

2022



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# EIT-Food Startup Guide Romania



# Contact

EIT Food accelerates innovation to build a future-fit food system that produces healthy and sustainable food for all.

We believe inclusive systems innovation, which enables all people and places to participate and benefit, is essential to a strong food system that is better for everyone. With teams on the ground across Europe, we bridge the gap between countries and regions with low innovation capacity and those leading the way. And we put consumers at the heart of our work, helping build trust by reconnecting them to the origins of their food, directly involving them in the innovation process, and working with the food sector to increase transparency. Collaboration is central to all our work, which spans the whole food value chain, and is vital to meet the big challenges we face. Together with our community, we will build an innovative and resilient food system that in turn creates a healthier society and planet.

**This report was prepared by Enky Consulting  
for EIT Food CLC North-East Sp. z o.o.  
The project is co-financed by European Union funds.**



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the European Union**

**Disclaimer:** The guide is intended to help entrepreneurs and startups. However, it does not replace seeking professional advice and guidance. As such, although EIT Food has made every effort to ensure that the information in this book is useful, they do not assume any responsibility for the outcome of your business.



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## Welcome to the market!

We are pleased to hand over to you this very latest edition of the EIT-Food's startup guide. Doing business requires strength and resilience, but doing business in agriculture and in the food industry requires passion and willingness to overcome specific challenges. Some of those challenges are nature driven to which we may just need to be able to adapt and manage. The other group of challenges stem from complexity of the markets, regulatory environments or geographical differences. These we can address and that is precisely the aim of this guide. We want to help you in your business location decisions, whether you are at the start of your entrepreneurial journey or already plan to internationalize your business across Central & Eastern Europe.

As an entity building the EIT-Food network in Central & Eastern Europe (as well as in the Nordics region), our Co-Location Centre (North-East) implements a variety of programmes targeting the key challenges and priorities of agricultural and food system development. We are pleased to see your interest in making it happen through products and services brought to our market.

In current macroeconomic environment where supply chains remain volatile and market transparency is hampered, the access to information about the ecosystem is essential. That is why we focus in this guide on helping you quickly determine how a local ecosystem in Romania in the ag-food sector works. In view of that we give you a picture of top regulators, policy makers and startup community developers. We hope the guide would serve as a reference for your entrepreneurial efforts all across the way from being technology developer to acting as a solid market player on the market.

Wishing you all the best for your ag-food business,

**Marja-Liisa Meurice**  
**Director of EIT-Food CLC North-East**

# EIT-Food Startup Guide Romania 2022

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# EXECUTIVE SUMMARY

GDP in Romania: **EUR312.492 billion** (in 2021)

**12th** in EU by total nominal GDP

**~13.4 million** hectares of land for agriculture

Highest contributor to GDP formation: services sector (**57.1%**), industry (**23.6%**), construction (**5.4%**), agriculture, forestry and fishing (**4.3%**)

Unemployment rate: **5.3%** in 2020

**19%** of Romanians are employed in agriculture-related activities

Average net salary: **~RON3,500** net per month (around EUR705)

Bucharest is one of the leading financial and industrial centres in Eastern Europe

Europe's largest corn and sunflower producer and is in the **top five EU** wheat and soybean producers

# LOCAL AGRIFOOD MARKET INSIGHTS



## 1.1. Introduction

Romania is a market with vast potential and a strategic location, but with a challenging business climate. The economy of Romania is a high-income mixed economy with a very high Human Development Index and a skilled labour force, ranked 12th in the European Union by total nominal GDP and seventh largest when adjusted by purchasing power parity. Romania's GDP growth in 2021 increased by 5.9%, but it's expected to decrease to 2.5% in 2022, as the inflation percentage has doubled already and will soon reach almost 8.9%.

Romania's economy grew dramatically in the first quarter of 2021, with an increase of 2.8% compared to the last quarter of 2020. The first quarter of 2021 marked the period when Europe was in recession due to harsh lockdown measures; amid this crisis, Romania coped with the third wave of COVID-19 without closing the economy, which made industry grow and consumption move forward. Romania's economy is expected to grow by 4.9% in 2022. Romania is a leading destination in Central and Eastern Europe for foreign direct investment. The country is a regional leader in fields such as IT and motor vehicle production. Bucharest, the capital city, is one of the leading financial and industrial centres in Eastern Europe.

## 1.2. Simplified overview of the Romanian agrifood industry

Romania owns almost a third of the total agricultural land in the EU (around 34% of all EU farms). Agriculture has been, and continues to be, a sector of prime importance in Romania, with 66% of Romanian territory being taken up by agriculture and 46% of the population living in predominantly rural regions. At the same time, the sector's contribution to the economy and the share of employment play a significant role in the overall Romanian economy.

The biggest production in Romania is determined by crops (up to 70%), followed by animal production ( $\pm$  30%) and agricultural services ( $\pm$  1%). In the first half of 2021, Romanian farmers had a record production of cereal crops of over 15 million tons, but unfortunately, the European energy crisis has led to increased fertilizer prices, which have affected farmers' production and thus consumers.

The contribution of agriculture to the GDP formation in Romania fluctuates between 4% and 6%, as agricultural production is highly dependent on weather conditions, the sector counting over 25% of the working population, figures that are well above the EU average.

### Agrifood and economy

In Romania, agriculture is a significant contributor towards national economic performance. The significant share of the agricultural sector in the Romanian economy also results in its products being exported worldwide. Thanks to its location and relatively large size among European countries, Romania has become a grain exporter competing with its neighbours on the Black Sea. Constanta port is the main gate for agricultural transportation, the storage capacity in the port expanding continuously. In the first half of 2022, the investments in agribusiness grew by up to 75% compared to the previous year. This aspect might be linked to the military conflict in Ukraine. The estimated value of investments is over EUR300 million and the cities that invested in new agricultural equipment or services are Constanta, Satu Mare and Bihor, with 56% of zootechnical projects and 44% agrotechnical.

Organic farming is still limited in Romania, representing only 0.4% of the agricultural land in the country, however it is starting to gain ground. Agriculture is a heavy technology domain in general, with existing mature companies producing and providing machines to increase agricultural productivity, but with relatively little software in them so far.

## The Romanian agrifood start-up sector

The Romanian agrifood tech start-up sector is still very early in its infancy. We can judge that by the number of start-ups existing, the funding raised by them, the number of programmes and the communities that are active. There has been an increasing interest in the last few years in investing more in this sector, brought about by the awareness and challenges we've seen.

The next phase in the ecosystem would be to work more on bridging the tech start-up ecosystem with the traditional agriculture-related associations and companies that have strong connections and expertise in the domain, thus making it much easier for start-ups to understand their clients' needs, test product and grow in the market.

Focus for the coming years will be on creating more synergies for stakeholders in the industry, and having in the present an important bridge between tech start-ups and main farmers. This will bring lots of added value and will help the overall ecosystem grow at a sustainable pace.

One of the major challenges that a start-up in the agrifood field must face is the ability to understand how future customers will interact with the products/services of the respective start-up. There are many start-ups joining the market that come with innovative solutions, but the key is how convenient it is for the client (farmer or customer) to adopt the solution. A complex solution that provides various statistics and data about what is happening on a farm, for example, could be a great tool for an analyst, but at the same time, it could be an impossible tool for a farmer to understand.

It is crucial for a start-up in the agro-industrial field to create solutions that are easily adopted by farmers, rather than by tech-savvy persons all the time. Usually, agrifood clients have a hard time integrating new technologies and are reluctant to change. Hence the most stressful challenge for a start-up is to onboard and keep its first clients and then multiply the solutions provided by using new technologies.

The agriculture sector is still mainly traditional, so lots of opportunities exist – from digitizing a 100-hectare farm to automating repetitive processes that make farming activity more cost-efficient. It's the area of applied technology, meaning packaging of innovative technologies in scalable and easy forms for any farmer.

Technology in the agro-industrial field has grown dramatically in recent years, but unfortunately it was not designed for past generations, but for future ones. Companies that create innovative technologies have taken it a step further. There is a possibility that companies that create new technologies, products and solutions for agribusiness, driven by the competitive environment, go a step too far in the future. However, this step forward could be totally misunderstood, and even inapplicable in the agricultural field.

The long-term bet in developing the whole agrifood ecosystem should also put a lot of focus on education – both for farmers to be more open to collaborating and adopting new technologies and for consumers to understand the benefits of consuming locally produced food and not have price as the main differentiator. As a food crisis seems closer and closer, consumption of locally produced food and combating food waste will be the key factors in smoothening its effects.

Romania could become an international leader in sustainable food systems in Europe and see spectacular evolution if new technologies contribute to increasing agricultural production and quality.

**MAIN  
STAKEHOLDERS IN  
THE LOCAL AGRIFOOD  
INDUSTRY**

**2**



## 2.1. Key Romanian companies

Company Name	Scope of activity	Operating revenue in 2020 (in million Romanian lei)
<a href="#">Danone România</a>	A leading multi-local food and beverage company building on health-focused and fast-growing categories in three businesses: essential dairy and plant-based products, waters and specialized nutrition.	<b>RON24,742,700</b>
<b>Albalact</b>	A Romanian company founded in 1971 under the name of the White Milk Industrialization Enterprise. The company was privatized in 1999 through an open public auction and then became 100% private. Albalact produces over 60 varieties of dairy products, under the brands Fulga, Zuzu, Albalact, Poiana Florilor and Frupt.	<b>RON25,291,051</b>
<a href="#">Agricola Bacău</a>	A group of companies from Romania. The group is one of the main producers and processors of poultry meat, with a market share of around 10%.	<b>RON24,840,966</b>
<b>Prodlacta Braşov</b>	A well-established company, since 1900, that offers natural quality dairy products: milk, yogurt, sour cream, butter, different types of cheese and desserts from cheese. The company is a highly certified company.	<b>RON623,966</b>
<a href="#">Cris-Tim</a>	One of the most renowned companies on the Romanian cold-meats market; its core values are care for people, responsibility, innovation, tradition and high quality. They offer a diverse, safe and fresh range of food products.	<b>RON37,466,139</b>

**Smithfield România**

Operating in Romania since 2004, when the global company decided to invest in the country with USD600 million, Smithfield Romania is a meat producer and one of the top companies in agrifood. The portfolio includes farms, a fresh-meat division and elite meat producer.

**RON68,502,037****Expur**

The main activity of EXPUR is processing oilseeds for the purpose of obtaining raw and refined oil, meal and biodiesel.

**RON125,885,331****Vel Pitar**

A group of companies in Romania specialized in the field of milling and bakery: Vel Pitar (bakery), Seven Spices (milling) and VP Magassin (retail). The group owns 12 bread factories in 10 counties in the country and in Bucharest, with over 170 of their own stores (as of March 2009). The Vel Pitar group owns approximately 15% of the milling market and 9% of the bakery market.

**RON75,873,683****Alka Group**

Is a group of food producing companies in Romania, founded in 1994. They are specialized in the production, packaging and distribution of coffee, glazed and unglazed wafers, biscuits, ingredients, as well as dried fruit snacks (seeds, pistachios, almonds, dried fruit mix).

**RON2,867,454****Agrana România**

One of the leading sugar companies in Central and Eastern Europe, the main producer of starch products, as well as bioethanol with two factories in Romania: in Buzău city and Roman.

**RON19,597,611****Coca-Cola HBC  
Romania**

Coca-Cola HBC is a leading beverage bottler for the Coca-Cola Company, delighting millions of consumers across 28 countries in three continents. Coca-Cola HBC offers a diverse range of non-alcoholic ready-to-drink beverages in the sparkling, juice, water, sport, energy, tea and coffee categories. According to the "Socio-economic impact of the Coca-Cola system in Romania" study, based on financial data from 2019, the presence of this system on the local market generates an added value of 574 million euros, equivalent to 0.26% of GDP in Romania.

**RON297,487,453**

**Bunge Romania**

Bunge Romania is one of the main players in the agribusiness sector in Romania, especially in terms of marketing and processing of cereals, sunflower seeds, rapeseed and soybeans, being also a key player in the food sector through its brands Floriol, Unisol, Ulvex and Sunbeam.

**RON126,215,596**

**Romaqua Group**

One of the main producers of mineral water and soft drinks in Romania. The company has owned a mineral water bottling plant in Borsec since 1999 and owns some of the top brands of mineral water and soft drinks: Borsec, Aquatique, Giusto and Cico.

**RON19,597,611**

**Star Foods E.M**

Company in the Romanian food industry that owns a factory that makes chips and other salty snacks. It is the largest producer of crisps in Romania and was acquired by PepsiCo in November 2004.

**RON156,571**



## 2.2. Public institutions

### **Ministry of Agriculture and Rural Development**

<http://www.madr.ro/en/>

The central public administrative authority responsible for the application of the governance programme and strategy, with an important role in the elaboration and implementation of the sectorial national strategy in the following domains: agriculture and food industry, rural development, land reclamation and similar domains, such as speciality scientific research, preservation and sustainable management of soils and both vegetal and animal genetic resources as well as bioeconomy.

### **Rural Investments Financing Agency (AFIR)**

<http://www.apdrp.ro>

The main government agency helping Romanian farmers and companies to access grants and an average of two billion euros yearly of European Union (EU) funding for rural development projects. The organization's job is to get funding and financial support into the hands of Romanian farmers and other key stakeholders who need resources to properly develop and care for the countryside.

### **League of Agricultural Producers in Romania (LAPAR)**

<https://lapar.org/>

A national federation, built for professional territorial associations in the agrifood field and local producers, representing the interests of those mentioned in relation to the public authorities, central administrations or other federations, managing agrifood programmes and financing opportunities dedicated to agriculture.

### **Romanian Federation of Employers in Food Industry (ROMALIMENTA)**

<http://www.romalimenta.ro/>

A federation that supports the rapid development and extension of the agrifood industry in the European Union (with thousands of agrifood businesses that operate at European standards of quality and hygiene), the extensions of food exports, modern ways of doing agriculture and the relation with big players in the industry (retailers).



### **Romanian Dairy Industry Association (APRIL)**

<http://www.april.org.ro/>

The only national association for milk processors and companies in the domain. The 36 members produce over 80% of the milk products in Romania and almost 68% of the people working in this industry are employed in one of the companies from this association.

### **Romanian Meat Association (RMA)**

<http://asociatia-carnii.ro/en/home/>

Professional organization that represents the interests of the meat industry (in all aspects, from knowledge to financial and legal decisions). It has 52 members consisting of commercial societies that produce over 60% of the national meat products.

### **ProdCom Fruit & Vegetable Interprofessional Organization (OIPA)**

<https://www.oipalegumefructe.ro/>

A non-profit legal entity of private law, which aims to represent the interests of its members in dealing with natural and legal persons of private law, public authorities, bodies. Production of vegetables in heated greenhouses, solariums, fields, fruit production and mushrooms, transport, storage for retention and conditioning for future commercialization, industrialization of vegetables, fruits and mushrooms as well as selling in fresh and industrialized conditions. An important place is given to research and investments in infrastructure and technology.

### **IBA (National Research and Development Institute for Food Bioresources)**

A public research entity coordinated by the Ministry of Research and Innovation with research activity in four strategical areas: food safety, nutrition, consumer behaviour and food (bio)technologies. Their research activity is carried out in nine laboratories, three pilot experimental stations and two other departments specialized in support actions and long-life learning.



### **Agriculture and Food Research Initiative (AFRI)**

the nation's leading competitive grants programme for agricultural sciences. The National Institute of Food and Agriculture (NIFA) awards AFRI research, education and extension grants to improve rural economies, increase food production, stimulate the bioeconomy, mitigate impacts of climate variability, address water availability issues, ensure food safety and security, enhance human nutrition and train the next generation of the agricultural workforce.

### **National Agricultural Research and Development Institute (NARDI)**

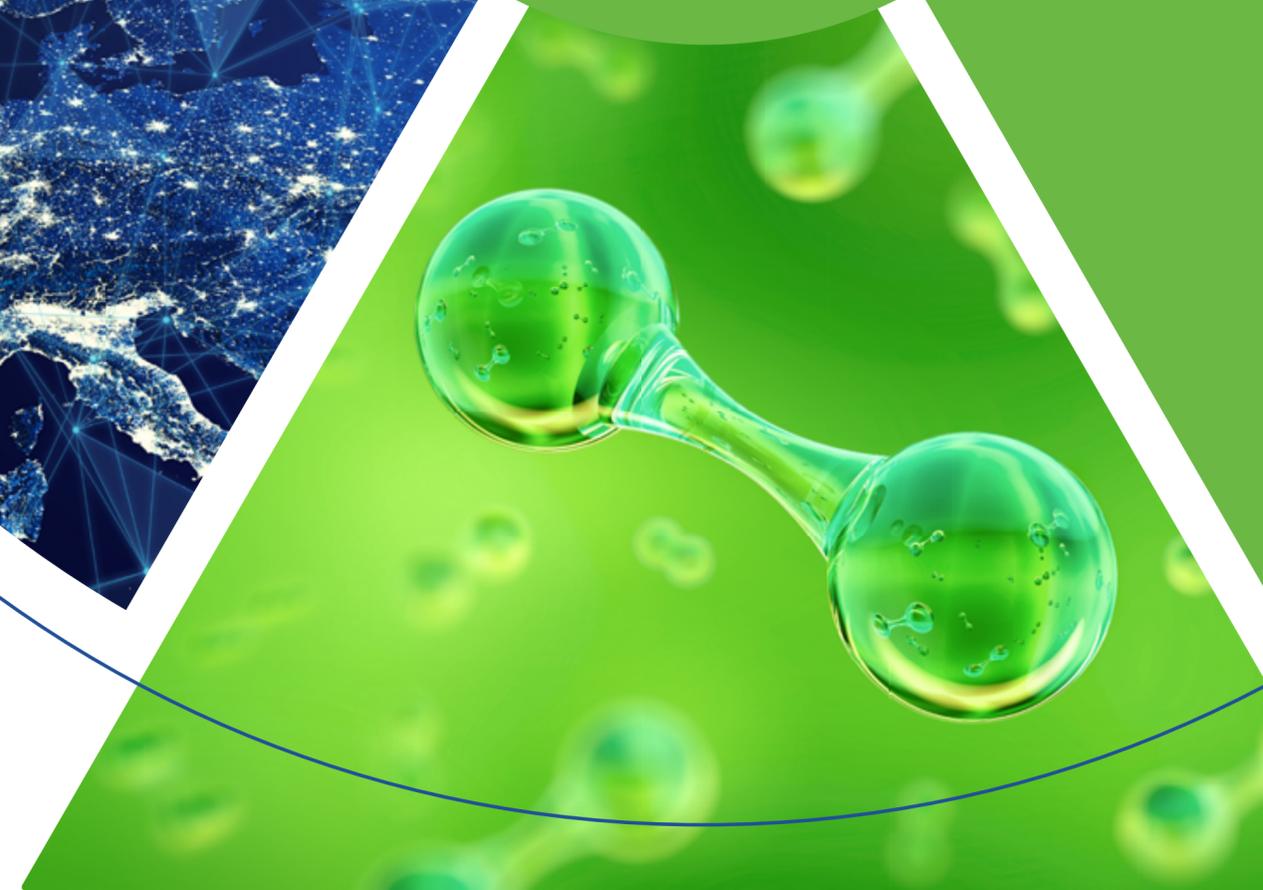
Is recognized as the main agricultural research unit from Romania, due to the results obtained in the research and development field regarding cereals, and industrial and forage crops. NARDI continues the tradition of agricultural research performed in Romania since the end of the nineteenth century in using a scientific approach to solve the priority problems of Romanian agriculture.

### **Research centre for studies of food quality and agricultural products (USAMV)**

Is the newest and most modern research infrastructure of the [University of Agronomical Sciences and Veterinary Medicine of Bucharest](#), as a result of the project "Infrastructure Development of a Research Centre for the quality study of food products – HORTINVEST". This research centre emerged to ensure a good quality control of agricultural and food products throughout the production flow, and to promote biodiversity and environmental protection, as well as a higher quality of food products for consumer needs and expectations.



# AGRIFOOD ECOSYSTEM



## 3.1. Funding opportunities for agrifood start-ups

Name of opportunity/ investor/ organisation	Type of support (venture capital [VC] funding, angel investors, government funding, EU funding, startup loans, incubator/accelerator funding, competition with prize money, etc.)	Short description of opportunity, target group (vertical and stage), eligibility requirement, and funding amount or average ticket size	URL	Timeline (application deadline, important dates, etc.)
<b>Techcelerator</b>	Venture capital funding Accelerator funding	<b>Target group:</b> Romanian entrepreneurs <b>Verticals:</b> AI, machine learning, cyber security, advanced analytics, predictive market, digital transformation, SAAS, Fintech <b>Stage:</b> Acceleration (post MVP) <b>Average funding:</b> €50k for 7% equity	<a href="https://techcelerator.ro/acceleration/">https://techcelerator.ro/acceleration/</a>	Four running programmes, opening two at a time during the year
<b>Roca X</b>	Venture capital funding	<b>Target group:</b> Romanian entrepreneurs <b>Verticals:</b> any verticals if they have a tech component <b>Stage:</b> early stage <b>Average funding:</b> €100,000	<a href="https://rocax.ro/">https://rocax.ro/</a>	Applications open all year round
<b>Evergent</b>	Venture capital funding	<b>Target group:</b> Romanian entrepreneurs <b>Verticals:</b> agribusiness, real estate <b>Stage:</b> acceleration (post MVP) <b>Average funding:</b> undisclosed	<a href="https://evergent.ro/ro">https://evergent.ro/ro</a>	Applications open all year round

**Innovation  
Norway:  
Romania –  
SME Growth  
Programmes**

 Grants (with approx.  
85% eligible costs  
covered)

**Target group:** SMEs (small and micro-enterprises) registered as legal entities in Romania

**Verticals:** green industry innovation, ICT and blue growth

**Stage:** established and registered with at least six months and maximum four years of operation on the date of the deadline of the call

**Maximum funding:** up to €200,000 per project

<https://www.innovasjon.org-e.no/en/start-page/eea-norway-grants/calls-for-proposals/startupromania/>

Projects can be submitted until Thursday 14 July 2022, 14:00 (Romanian time)

**“START ONG 2022”  
programme by  
Kaufland Romania  
and implemented  
by the Act for  
Tomorrow  
Association**

Non-refundable financing

**Target group:** NGOs/foundations, public institutions (kindergartens, schools, high schools/colleges, centres for seniors, social canteens) registered as legal entities in Romania

**Verticals:** education, environment, health, social, culture

**Stage:** any stage

**Funding based on certain levels:** starting from €1,000, up to €10,000

<https://startong.ro/>

Projects can be submitted every month, on the first day of the month, until there are no more spots available

**Agency of  
Financing and  
Rural Investments  
(AFIR)**

Non-refundable grants

**Target group** – the various sub-measure calls are open for: micro-companies, SMEs, other types of enterprises or associative forms (authorized physical persons – PFA, family enterprise, individual enterprise)

**Verticals:** agrifood, agriculture activities, constructions, acquisition of agri equipment and machines, the marketing of agricultural products and services, online websites, food processing

**Stage:** any stage, but the applicants should have a legally registered enterprise or company

**Funding:** based on certain levels of expertise, the type of company, and the amount given for a certain type of project

<https://www.afir.info/>

Projects (sub-measures) are open all year round

**IMM INVEST  
ROMÂNIA**

Loans/credit lines

**Target group:** SMEs (small and micro-enterprises) registered as legal entities in Romania  
**Verticals:** any domain  
**Stage:** any stage  
**Funding:** Facilitates SMEs' access to one or more loans for investing or loans/credit lines for working capital, all guaranteed by [FNGCIMM](https://www.fngcimm.ro) (the National Credit Guarantee Fund for SMEs) on behalf of and account of the Romanian state, through the Ministry of Finance

<https://www.fngcimm.ro/imm-invest>

The latest registrations can be submitted before 30th June 2022

**AGRO IMM  
INVEST  
Subprogramme**

Grants with a non-refundable component of a maximum 10% of the guaranteed financing value

**Target group:** SMEs (small and micro-enterprises) with medium market capitalization  
**Verticals:** agriculture, fishing, aquaculture and food industry  
**Stage:** any stage  
**Funding:** For 2022, the highest allocated sum from FNGCIMM is RON2.5 billion

<https://www.fngcimm.ro/agro-imm-invest>

The latest registrations can be submitted before 30th June 2022

**European  
agricultural  
guarantee fund  
(EAGF)**

Non-refundable grants

**Target group:** EU farmers, agri exploitations  
**Verticals:** agrifood  
**Stage:** any stage  
**Total funding:** for 2021–2027: over RON291 billion

[https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/financing-cap/cap-funds/grants-information\\_ro](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/financing-cap/cap-funds/grants-information_ro)

Submissions for 2022 are no longer accepted. [New proposals](#) for 2023 will be posted at the end of 2022

**Patria Bank –  
Agro (financing  
for agriculture)**

Loans, credit deposits, economy accounts

**Target group:** SMEs (small and micro-enterprises), farmers  
**Verticals:** agriculture, agrifood sector  
**Stage:** any stage

<https://www.patriabank.ro/agro>

Services open for submissions all year round

## 3.2. Local incubators and accelerators that support agrifood start-ups

**Innovation Labs** (organized by Tech Lounge) – accelerator for start-ups from multiple domains (from tech to agriculture and health and lifestyle), mentoring for young entrepreneurs, students or researchers, implemented with the help of 11 universities in Romania. The start-ups gain knowledge, mentors, media exposure and MVP validation with real clients, experienced entrepreneurs and businesspeople.

**BASF Innovation Hub 2022** (organized by BASF) – competition dedicated to innovative start-ups from 11 countries, who should develop solutions in one of three focus areas, including sustainable agriculture (Farm to Fork). Participants could further develop collaboration and partner up with BASF, global leader in innovation and in the chemical industry.

**Social Impact Award** (organized by Social Innovation Solutions) – educational programme for social innovation and a pitching competition of ideas for young people who want to make a change in their society. The mission of the programme is to promote social entrepreneurship among young people all over the world.

**StepFWD** (organized by TechHub and Google for Startups) – a pre-acceleration programme for tech start-ups that are just starting their businesses. The programme is based on education, community, networking and practical sessions, and it helps teams launch their product on the market and grow their business.

**Founder Institute Bucharest** a programme where participants don't just grow their business, but they also build their start-up among experts and mentors in a structured and tested process. The programme includes sprints of growth, and it is a programme full of challenges and weekly feedback sessions.



**Antreprenoria** (organized twice a year by Romanian Business Leaders) is a free mentoring programme that supports entrepreneurs and social entrepreneurs in accelerating their idea or business. They also support participants in accessing financing opportunities by connecting them to different key stakeholders.

**ADRVEST Accel by IdEA** organized by the Institute of Excellence in Entrepreneurship, Agency of Development in the western region of Romania, is an accelerator that aims to contribute to the development of the western region by training entrepreneurs in a modern and dynamic acceleration programme with a personalized learning design with mentors, experts, investors and the IdEA team supported by local resources and experts. The programme provides support for finding financing, Pitch to Business Angels, Pitch to Venture Capitalists.

**Nextcelerator – The Digital Agriculture Hub** is a digital accelerator organized by Agricover Group, one of the biggest companies in agribusiness, in collaboration with SeedBlink – the European investment platform for tech start-ups and Microsoft Romania through the new agriculture branch. The programme was created to support innovative start-ups in agri-tech with industry knowledge, adequate technical and business resources and community support to scale their ideas into successful businesses with global impact.

**Future Makers** (organized by Global Shapers Bucharest Hub and Social Innovation Solutions) is an incubation programme for 50 start-ups from 10 CEE countries, supporting new tech ideas and business models for a better future. Future Makers includes four digital incubation months, international mentors and access to funding and VCs.

**Early Game** is an accelerator for tech start-ups, with funding of almost EUR200,000 by Early Game Venture investors. Applicants get venture capital investments, support by the investment fund, networking and know-how.

**Scale Out** (organized by Romanian Business Leaders) develops educational programmes on export and internationalization, community events and sharing experiences between business ecosystems. The businesses that can apply need to have scaling views and will have the chance to pitch to venture capitalists.



### 3.3. Contact details for the hub organisation

#### EIT Food Hub Romania

Bucharest, Romania,  
Street Tudor Arghezi no. 8-10, District 1

**Website:**

<https://www.impacthub.ro/eitfood/>

**Facebook:**

<https://www.facebook.com/ImpactHubBucharest/>

**LinkedIn:**

<https://www.linkedin.com/company/impacthubbucharest/>

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"Rami Baassiri, CCO at Food Generation; OR "Romania has one of the fastest growing start up ecosystems in Europe. The IT Industry is very strong, and it represents a good part of the local Economy, therefore the pool of talent is significant, but, at the same time, there are plenty of areas that still have a good growing margin in terms of digitalization. Agri-Food is one of these fields. Romania has a great agricultural potential, with more than 9 million arable land is one of the leading producers of grains and oil seeds in European Union. In this context many startups are tackling the challenges of the industry like farm management and production loss, machines management and data collecting, maintenance, logistic chain, marketplaces, chemical treatments and soil optimization and so forth. Although the local VC's and Angel investors initially were skeptical about Agri-Tech, things have started to shift in the past few years and now there are investors aiming startups in this field. Starting 2019 Acceleration programs are available, started either by Entrepreneurial Hubs, or private companies from the industry. Romania offers startups visa and the Digital Nomad Visa will be also available soon, attracting talent and investors from abroad. Given that the country has one of the fastest and cheapest Internet in Europe, the cost of living is lower than in most European countries and EU and governmental subsidies are available in the following years, Romania offers a very attractive ecosystem that nurtures innovation."

Adrian Badea, CEO at SiloApp

# HOW TO SET UP A COMPANY IN ROMANIA



4



## 4.1. Setting up a legal entity in Romania

Opening a business in a new country comes with plenty of advantages – you can extend to different opportunities and networks of professionals from your industry to a potentially more receptive market, a more relaxed economic environment and access to a bigger talent pool. Depending on what type of activity you are going to undertake, apart from legal fees and other taxes, you will need to think about the infrastructure (both the physical and the digital one) and suppliers. Consider getting a good attorney and finding a good accounting and bookkeeping firm to make sure you follow all the tax laws.

Setting up a company in Romania has many advantages, both in terms of the abundance of skilled labour offered by the country and also for its fiscal attractiveness, as it has one of the lowest rates of profit tax in Europe, at a rate of 16% from the profit (or 1% of income, as appropriate).

Entrepreneurs in Romania start with the establishment of a PFA (authorized natural person), but as the business develops, there is a need to set up a micro-enterprise: SRL (limited liability company) or SRL-D (limited liability company debutant). If you want to have a company that makes good profit at the end of the day, has great objectives, extended activity and more associates involved, you might want to set your company as a micro-enterprise: a limited liability company.

You can find all the information about establishing a company on the Registry of Commerce website, [www.onrc.ro](http://www.onrc.ro), in the “Inmatriculări/Persoane juridice” section.

## 4.2. Opening an SRL (“Societate cu răspundere limitată”) – limited liability company (LLC)

The LLC is the most frequently used form of legal entity because of its flexibility and accessibility, as it doesn't require expertise in the field you set it up in, can be set up by both Romanian and foreign citizens (both from EU member states and from non-EU countries), allows you to have more CAEN codes (Classification of Activities in the National Economy, codes specific for the type of activity you have in your company) and you can have more employees.

You can set your LLC company even though you do not have many associates as you can be a unique associate. You can, however, be a unique associate in just one company. A particularly important person in the structure of a limited liability company is the administrator, who is the legal representative of the company – the administrator signs contracts, for example, or other legal or accounting documents. The only downside of being the administrator of the company is that that person is responsible for anything that happens inside and outside the company.

Even if you do not live in Romania (a non-resident), due to Article 3 of the OUG 44/2008 laws of the country, you can set up an LLC in Romania if you:

- are over the age of 18
- have not committed deeds sanctioned by financial, customs or financial-fiscal discipline laws, such as those registered in the tax record
- have a registered office.

**The establishment procedure for foreign citizens is the same as for Romanian citizens.  
All you must do as a legal representative of a foreign national LLC is the following:**

- 1 choose a name for the company – you can check up on the name you choose at the National Trade Register Office (to see if it's already taken or not).
- 2 have a registered office on the territory of Romania, and you can do that through:
  - a lease agreement (if you pay a sum of money to use the space), or
  - a loan agreement (if you will be able to use the space free of charge) between the owner of the space and your LLC.
- 3 apply for registration at the National Trade Register Office and for authorization of operation before starting the economic activity
- 4 choose CANE codes (Classification of Activities in the National Economy, codes specific for the type of activity you have in your company) and make sure they are authorized.
- 5 have shared capital (for any new LLC the recommended shared capital is at least RON200, which you can further use in the company activity).
- 6 after legally establishing the company, you'll need to open a bank account for the company. As soon as you get the registration documents from the National Trade Register Office, you must go with them to any bank you want and open an account in the name of the company. Some of the best banks that have good offers for small and new companies are: Banca Transilvania, Banca Comercială Română, ING Bank, BRD – Groupe Société Générale, CEC Bank, Unicredit Bank, Raiffeisen Bank and OTP Bank.
- 7 have the constituent document of the company written down; that is, a sort of user manual of the company, where you have written all the information about the associates, administrators, registered office, social capital and all the additional information provided by law. The law governing all the companies is Law no. 31/1990. You could have a lawyer write down the constituent document so that it meets all legal requirements.
- 8 make sure you have an accountant or someone who takes care of all the financial stats of your company and submits all accounting records to ANAF (the National Agency for Fiscal Administration). Foreign investors are advised to work with a firm that specializes in offering these types of services because tax laws are subject to changes, and in some cases, the reporting requirements can change from one year to the other. The tax year in Romania is generally the same as the calendar year; however, companies can choose to have it in the financial accounting.

### Special type of company for first-time entrepreneurs – LLC-D (limited liability company debutant)

People who set up an LLC for the first time can opt for a “beginner LLC” (LLC-D). This type of business form was created to encourage entrepreneurs who have just started in the field. The LLC-D can be set up by a maximum of five associate beginners in a certain field of activity and it is mandatory for the administrator to be appointed from among the associates. To benefit from the tax advantages, the company must be classified as a micro-enterprise.

The benefits of establishing an LLC-D:

- exemption from the payment of social security contributions paid by the employer for a maximum of four employees
- the possibility of obtaining a non-reimbursable financial allocation of 50% of the invested project but not more than EUR10,000
- the possibility of obtaining state-guaranteed bank loans for a maximum of EUR80,000
- free registration at the National Trade Register Officer

## 4.3. Opening a Romanian PFA – persoană fizică autorizată (authorized natural person)

The authorized natural person (ANP) is the simplest type of company recognized by the legislation and the authorities in the field in Romania. This form of business is intended for individuals who want to start their own business and who want to benefit from certain tax advantages. The ANP is suitable for someone who wants to work on their own in a field in which they are specialized, so that compared to an LLC, the ANP will have to prove their training in the respective field. An ANP is also the easiest to set up in terms of the registration procedure, as you will need very few documents. As an ANP, it's possible to have a maximum number of three employees to carry out their activity. To set up an ANP, a smaller number of documents is needed, and it is not necessary to use the services of a certified accountant, accounting being simplified for this type of legal form. Also, the holder of the ANP is considered their own employee, but they can conclude an individual employment contract with other persons or companies.

For an ANP, two tax rules can be considered: the one in the real system and the one in the income norm from which the owner should choose one. An ANP must consider the payment of the following taxes and duties:

- the 10% tax that applies regardless of the tax system chosen
- pension contributions of 25% of the minimum tax threshold or a threshold chosen by the ANP
- 10% health contributions calculated based on the minimum wage in the economy
- the single tax returns are submitted until July 31 of the current year for last year.

### How to set up a Romanian PFA:

You need to be a person with Romanian citizenship or a citizen of an EU member state.

- 1 Choose a name of the company and the CANE codes you will operate on (but no more than five).
- 2 You will need to submit a small number of documents at the National Trade Register Office:
  - A copy of your ID
  - Registration request – available here: <https://www.onrc.ro/templates/site/formulare/11-10-180.pdf>
  - Annex 1 regarding fiscal registration available here: [https://www.onrc.ro/templates/site/formulare/anexa\\_1\\_inregistrare\\_fiscala.pdf](https://www.onrc.ro/templates/site/formulare/anexa_1_inregistrare_fiscala.pdf)
  - Declaration stating that the person does not have any other activities at the professional location, secondary locations or others
  - Declaration of proof that you have the qualifications for the activity of the CANE codes you choose (certain diplomas of studies, certificates – for foreign certifications, you will need to submit the translated and legalized version and you can do that at any notary public service place)
  - Proof of verification of availability and reservation of the company name, in the original
  - Proof of the right to use the professional premises and, if applicable, the document certifying the right of use of the workplace
  - The specimen signature, certified in accordance with the law by the director of ORCT or by his substitute or legalized by the notary public, in the original, or the power of attorney containing the signature of the authorized natural person
  - Information from the tax record, in the original
- 3 Once the PFA is registered, the PFA will have to get a stamp. This procedure is quite simple – the stamp can be purchased from any company that sells stamps based on documents issued by the National Office Trade Register.
- 4 The PFA will have to be registered at ANAF (the National Agency for Fiscal Administration), including for VAT purposes. From here, the company will receive an invoice, a receipt, an entry-exit register and an inventory register.

## 4.4. Required permits for agrifood businesses

Economic operators (as legally defined) can obtain an authorization to run their businesses in the agrifood sector and use the self-checking system and the community logo if they have:

- Quality control personnel who have expertise in domains such as horticulture/agronomy, biology-agricultural sciences, biotechnology (training approved by the I.S.C.T.P.V.L.F. – the State Inspection for Technical Checks on the Production and Marketing of Fruit and Vegetables);
- The necessary equipment to carry out the control of conformity with the trade standards;
- The proper equipment to perform conditioning, packaging and labelling of products;
- A conformity check on consignments of fresh fruit and vegetables dispatched for trade and a registry, which must include all the control operations conducted.

To obtain this self-checking system, the economic operators need to fill in an application according to Annex no. 1, from the 390/2009 Order, available here: <http://legislatie.just.ro/Public/DetaliiDocumentAfis/109374>.

After the registration, the inspectors of the I.S.C.T.P.V.L.F. will check for one year whether the operators respect all the conditions mentioned above. After that one year, within 15 days, the inspectors will have a final check and then let the operators know whether or not their application has been accepted.

After the operators receive their approval on their application, they get permission and can deploy the self-checking system and the use of the community logo. The authorization is referred to in Annex no. 2 of the 390/2009 Order, available here: <http://legislatie.just.ro/Public/DetaliiDocumentAfis/109374>. The now authorized operators need to then fill out a commitment file to proceed with the quality control of the fresh fruits and vegetables, according to Annex no. 3, available here: <http://legislatie.just.ro/Public/DetaliiDocumentAfis/109374>; this file needs to be registered once their authorization has been issued.

**"The opportunities offered by the new financial year, PNS 2023-2027, must be analyzed and exploited by young people who want to develop an agricultural business. The amount that the Ministry of Agriculture and Rural Development makes available for this category of young people is 250.7 million EURO, with a value of public support of 70,000 EURO. After accessing this financial support, young entrepreneurs must consider ensuring the continuity of initiatives for the implementation of environmentally friendly practices, simultaneously with the implementation of cooperation initiatives within the value chain. In our view, cooperation and association are "tools" that farmers and young aspirants in the agricultural sector can use to contribute both to increasing the competitiveness of their own businesses and to improving the quality of life in the Romanian countryside."**

Bogdan Chiripuci, Agricultural Project & Program Manager at Clubul Fermierilor Romani



## 4.5. Organizations providing support in setting up a company in Romania

**The Ministry of Agriculture and Rural Development Romania** is the central public authority responsible for the implementation of the strategy and programme of governance, with a role in the elaboration and implementation of national sectoral strategies in the fields of agriculture and food production, rural development, fisheries and aquaculture, land improvements and in related areas: phytosanitary, scientific specialized research, conservation and sustainable management of soil, plant and animal genetic resources.

**The General Directorate for Rural Development – Managing Authority for the National Rural Development Programme** engages in developing specific strategies and policies in the field of rural development on the implementation of the 2014–2020 NDR financed by the European Agricultural Fund for Rural development, as well as activities resulting from the completion of the implementation of the National Rural Development Programme in 2007–2013.

**The General Directorate for Food Industry and Trade Policy** is a specialized structure for the development of public policies in accordance with relevant European regulations and structure supporting the managing authorities and payment units for the implementation support schemes and measures for farmers.

**The General Directorate for Control, Anti-Fraud and Inspections** is under the direct authority of the Minister for Agriculture and Rural Development and its main role is to ensure an integrated, complex control and evaluation of the quality of the act of management, and the use of national and European public funds, and carry out ex post control according to European regulations.

**The Romanian Movement for Quality** is a professional, multidisciplinary, non-governmental and politically independent organization that has been established since 1999. Its mission is to promote and develop quality culture, offering advanced services in the scope of its jurisdiction, and a quality:price ratio to meet the widest category of customers and to occupy a determinant position in the market.

**General Directorate of Fisheries – Managing Authority for POPAM.** Its main contribution is the closure of the Fisheries Operational Programme (POPs) 2007–2013 and implementation of the Operational Programme for Fisheries and Maritime Affairs (POPAM) 2014–2020.

**The National Phytosanitary Authority** is a specialized body under the central authority (that is, the Ministry of Agriculture and Rural Development) that coordinates and controls the application of all legal requirements regarding the protection of plants, phytosanitary quarantine and plant protection products.

**The National Sanitary Veterinary and Food Safety Authority** (ANSVSA) functions as a regulatory authority in the sanitary-veterinary and food safety field; it is a specialized body of the central public administration, with legal personality, subordinated to the government and coordinated by the prime minister.

**The Foreign Agricultural Service Bucharest**, as part of the US Embassy in Romania, represents the interests of the US Department of Agriculture in Romania. It works to improve the accessibility of US products on the Romanian market. FAS Bucharest operates programmes designed to build new markets and improve the competitive position of US agriculture in Romania.