Eye on Southeast Europe

Industrial Parks in Romania

Industrial and technological parks are a relatively new phenomenon in Romania. Private companies and local administrations are developing several projects to create a network of industrial parks throughout the country. Most of the new industrial/technological parks specialize in the building, leasing, and management of areas near large cities (for instance, Bucharest, Arad, Iasi, Cluj, and Brasov). Park management staffs are committed to working closely with clients to meet their specific needs and provide the flexibility required for business growth.

In 2001 and 2002, the Romanian parliament passed a law and regulations on the development of industrial parks (see *www.mac.doc.gov/ceebic/countryr/romania.htm*). According to Ordinance No. 65/2001, "industrial parks are zones where economic, scientific research, and/or technological development activities are carried out using the human and material resources available in the respective region."

This legal framework creates conditions favorable to financing of industrial park projects. Grants of $600,000 each help project sponsors complete the infrastructure portions of their plans. Meanwhile, the Ministry of Development and Prognosis has streamlined the process by which an industrial park owner/developer secures the title along with all official approval for park operations.

The industrial parks legislation provides benefits such as:

- Tax deduction on profit representing 20 percent of the total initial investment in infrastructure and utilities;
- Deferred VAT payment until the 25th day of the month when the investment was made;
- Special incentives negotiated with local authorities on a case-by-case basis;
- Tax exemption for the use of state-owned land for purposes other than agriculture and forestry, when such use is warranted by industrial park development.

Industrial park sponsors in Romania comply with both national and EU regulations regarding the following:

- Guaranteed access to national or European roads;
- Possession of at least 10 hectares, with the exception of industrial parks for scientific research, technological development, and/or information technology;
- Thirty-year leases signed by the park's licensed owner;
- Clear legal status.

An industrial park's activities and operations are based on commercial agreements between the park management and legal entities (Romanian or foreign) that are the park's clients. A foreign investor can establish a joint venture for the sole purpose of managing an industrial park and enjoy all incentives and benefits approved for park developers. Industrial parks can be built almost anywhere in Romania, and they may target specific sectors considered priorities by local or regional authorities.

Lots within industrial parks offer the following advantages and amenities:

- Complete infrastructure;
- Low-cost, reliable utilities;
- Enterprise zones;
- Free trade zones (available in some parks);
- Airport or railroad facilities nearby;
- Local incentives;
- County and state incentives.

For a list of industrial/technological parks or additional information about such parks in Romania, e-mail *monica.eremia@mail.doc.gov*, *robert.balazs@mail.doc.gov*, or *cristina_marine@ita.doc.gov*.