# 2020 TEXTILE INDUSTRY IN ROMANIA

**EMBASSY OF INDIA, BUCHAREST** 

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Under communist rule, Romania had the biggest production capacity in the whole Eastern Bloc, after Russia. Romanian textile and garment industry has seen an overall decline since 1989 mainly due to higher degree of competition from other countries such as Turkey, China, India, Pakistan, Thailand and Mexico. The high competition has forced the big Romanian companies to reorient their production towards disadvantaged economic regions due to net advantages from the point of view of legislative regulations, fiscal policy, environment protection regulations and the cost of labour.

Since 1989, the Romanian textile sector has also been changing due to the new economic, social and political conditions. There have been structural changes along with quantitative and qualitative changes as well. The share of garment sector in the industry rose from 28% in December 1989 to 62.5% in January 2004 and 44.7% in January 2015. Surprisingly, however, according to Euratex trade statistics, Romanian textile sector performed much better than the garment sector in 2018. Romanian textile exports rose 11.9% during the year, while imports were up 6.6%. But Romanian garment exports went down 4.5%, while imports soared 20.5%.



Between 2007-2017, 135,000 jobs were lost in the textile industry of Romania as a result of rising competition, both from within the EU region and from Asia. Other factors included financial crisis, and VAT hikes discouraging foreign investment. As of 2019, around 148,000 people were employed in Romania's textile and garment industry.

Since 2007, when Romania joined European Union, clientele of Romania's big textile companies such as Faberrom has changed in favour of top luxury brands. Today, less than 200 people sew garments in Faberrom for prominent western brands, and production has dropped from 7,000 to only 350 pieces per day.

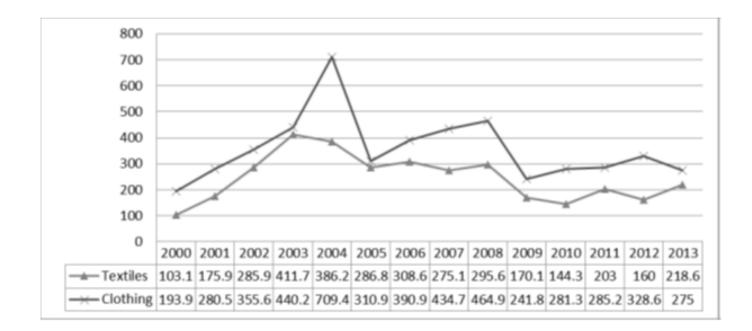
The most important characteristic of garment industry in Romania has been the development of the Lohn production system, in which Romanian companies became subcontractors of foreign companies, without their own identity on the market (in terms of brand image, visual identity etc.). Because of the Lohn system, the local textile industry has had to suffer with the local demand becoming very low.



According to Figure 1 that shows investment in textiles and garment industry of Romania, there is a clear difference in the investment evolution between the two sectors. Thus, if in the start of the period, i.e. 2000, in the garment sector there were investments of about 90 million Lei higher than those in textiles, in 2003 the amounts invested for the two sectors were approximately the same. Amid the sharp rise of production in the Lohn system, in 2004 over 709 million Lei were invested in the garment firms, while the funds allocated to textile firms were lower by approximately 25 million than in 2003. Investments were made mainly in machinery and production equipment so that firms could accept external controls. This explains the decrease to less than half of this indicator in the next year as firms have already been re-technologized. Continuous fluctuations followed, without a predetermined pattern that can reveal a dependency or similarity between the two sectors. In 2013, it can be noted an improvement of this indicator compared to data from 2000. Investments in textiles doubled, reaching 218.6 million Lei in 2013, while in the garments industry investments were only of 275 million Lei.



Figure 1. The Evolution of Net Investments (mil. Lei – 4.8 Lei is roughly equivalent to 1 Euro)





## Some important facts about textile and garment industry of Romania:

(i) Total imports of textile and garment by Romania from other countries: Euro 1.49 million (2018).

(ii) Total exports of textile and garment by Romania to other countries: Euro 0.81 million (2018).

(iii) Major items of import: Synthetic fibers, cotton and cotton yarns, cotton and cotton, fabrics, wool and wool type fabrics, silk fabrics, knitwear, socks and stockings (2018).

(iv) Major items of export: Knitwear, synthetic fibers, wool yarn and wool type, synthetic yarn fabrics

(v) Top countries from where textile and garment is imported by Romania: Italy, Poland, UK, Germany, Spain.

(vi) Top countries to which Romania exports textile and garment: Italy, France, Germany, Austria, Macedonia, Moldova.



List of major textile and garment companies of Romania along with contact details:

#### **Tanex SRL**

Sos. Bucuresti - Magurele, nr. 47B, Sector: 5, 051432, Bucuresti, Romania Tel: 0040-21-421-0216 Email: office@tanex.ro Website: www.tanex.ro

#### Nova Textile SRL

Str. George Cosbuc, nr. 70, 110103, Pitesti, Jud. Arges, Romania Tel: 0040-248-282-883 Email: office@nova-textile.ro Website: www.nova-textile.ro

#### Tricotex Bacău

Str. Tineretului , nr. 2, Bacau, Romania Tel: 0040-234-515-220 Email: office@tricotexbacau.ro Website: www.tricotexbacau.ro

#### Ann Reeves & Francesca

Str. Nicolae Balcescu, nr.173, Piteşti, Argeş 110066, Romania. Tel: 0040-248-280-535 Email: office@francesca.ro Website: www.francesca.ro

#### Vastex S.A.

Strada Stefan cel Mare, nr. 273, 730006, Vaslui, Romania. Tel: 0040-235-361-536 Email: office@vastexvs.ro Website: www.vastexvs.ro

#### Majutex S.R.L.

Str. Dafina Doamna nr. 46, Bârnova 707035, Romania Tel: 0040-723-553-707 Email: office@majutex.ro Website: www.majutex.ro

#### **Details of industrial parks and regions of Romania**

#### Sabaru Industrial Park

Alexandriei Venue nr. 544, km.14, 07025 Bagadiru, Ilfov, Romania Tel: 0040-021-4481-498/ 0040-21-4481-499 Mobile: 0040-749-550-143/ 0040-749-550-140 Email: office@sabaru.ro Website: www.sabaru.ro

#### Adlo Oradea (Oradea local development agency) Str. Primăriei nr 3, parter, Oradea, Bihor Tel: 0040-359-889-389 E-mail: contact@adlo.ro Website: www.adlo.ro

### Cisnadie Industrial and Business Park I Sibiu I Romania

Transilvaniei, nr. 5 si 11 Cisnadie, Romania Phone: 0040-721-264-044 Email: office@spatiidepozit.ro Website: www.spatiidepozit.ro

#### Moreni Industrial Park

Teis street, nr. 16 D, Moreni, Dambovita County, 135300, Romania Tel: 0040-245-668-490 Email: parc\_moreni2002@yahoo.com Website: www.parcindustrialmoreni.ro

#### Miroslava Industrial Park

Miroslava, Iasi County, Romania Tel: 0040-232-295-680, 0040-748-663-344 Email: office@miroslavaindustrial.ro Website: www.miroslavaindustrial.ro

#### <u>Details of textile and garment associations, investment</u> <u>promotion agencies, key Ministries etc.</u>

#### Ministry of Economy, Energy and Business Environment Government of Romania

Victoriei Avenue, nr. 152, Sector 1, București, cod 010096 Tel: 0040-21-202-5106/0040-21-202-5311

#### **Textile Industry National Association of Romania**

Tel: 0040-749-126-111 Email: contact@asociatiatextilistilor.ro Website: www.asociatiatextilistilor.ro

#### Patronage Federation of Textile, Clothing and Leather

George Enescu street, nr.27-29, UGIR-1903 Palace, 010303, Sector 1, Bucuresti, Tel: 0040-21-3112-981, 0040-21-3112-982 Email: office@fepaius.ro, fepaius@fepaius.ro Website: www.fepaius.ro