
Deloitte Partner: Pandemic could help Romania become an EU supply chain superhub

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Romania could play a significant role in the new supply chain strategy of Europe as most EU countries are debating the repatriation of substantial operations from traditional manufacturing and service centers in Asia amid the COVID-19 pandemic.

“As the COVID-19 health crisis is being digested by Europe, governments and businesses are not just trying to predict the financial impact, but to also understand how to structure the new operational framework for both business continuity and national security. The new reality could showcase the significant advantage of Romania in its development as a European hub replacing non-EU outsourcing centers,” says Dimitrios Goranitis, Risk Advisory Partner, Deloitte Romania, in a personal opinion piece.

“A friendly pro EU environment, a population of over 19 million, a competitive labor cost structure, a skilled labor force, and an experienced model in production outsourcing could become a desirable alternative for major Western European countries that are already Romania’s trading partners.”

Romania could make its case even more compelling with a stable tax environment for international companies, a more efficient digital framework for a business to communicate with authorities, and an effective legal framework to reduce corruption, according to Goranitis. A conservative monetary policy to promote EUR/RON stability, significant investment in developing highway/port/airport infrastructure and a stable political environment that inspires trust would also be a tremendous catalyst for the country to seize a once-in-a-lifetime strategic opportunity. A similar concept applies to the modernization of the agricultural economy and the services economy.

“Romania could make a compelling case to EU for a new place in the European supply chain and secure funding to become Europe’s production hub, in the long run, advancing its economy by positioning itself in the heart of European security,” the Deloitte Partner concludes.

(Romania Insider)