



THE AUTOMOTIVE INDUSTRY

in ROMANIA

Dynamics, potential, development priorities

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- ACAROM -



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Facts & figures

1.1 ROMANIA

Population : about 21,7 mil. habitants

Surface : 238 391 km²

PIB (e): 97 bil EUR in 2006;
(+7,7% compared to 2005)

(4380€ /habitant)

Inflation: 6,7%/2007

Average net wage: 279€/2007;

Road infrastrucutre: 78 500 km,
acces to 4 european corridors;

Railroad infrastructure : 11 000 km;

Black Sea ports : 2;

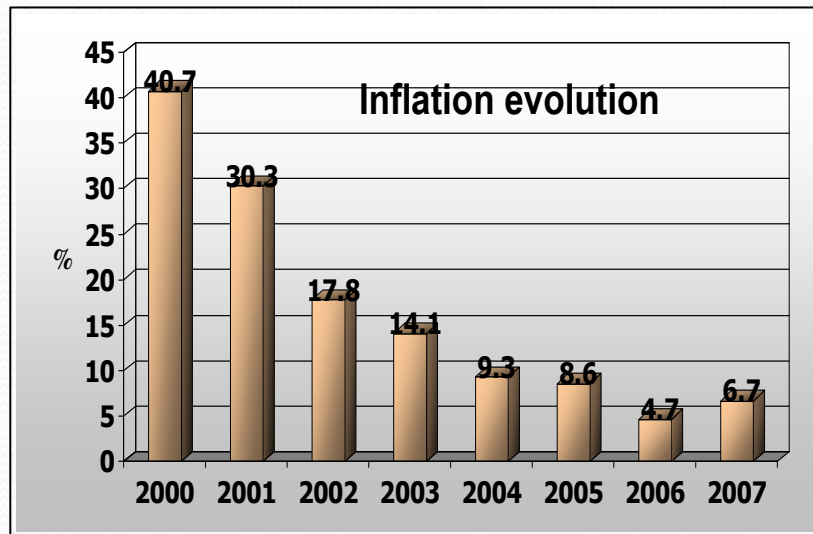
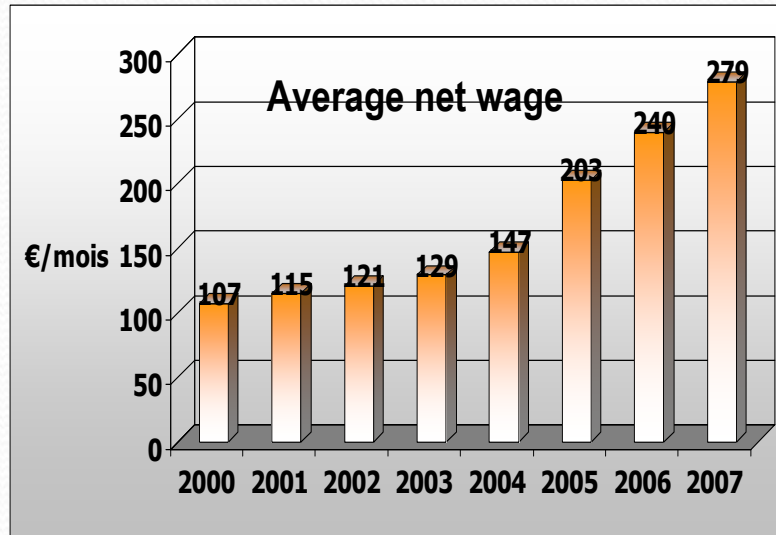
Danube ports : 17;

Airoports : 18.



Facts & figures

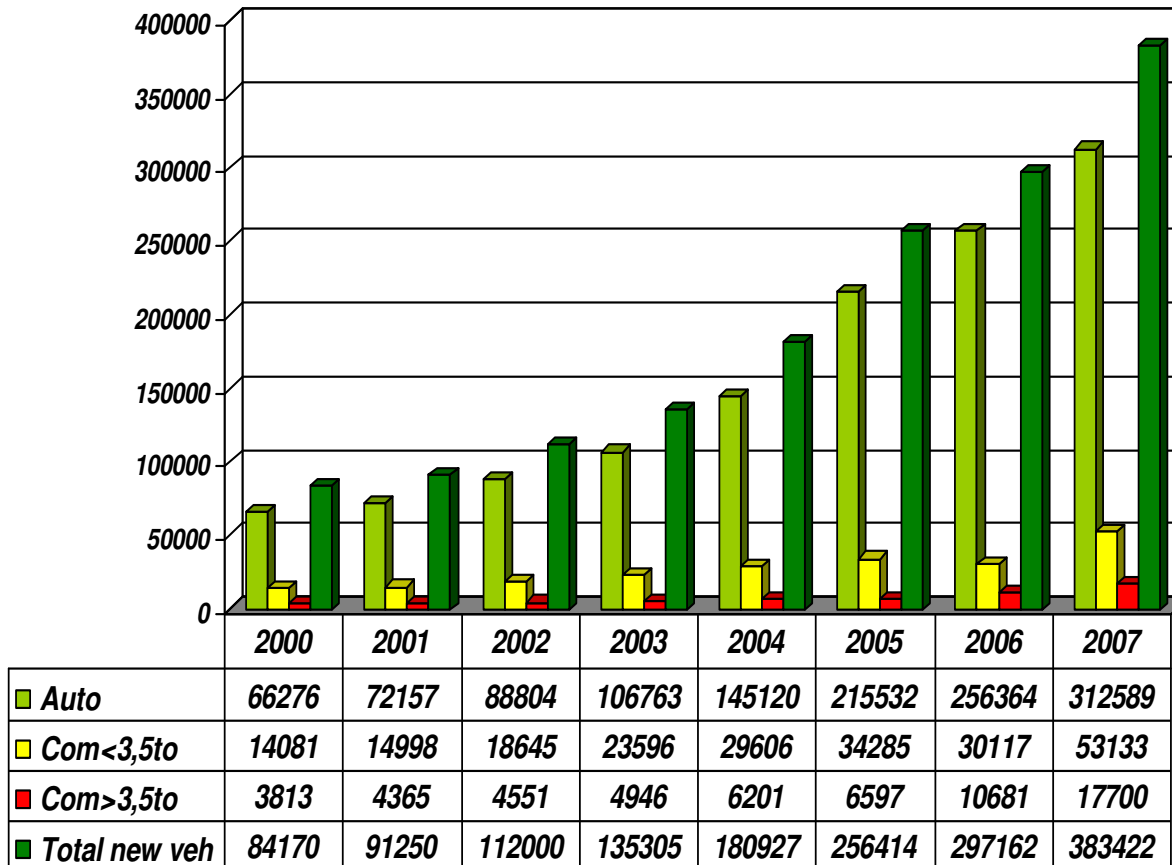
1.2 Romania, growing economy



Year	PIB (bile€)	PIB/ hab	WAGE Net-€	Wage increase %	Inflation %
2006	95,5	4380	240	6,4	4,7
2007	113,1	5141	279	6,5	6.7
2013 (e)	194	8740	465	-	2,5

Facts & figures

1.3 The automotive market – a continuous growth



Import 2007:
200.000 Vehicles

plus 144.301 sh vehicles = 527.723
total market

Estimated turnover surpasses 6 bil € in 2007.

In 2007 Romania became the first market within the PECO countries

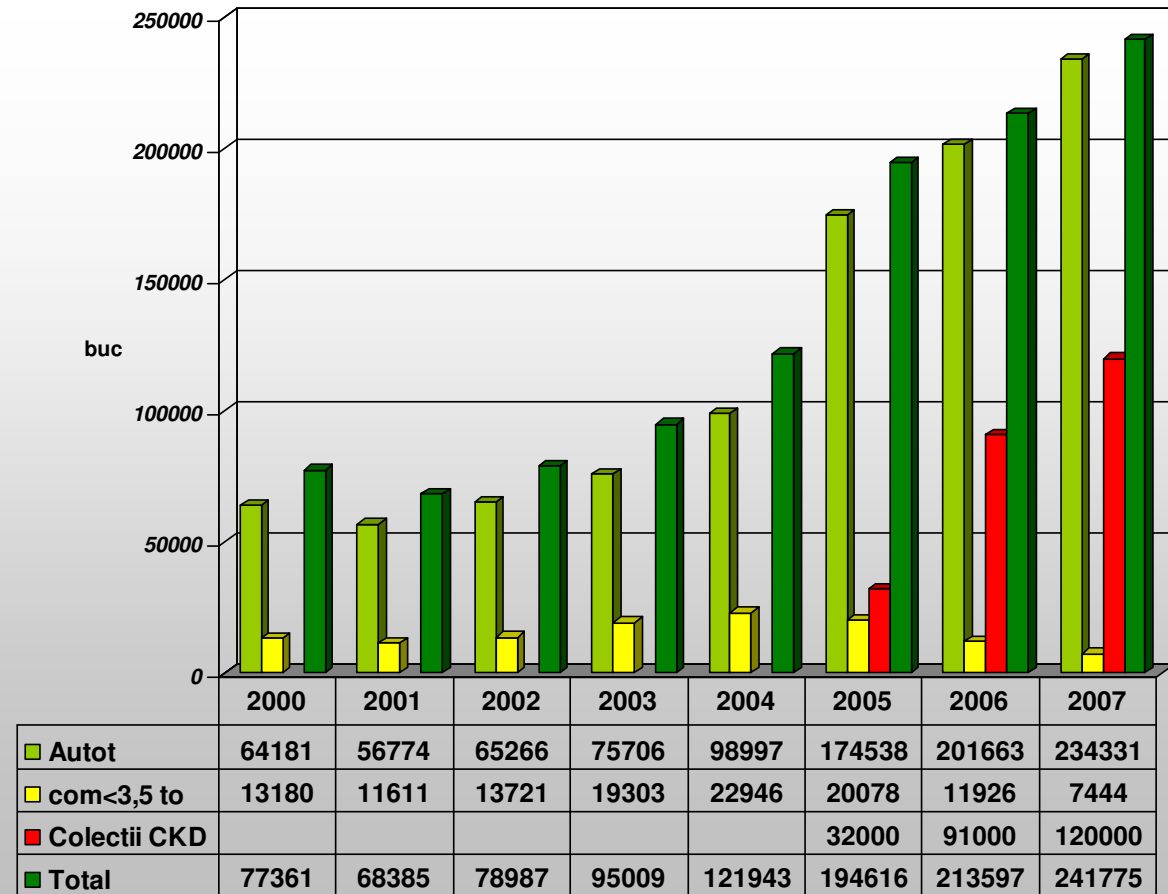
Facts & figures

1.4 The evolution of the automotive production

TOTAL vehicles and LCV manufactured in **2007** : **241.775** ,(+13.1% compared to 2006), from which:

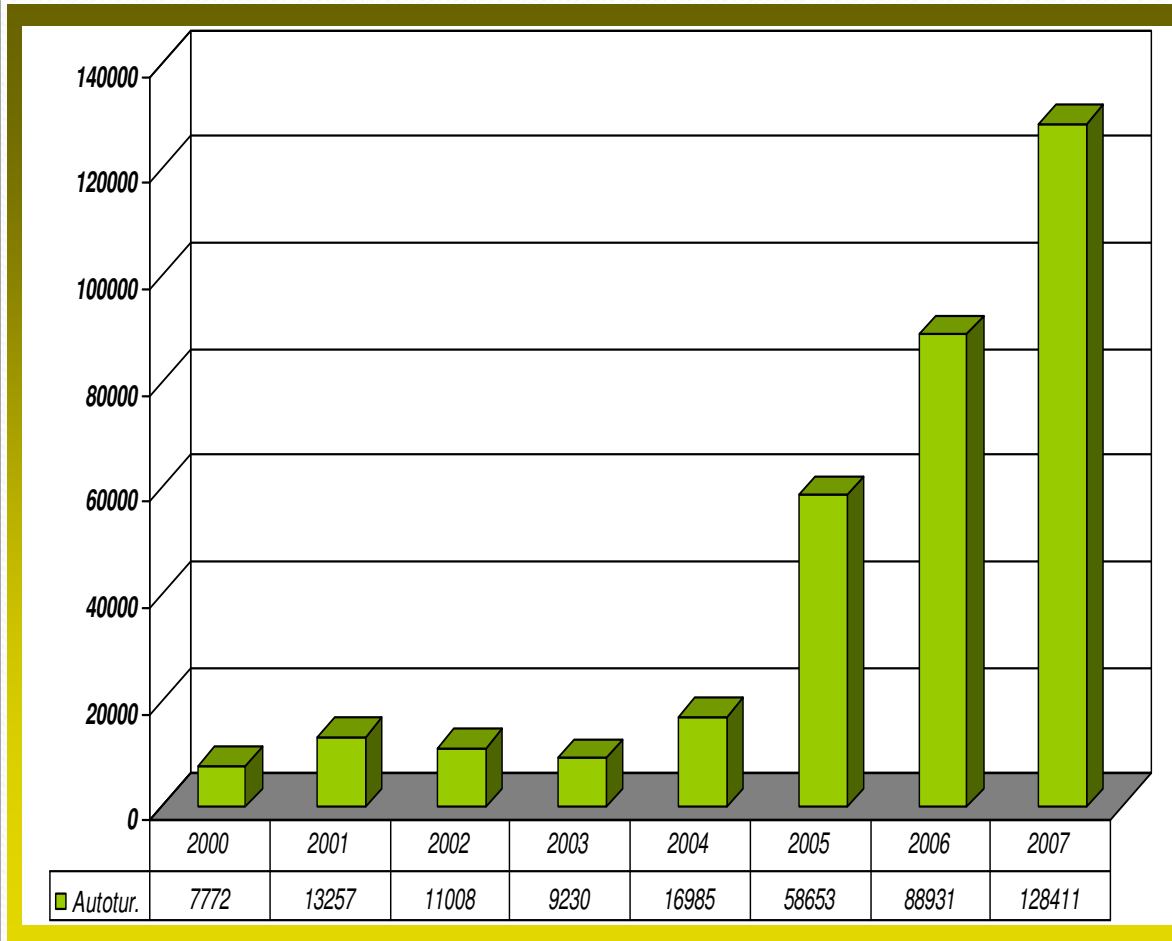
Dacia: 222.914

Daewoo: 18.861



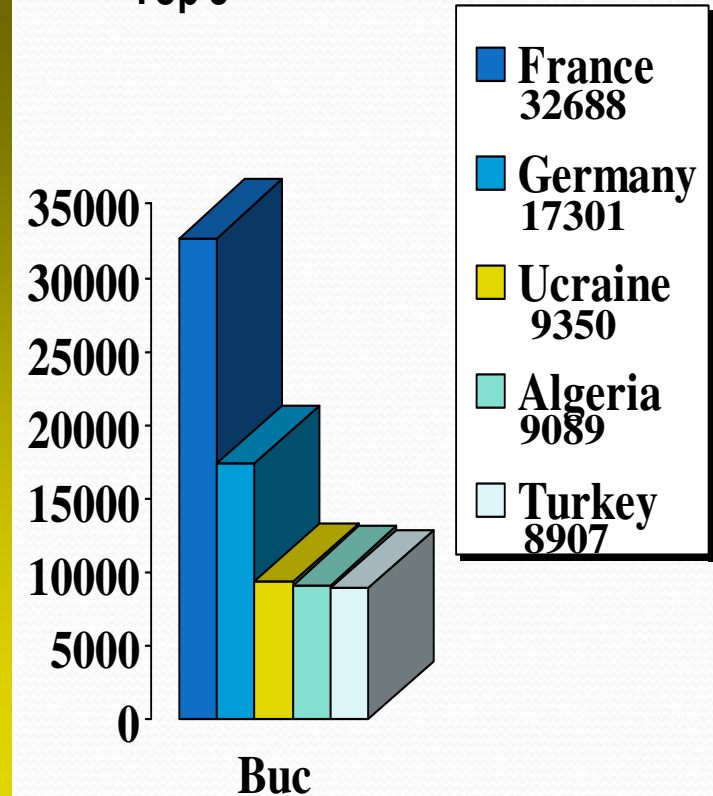
Facts & figures

1.5 The evolution of vehicle export



Note: in 2006 and 2007 were exported only Dacia Logan vehicles

Export Dacia 2007-
Top 5



Export increase
2007/2006 = 44,4 %

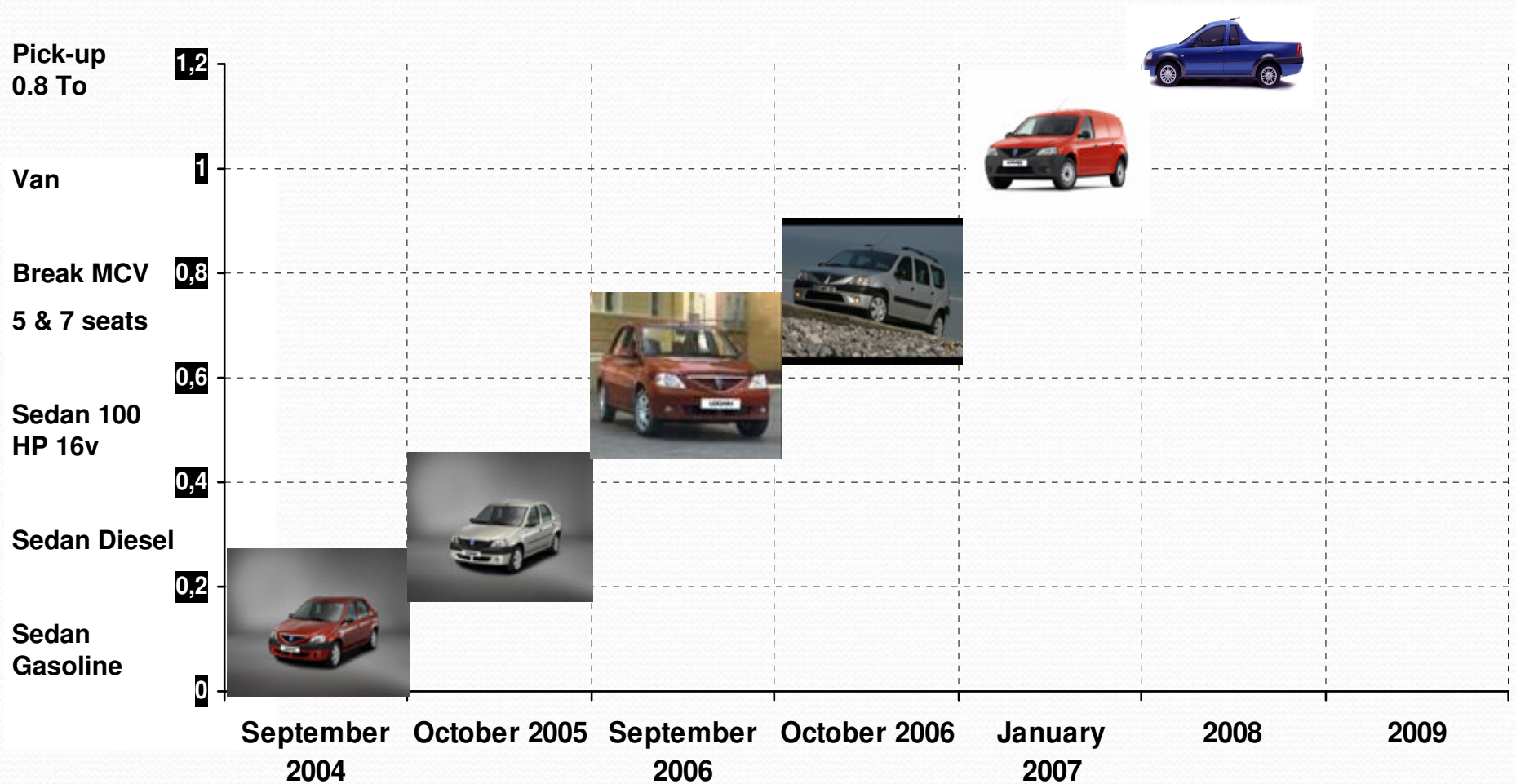
2. DACIA, « *THE LOCOMOTIVE* » OF THE AUTOMOTIVE SECTOR



ACAR

2 DACIA

2.1 LOGAN range



2. DACIA

2.2 DACIA Pitesti in 2007

DACIA PITESTI



VEHICLES PLANT

223 000 vehicles

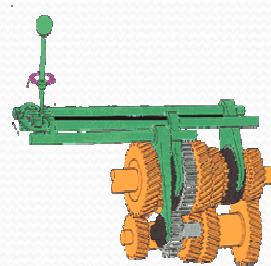


MECHANICAL PLANT

214 000 engines

206 000 gearboxes

222 000 transmissions



SUPPLIERS PARK
50% of purchases

- Front and back trains
- Door panels
- Seats
- Wireharnasses
- Air conditioning equipments
- Exhaust...

2.3 DACIA Pitesti : Evolution in 2009

DACIA PITESTI



VEHICLES PLANT

400 000 vehicles

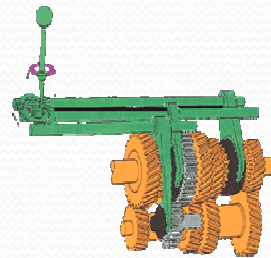


MECHANICAL PLANT

400 000 engines

600 000 gearboxes

460 000 transmissions



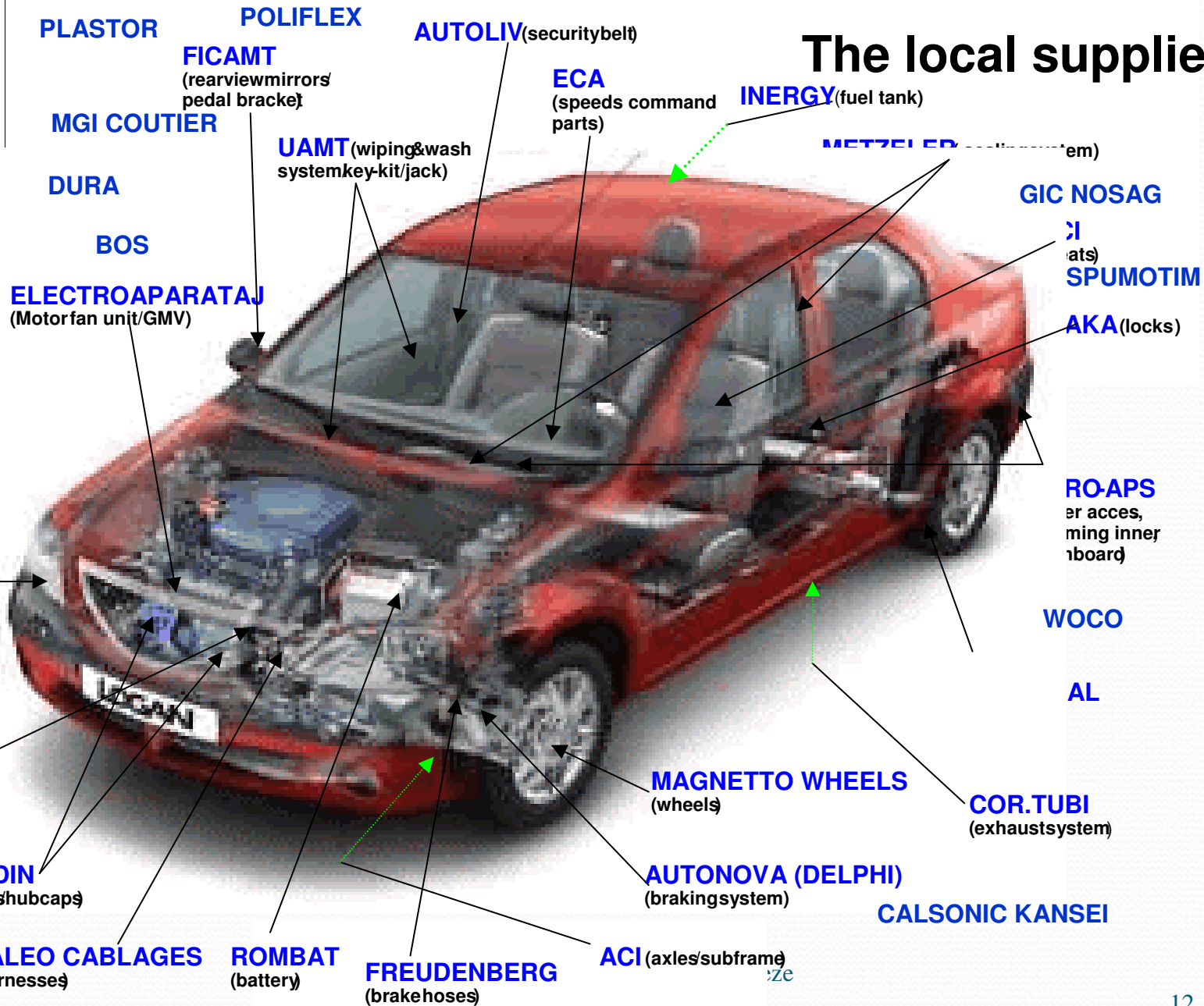
SUPPLIERS PARK
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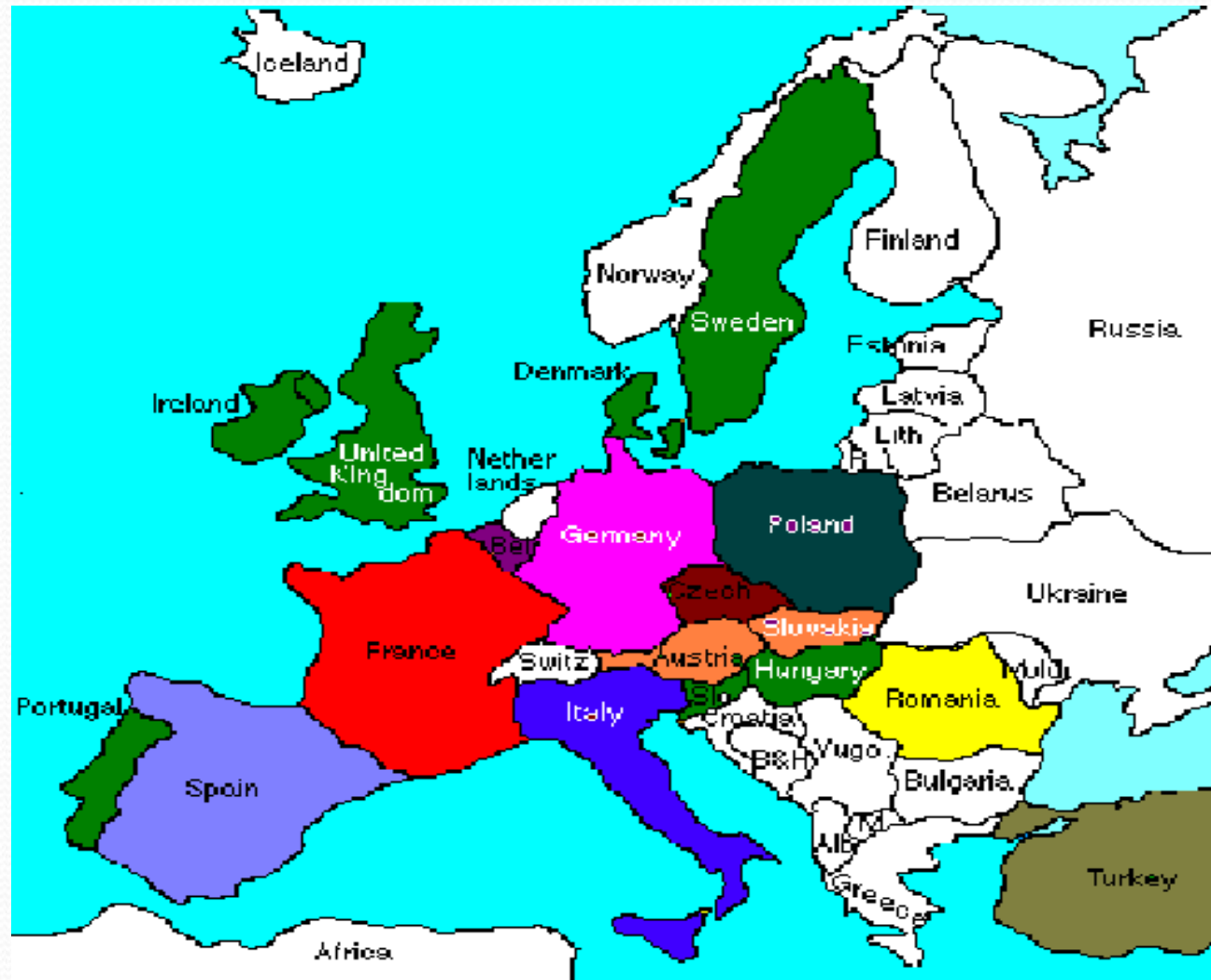
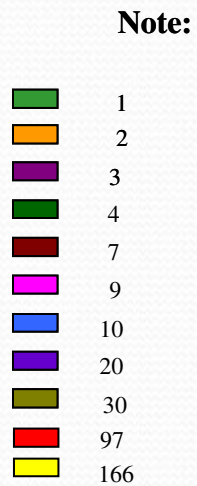
2.4 The LOGAN program – development factor for

The local suppliers

- Plastic parts
- CAPIROM
- TPR
- DELTA INVEST
- Rubberparts
- RONERA
- RUBBER
- CONTITECH
- Metalparts
- SILDVB (emb.)
- SUBANSAME
- AUTO
- SINTEROM
- Mountingsparts
- ORGANE AS
- Transmissionparts
- COMPA
- METALPLAST
- OSRAM (bulbs)

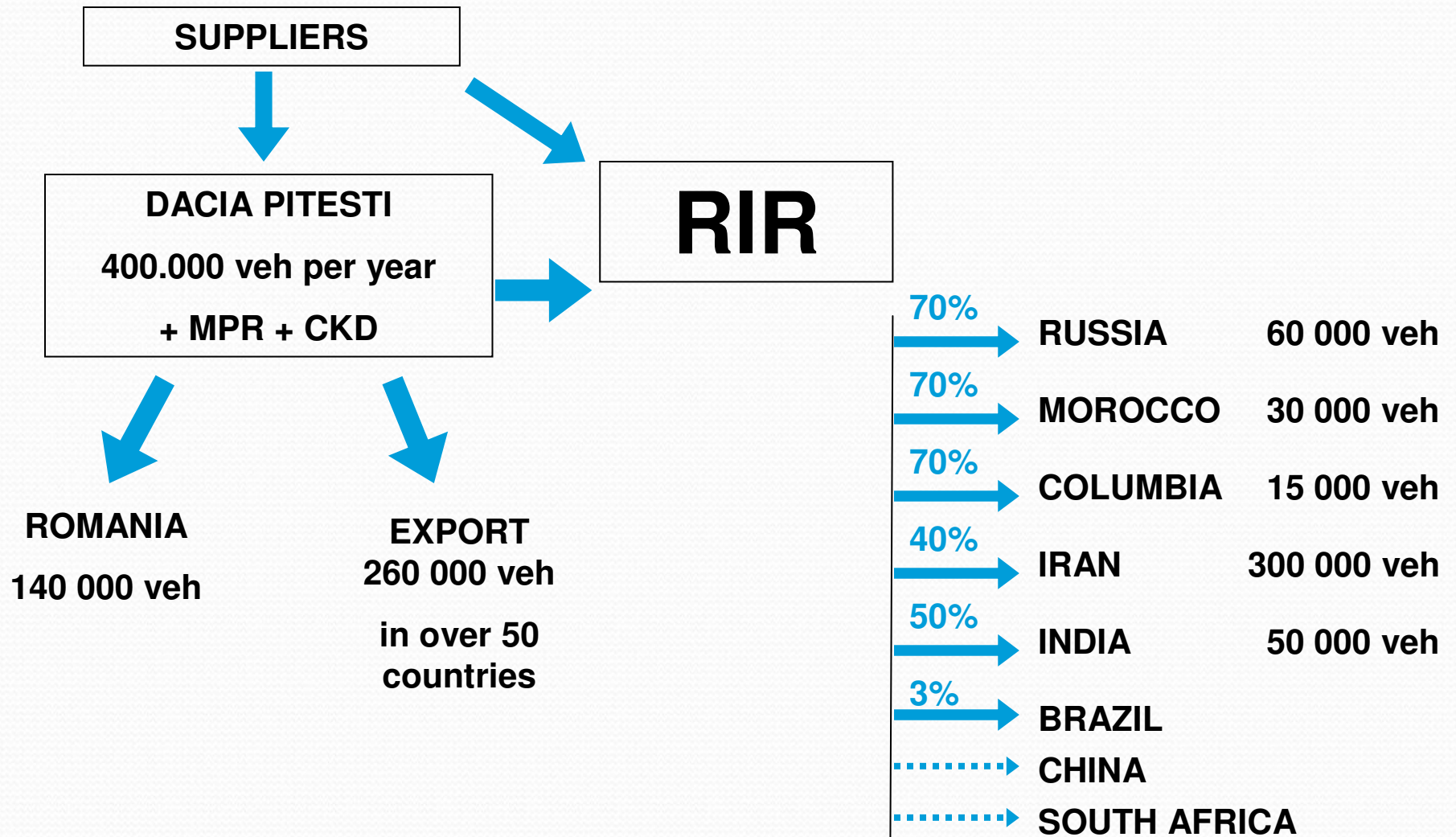


2.5 DACIA suppliers in Europe (POE + MAT)



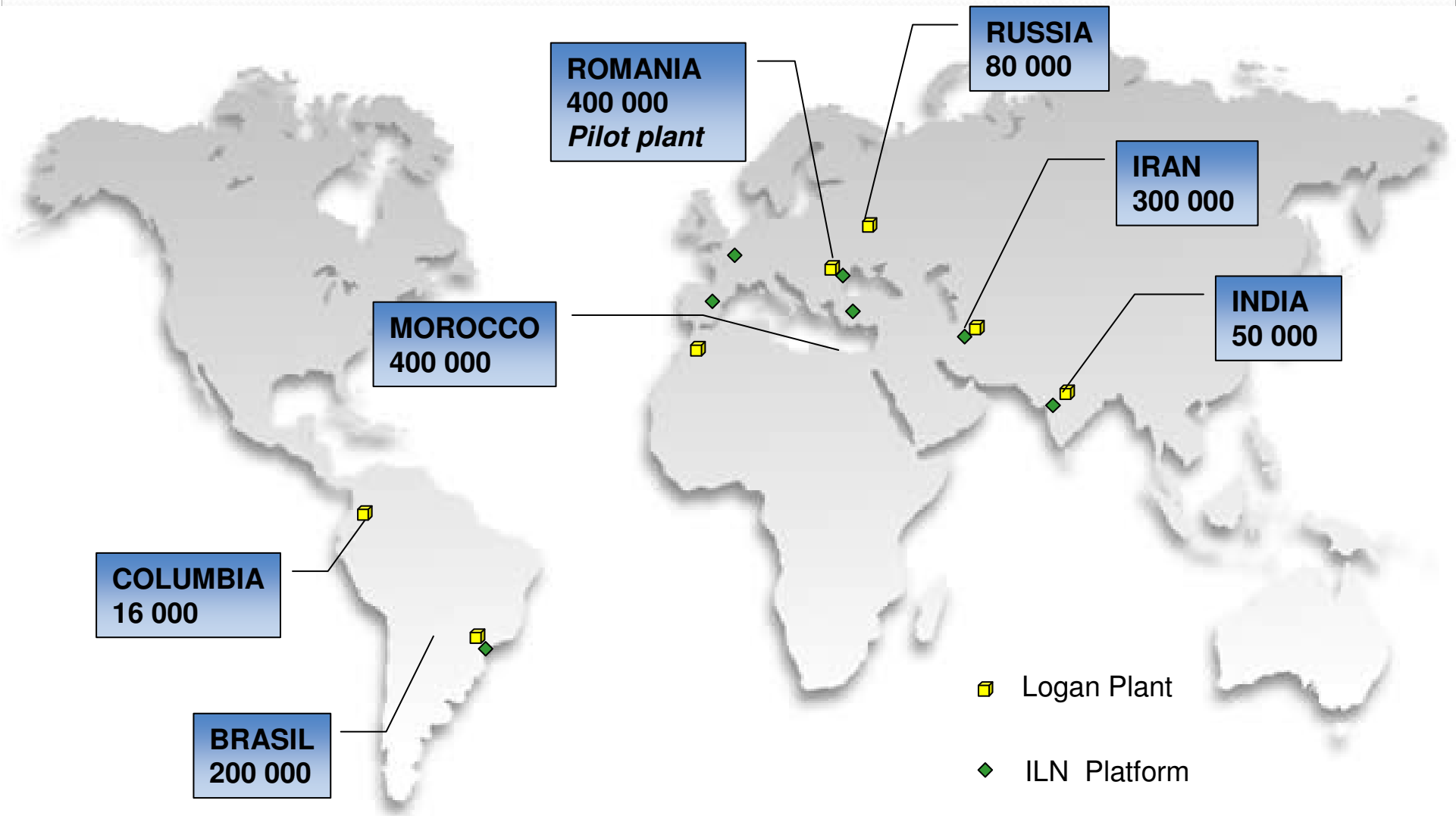
CKD MIOVENI centre

Suppliers and customers flow



2.6 Dacia Logan in 2009

International development - Capacities

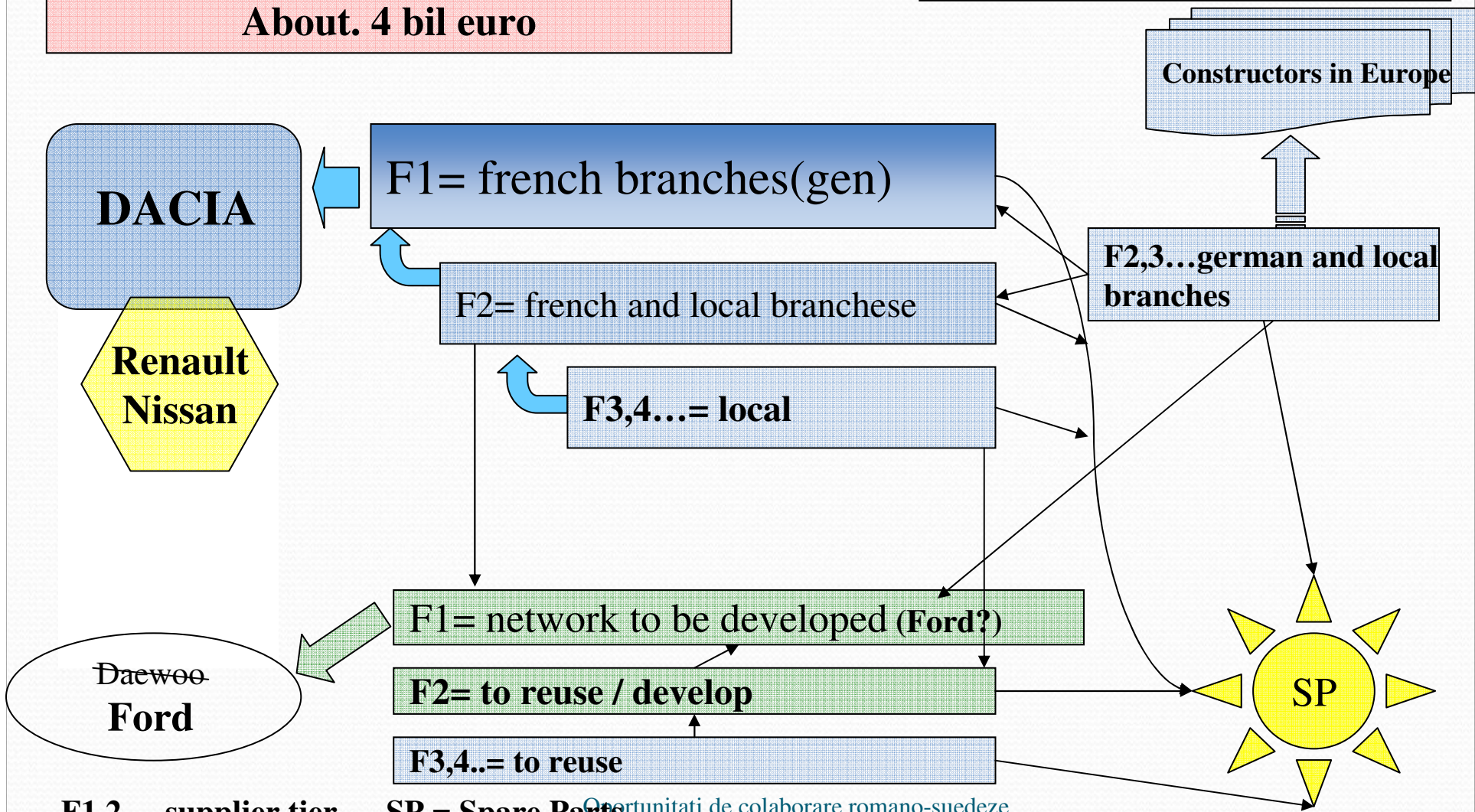


3.SUPPLIERS NETWORK

3.1 Romanian suppliers network structure

**Total estimated turnover for 2007:
About. 4 bil euro**

ACAROM has 114 members



F1,2...- supplier tier..., SP = Spare Parts

SUPPLIERS NETWORK

3.2 Questions and answers

Labour cost: **average net wage 279€/month/2007** (taxe:33%employee,30,7% employer)

Labour qualification: **good level**

Utilities cost : **similar to EU countries**

Local R+D :**There is potential**

Industrial tradition: **ok,useful**

Property rights:**OK**

Targets:
PROFIT &
LONG
LASTING

Business environment:
growing

Authorities: **encourage FDI**

Communications infrastructure:
perfectible

Capital safety:**OK**

Geoeconomic context= **favorable
for the current stage**

Local auto industrial system: **in positive rapid evolution**

Generally positive answers

SUPPLIERS NETWORK

3.3 Production locations



Oportunitati de colaborare roman-suedeze
Jan 15th 2008

SUPPLIERS NETWORK

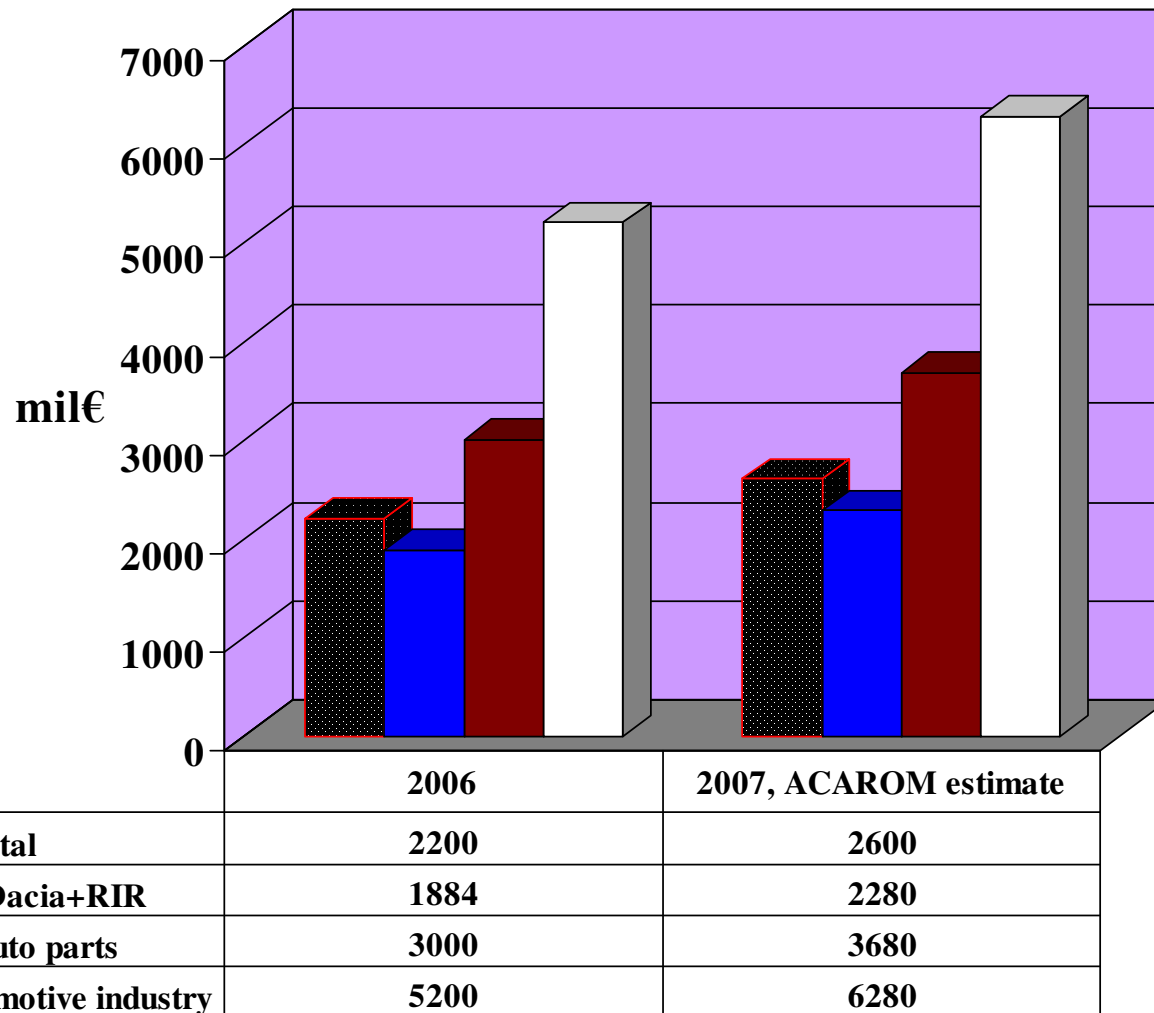
3.5 « ARGUMENTS » for continuing to develop the vehicles and parts production

Economical and social aspects:

- **Vehicle density still low : 207 vehicles/1000 hab**
- Revenues from work abroad
- **Unique tax fee (16%) contributes to revenue increase**
- Continuous economical growth
- **Attractive credit systems**
- **Over 150000 employments are linked to the automotive sector**

SUPPLIERS NETWORK

3.4 The turnover evolution in the auto sector



SUPPLIERS NETWORK

3.6 Foreign direct investments have brought technological progress in the automotive sector

- Dacia and its « key » suppliers are local branches of transnational industrial groups; the process is expanding upwards. Dacia and its suppliers have invested in Romania over 2,5 bil Euro.
- *Most of the traditional local suppliers realised J-V with major foreign suppliers;*
- The purchase of the former Daewoo plant in Craiova by Ford, with visible effects starting in 2009. Total estimated investments 675 mil Euro.
- Major parts of the conception process for vehicles and exterior parts, relevant to this being the *New Engineering Center Renault Technologie Romania, the centres Continental, Siemens, Delphi etc.*

SUPPLIERS NETWORK

3.7. Potential and priorities in the romanian automotive sector

Potential

- Low labour costs; workers adaptability to the new
- Local suppliers network and existant industrial infrastructure
- Technical universities network with R+D departments
- Support from the authorities

Priorities

- New FDI projects with high added value+developing the current ones.
- Increase of competitiveness for local parts.
- Acces to new markets.
- Developing automotive R&D = pillar for ensuring the future of the automotive industry.

International corporations will remain « the pilots » of the automotive sector development; they must won over and secured on a long term basis.

4. ACAROM: support for developing the suppliers



ACAROM- the Romanian Manufacturers Association

member of ACEA and ODETTE International :

- *ACAROM is representative at a national level, 114 membres, including Dacia.*
- *offers information concerning it's members, their technological profiles, development trends of the automotive sector;*
- *facilitates reunions with local suppliers*
- *offers support in order to find suppliers, depending on their field of activity*

ACAROM works in partnership with:

BRD- Groupe Société Générale in order to financially suport the new investments

and

ARIS- The Romanian Foreign Investment Agency



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