA**



**KEY FACTS**

- POPULATION: 142.4m
- AREA: 17,097,900 sq km
- FORM OF GOVERNMENT: Federal republic (81 Federal administrative districts)
- GDP PER CAPITA (PPP): USD 1,000
- COUNTRY RISK RATING (Global Risk): High (4.0-4.5 on a 1-5 scale)
- CURRENCY: Russian Ruble (RUB) + 100 kopecks
- OFFICIAL LANGUAGE: Russian and others (Chechen, Ukrainian, Armenian, etc.)
- LANGUAGE FOR BUSINESS: English
- RELIGION: Russian Orthodox, Protestant, Muslim (80% of the population adheres to the official religion)
- CAPITAL: Moscow (12m)
- MAIN CITIES: Saint Petersburg (4.8m), Novosibirsk (1.5m), Krasnoyarsk (1.4m), Yekaterinburg (1.4m)
- TELEPHONE CODE: 7
- INTERNET CODE: .ru
- NATIONAL HOLIDAY: 1<sup>st</sup> June

*Negotiation and Etiquette in Russia*

How to negotiate and do business in  
**AUSTRALIA**



**KEY FACTS**

- POPULATION: 22.6m
- AREA: 7,688,000 sq km
- FORM OF GOVERNMENT: Parliamentary system, 6 territories and 6 independent states
- GDP PER CAPITA (PPP): USD 23,349
- COUNTRY RISK RATING (Global Risk): Medium-High (2.5-3.0 on a 1-5 scale)
- CURRENCY: Australian Dollar (AUD) + 100 cents
- OFFICIAL LANGUAGE: English
- LANGUAGE FOR BUSINESS: English
- RELIGION: Protestant (20%), Catholic (20%), Muslim (3%)
- CAPITAL: Canberra (350k)
- MAIN CITIES: Sydney (4.5m), Melbourne (3.8m), Brisbane (2.5m)
- TELEPHONE CODE: 61
- INTERNET CODE: .au
- NATIONAL HOLIDAY: 26<sup>th</sup> January

*Negotiation and Etiquette in Australia*

How to negotiate and do business in  
**GERMANY**



**KEY FACTS**

- POPULATION: 82.6m
- AREA: 357,021 sq km
- FORM OF GOVERNMENT: Federal republic (16 states in Länder)
- GDP PER CAPITA (PPP): USD 39,769
- COUNTRY RISK RATING (Global Risk): Low (1.0-1.5 on a 1-5 scale)
- CURRENCY: Euro (EUR) + 100 cents
- OFFICIAL LANGUAGE: German
- LANGUAGE FOR BUSINESS: English and German
- RELIGION: Protestant (30%), Catholic (30%)
- CAPITAL: Berlin (3.6m)
- MAIN CITIES: Frankfurt (7.1m), Munich (1.8m), Cologne (1.0m), Hamburg (1.8m)
- TELEPHONE CODE: 49
- INTERNET CODE: .de
- NATIONAL HOLIDAY: 3<sup>rd</sup> October

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How to negotiate and do business in...  
**JAPAN**

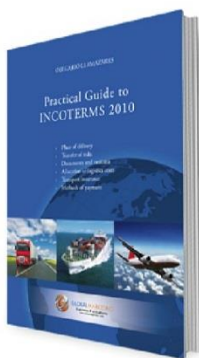


**KEY FACTS**

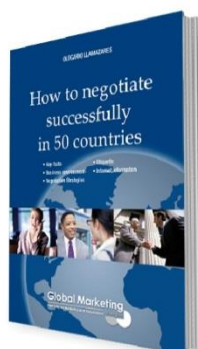
- POPULATION: 127.1m
- AREA: 377,915 sq km
- FORM OF GOVERNMENT: Constitutional monarchy (1<sup>st</sup> aristocracy)
- GDP PER CAPITA (PPP): USD 29,496
- COUNTRY RISK RATING (Global Risk): Low (1.0-1.5 on a 1-5 scale)
- CURRENCY: Yen (JPY) + 100 cents
- OFFICIAL LANGUAGE: Japanese
- LANGUAGE FOR BUSINESS: English
- RELIGION: Shinto and Buddhism (80%), Christianity (2%)
- CAPITAL: Tokyo (37m)
- MAIN CITIES: Yokohama (3.6m), Osaka (2.7m), Nagoya (2.1m), Kyoto (1.5m), Fukuoka (1.5m)
- TELEPHONE CODE: 81
- INTERNET CODE: .jp
- NATIONAL HOLIDAY: 23<sup>rd</sup> December

*Negotiation and Etiquette in Japan*

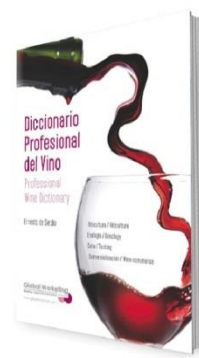
## BOOKS & EBOOKS



*Practical Guide to Incoterms 2010*



*How to negotiate in 50 countries*



*Professional Wine Dictionary*

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