

Automotive Industry - Romania

During the communist era, Romania was one of the biggest vehicle producers in Central and Eastern Europe. However, after the collapse of communism in 1989, the country's automotive industry declined. Important automobile manufacturers at that time, such as ARO and Olcit, were privatized and eventually went bankrupt.

The automotive industry consists of a wide range of companies that not only cover vehicle manufacturing but also car designs, and car sales. This variety of sectors within the industry, as well as constant development in terms of vehicle models and features, usually lead to a high supply-demand ratio. Over the past years, the automotive industry has witnessed a steady revenue increase; totalling 30 billion euros in 2019. Thus, it is an undeniably important contributor to the Romanian economy, considering its significant impact on the country's gross domestic product and labour market.

Dacia:

Automobile Dacia, founded in 1966 under the name Uzina de Autoturisme Pitești (UAP), ranks among the most famous car manufacturers in Romania. In 1969, the company introduced one of its first car models, Dacia 1300. The design was a big success, being exhibited in showrooms in Paris and Bucharest. However, in 1999, the Romanian government sold Dacia to Groupe Renault. Thus, it became a brand of the famous Renault-Nissan-Mitsubishi Alliance. Consequently, it comes as no surprise that France is the most important international market for the Romanian manufacturer.

For several years, Automobile Dacia was the company with the highest revenue in Romania. Since 2017, the manufacturer has been recording annual revenues of over five billion euros. Moreover, its brand value amounted to 1.1 billion euros in 2021.

Electric and hybrid vehicles:

Electric and hybrid vehicles are slowly being embraced by car buyers in Romania. Until 2018, the number of new electric car registrations in the country did not exceed 250 units. However, the number peaked at over three thousand vehicles in 2020. That year, the most common electric car brand in the country was Renault. At the same time, the number of Tesla vehicles was rather small, totalling only 45 new cars in 2020. Nevertheless, this number is expected to increase considerably once Tesla officially enters the Romanian market in 2021, building its first supercharger stations in the country.

According to Statista Research Department, Feb 1, 2022, the revenue of the automotive industry in Romania has constantly been increasing over the last five years. If the revenue was approximately 20 billion euros in 2015, by 2019 it increased to 30 billion euros. However, the forecast for 2020 expects a decrease of around 4.5 billion euros.



The most sold car brand is DACIA (model LOGAN). Dacia - Brand value - 1.1bn EUR

At the end of year 2020 the European Business Review magazine was mentioning that both the **global and the local automotive industries have been hit hard by the pandemic, which has affected all three pillars of the GDP: consumption, production, and incomes. But despite this complex and difficult situation, Romania marked two significant firsts: one coming from Ford and the other from Dacia.**

Quoting the European Business Review magazine: “unlike its more developed European peers, Romania has a massive infrastructure deficit doubled by a low level of predictability to its legal framework.” Mihai Boldijar, the general director of Robert Bosch and the representative of the Bosch Group In Romania, says that “despite the fact that it will be difficult to keep the Romanian automotive industry on a sustainable, competitive level, developing new technologies for future mobility systems – in terms of both engineering and manufacturing – such as electrical vehicles, plug-in hybrids, fuel cells or autonomous driving systems might just be the answer and the opportunity we have been looking for.” From this point of view, it was considered that Romanian automotive market suffered a paradigm shift. Good news been that a much more flexible labour legislation were in place, combined with a rapid digitalization of the public administration proved to be helpful for both employers and employees, regardless of their industry.

Automotive Job Market Outlook:

Our recruiters are facing real challenges in identifying and attracting good engineers in the semiconductors market for the top players such are Infineon, Microchip, NXP etc. and we believe that this has weigh on auto markets too. Top Romanian engineers left tens of years ago and will not be tempted back at home so easily. Romania had an exodus of talents to USA and WEST EU mainly from automotive engineering sectors, back in 2008 and before.

The important shortage can be compensated by better recruitment strategies of the top players and to consider opening up new doors for expatriates and advanced training programs.

Top Employers in automotive in Romania are (according to job platform ww.hipo.ro)

- **Continental**
- Hella Romania
- **Yazaki Component Technology**
- Elektrobit Automotive Romania
- DRAXLMAIER Group
- **TE Connectivity Sensor Solutions**
- **Michelin**
- **Huf Romania**
- **COFICAB Group**

One of the most desired roles in high demand vs short supply is that of a Testing & Automation engineer, software quality engineer, R&D controller etc



The average salaries on them are ranging a lot due to experience, between 40 to 80k Eur p.a.

There is some attractivity for expatriates for the mid to top management or key expert open roles right now. However, the local Employers do not encourage it enough but still trying to fill their tough open roles with nationals in spite of the existing expertise shortage. We believe this is massively slowing down the growing business initiatives.

On the other hand, for the specialists and mid-management roles one of the most difficult challenge that we have faced within the last 2 years in recruitment was the resistance of key people to work on-site (rather than work from home) combined with the one of great fear of job instability.

At the same time, the entry level engineering staff is complaining of no career paths and insufficient training and development focus as was a tradition some 10-12 years ago within the big players.

One of the good candidates from a top automotive engineering and research companies with HQ in Western Eu recently told me about the problem of the local skills , realistic pay rates etc, quoting: "It looks like there is a growing gap between what our HQ execs from us and what we can realistically deliver."

One other massive impact on candidates is that along with job offers there is no career path or seem unattractive. Perhaps the business growing predictivity rates lowered so the HR managers are reluctant to promises. We feel there is room to more dialogue and consultation.

This text provides general information. We assume no liability for the information given being complete or correct. Due to varying update cycles, statistics can display more up-to-date data than referenced in the text.

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