



## **Fees and taxes** paid by FIC member companies and their employees in Romania

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# Foreword

The past two years have been marked by unprecedented challenges and changes in the global economy. The outbreak of the COVID-19 pandemic in 2020 had an impact on all aspects of our society, representing a challenge for the economies of states around the world, bringing changes to global economic development, and the recovery of the post-pandemic economy was made difficult by the context of the conflict in Ukraine.

Recent publications by international institutions, as well as national ones, have assessed a downward in economic growth for the current year, estimating a reduced advance of the economy around 3% for the year 2023.

FIC members believe that stimulating foreign and domestic investments, especially by setting a vision for Romania to attract investments with high added value, is a country objective that can lead to economic growth and, ultimately, to the well-being of citizens. The members also reiterate that it is important that investment projects, public or private, do not stagnate, and that the authorities get involved in providing a climate of stability, transparency, and predictability. The funds that our country benefits from, through the National Recovery and Resilience Program (NRRP), should be absorbed with a greater determination to continue investments in an accelerated manner in key pillars such as: taxation, energy, institutional capacity, human capital, and digitization.

At the same time, the reforms that must be implemented with the help of the NRRP have the objective of smart, sustainable and inclusive economic growth through the fiscal reform and pension system components. Thus, the Romanian fiscal legislation is subject to a detailed analysis, especially in the field of taxes (on profits, on properties, etc.) and social contributions due for the income obtained by natural persons.

In this sense, FIC members welcome the opportunity for a general revision of the fiscal framework and consider it important that the fiscal legislation continues to be attractive so that Romania remains competitive with neighboring countries and keeps on attracting more foreign investments. **The predictability and competitiveness of the tax system are key elements in attracting foreign direct investment, and any change in the tax regime must happen transparently and only through dialogue with the business environment.**



## About the study

The Council of Foreign Investors (FIC) represents one of the most important organizations of the business environment in Romania which brings together 116 of the largest foreign investors. They employ approximately 190,000 people and have a cumulative turnover that represents a quarter of Romania's GDP. It should be mentioned from the beginning that FIC documents do not reflect the position of all companies with foreign capital in Romania, but only of its members.

This document is a joint effort of a representative sample of FIC member companies. The analysis was carried out by collecting data from 56 companies registered at the Romanian Trade Registry that voluntarily participated in this study and transparently provides details on the level of taxes and fees they transfer to the state budget. Out of the 56 companies responding to the questionnaire, because of incomplete data only for 49 companies we will interpret the salary data (average net monthly salary in 2022 for employees of FIC companies, contributions paid for pensions, social health insurance, income tax), commercial profitability and net profit/employee. A similar analysis was also published by FIC in 2022, providing an overview of the contribution of foreign companies to GDP and the creation of well-being in Romania.

The purpose of the study is to show the direct contribution that a sample of companies with foreign capital has to the economic growth recorded in Romania through taxes, investments, wages paid directly and indirectly through the supply chain.

In the context of the attributes presented above, in our analysis we will generically refer to the companies responding to the questionnaire as "FIC member companies" and their employees as "FIC company employees". The data analyzed are related to the fiscal year 2022 (January - December 2022).

**The analysis was performed by collecting data from  
56 companies.**

## Summary

- The analyzed companies are large foreign capital (corporations) companies (25 of them are part of the top 100 largest companies in Romania by turnover, and 7 of them are part of the top 10 banks in terms of asset value).
- For more than 25 years, these companies have been registered and paying taxes in Romania. Also, the investments made by them had, on average, as starting point the end of the 1990s, a fact that reveals their commitment to invest in Romania for the long term. In 2022, the investments of FIC companies were over 10 billion RON, representing 25% of capital expenditures according to the execution of the consolidated budget.
- In 2022, the sum of contributions and taxes paid monthly (4,723 RON) from the total salary for a FIC employee (employee of one of the 49 analyzed companies) exceeded the average net salary for the economy (4,398 RON).
- The analyzed companies pay both salaries and employee contributions on time, and all employees receive their salaries and bonuses transferred directly into their bank accounts. Thus, FIC companies contribute to the reduction of the “underground economy” in Romania.
- 47 FIC member entities transferred to the Romanian budget VAT and excise duties in the amount of approximately RON 40 billion, meaning 31% of the total VAT and excise duties collected by the state (approximately 130 billion RON).
- 55 companies from those analyzed made payments of over 11 billion RON to the Romanian budget, more than half representing social contributions and profit tax in 2022.
- The analyzed companies operate in sectors such as: energy, industry, financial services, telecommunications, IT, pharma, tobacco and alcoholic beverage production, trade, consulting, and others.
- They contributed significantly to the modernization of the national economy and its integration into both the European economy and international export and production chains.
- They brought technology and know-how to the domestic market, thus contributing to increased productivity, as well as corporate governance through which they promoted the importance of fairness, transparency, and accountability in companies.
- They directly contributed to the economic growth recorded by Romania through the investments made available and through the salaries paid directly to employees and indirectly through the supply chain.
- The 56 FIC members who answer the questionnaire contributed in 2022 to the state budget with approximately 58 billion lei, the equivalent of 14% of current revenues to the general consolidated budget (GCB).
- The contribution of all 115 FIC member companies is higher. By extrapolation, controlling a set of variables, including turnover, number of employees and profit tax, as well as attributes related to the object of activity, the contribution of all FIC member companies to BCG was estimated at 84 billion lei, which represents 20% of current revenues collected by the state in 2022.

## The companies analyzed in 2023

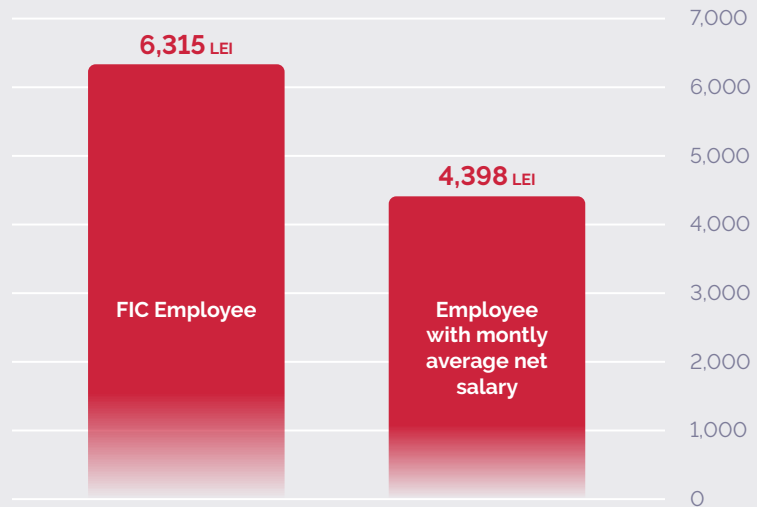
1	Alinso Group	29	JT International
2	Alliance Healthcare Romania	30	KMG International - Rompetrol
3	Alpha Bank Romania	31	KPMG
4	Arctic	32	Mazars
5	Atos	33	Mediplus
6	Bergenbier	34	Dr. Max
7	BRD-Groupe Societe Generale	35	Mega Image
8	British American Tobacco	36	MOL
9	Bristol Myers Squibb Romania	37	NN Asigurări de Viață
10	Bristol Myers Squibb Marketing Services	38	OMV Petrom
11	Can-Pack	39	Orange
12	Carrefour	40	OTP Bank
13	Clean Tech International	41	Pirelli
14	Coca-Cola	42	PwC Romania
15	Deloitte Romania	43	Raiffeisen Bank
16	DP World	44	Rockwool Romania
17	E.ON	45	Saint-Gobain Romania
18	Endava	46	Selgros
19	ENGIE Romania	47	Sodexo Pass
20	Ernst & Young	48	Star Assembly
21	Erste Bank Group - BCR	49	Star Transmission
22	Eurotex SH SRL	50	Tenaris Silcotub
23	Ford Otosan Romania	51	Total Energies
24	Grawe Romania	52	UniCredit Bank
25	Groupama Asigurări	53	Uniqa Asigurări
26	Holcim	54	Uniqua Asigurări de Viață
27	ICME ECAB/Steelmet	55	Ursus Breweries
28	ING Bank	56	Vienna Energy Forța Naturală

# Taxes paid by FIC employees



In 2022, a FIC employee of one of the 56 analyzed companies earned an average net salary of 6,315 RON per month, with **more than 44% compared to the average net salary** in the economy of 4,398 RON.

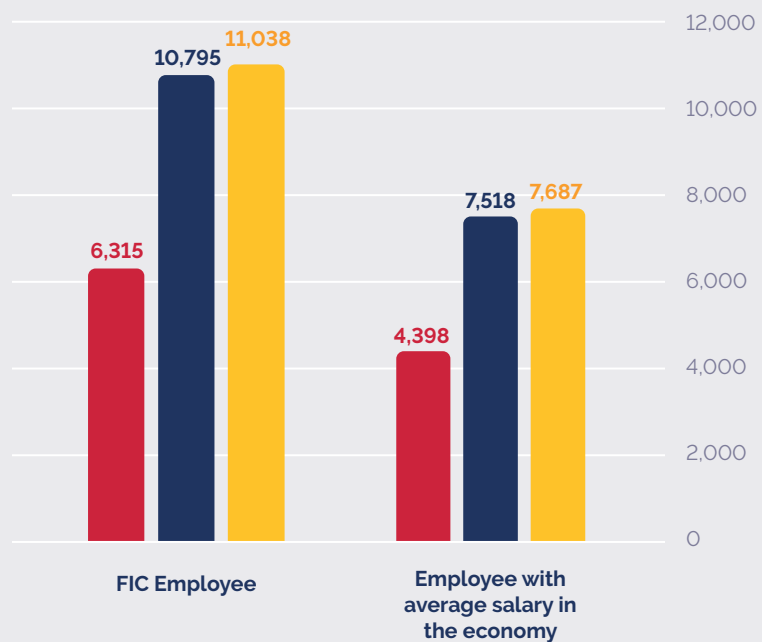
Employee with monthly average net salary 2022 (ron)



SOURCE  
FIC and INS data

Monthly average net salary in 2022

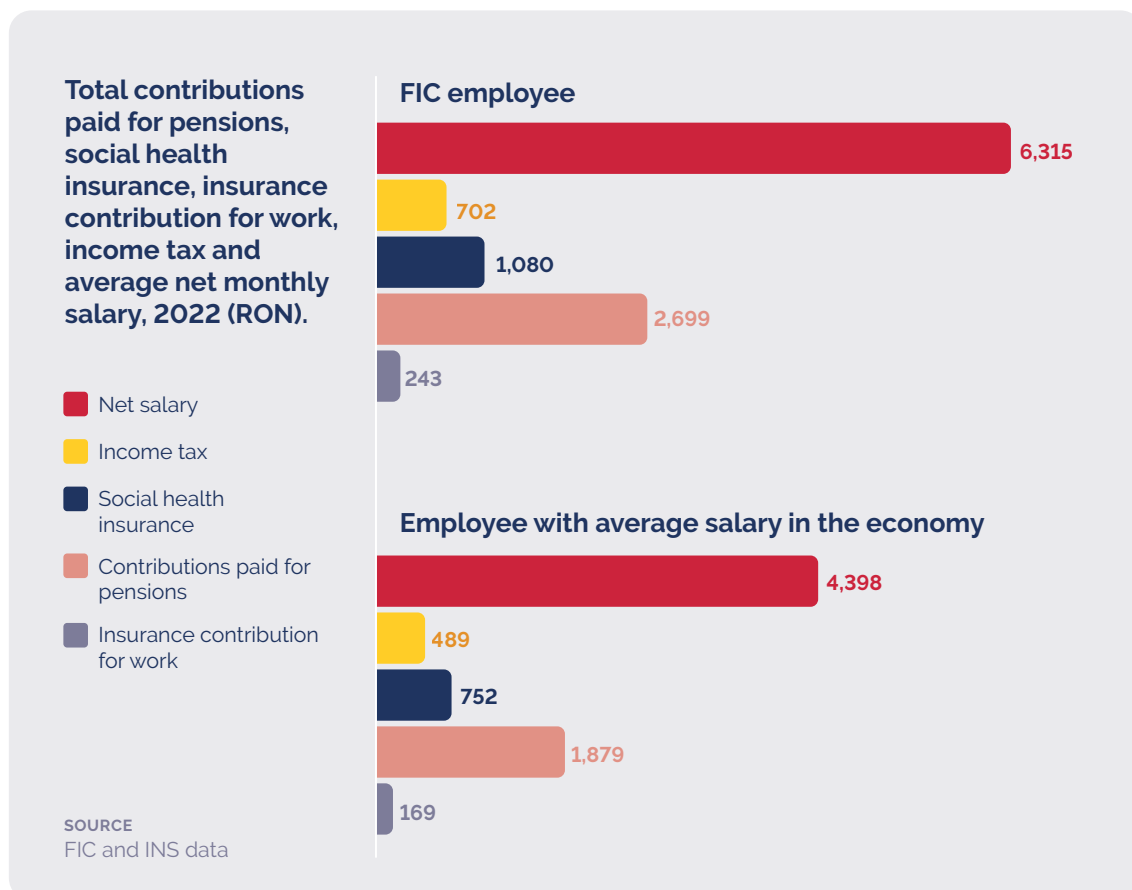
■ Net salary  
■ Gross salary  
■ Total salary



SOURCE  
FIC and INS data

In 2022, to pay an average net monthly salary in Romania in the amount of 4,398 RON, the employer had a total cost of 7,687 RON. In the case of a FIC company, the total cost of an average net salary of 6,315 RON was 11,038.05 RON. These amounts included both taxes and contributions paid by the employee and those paid by the employer over and above the employee's gross salary.

To pay a FIC employee the net salary of 6,315 RON, the company **transfers approximately 4,800 RON to the state.**

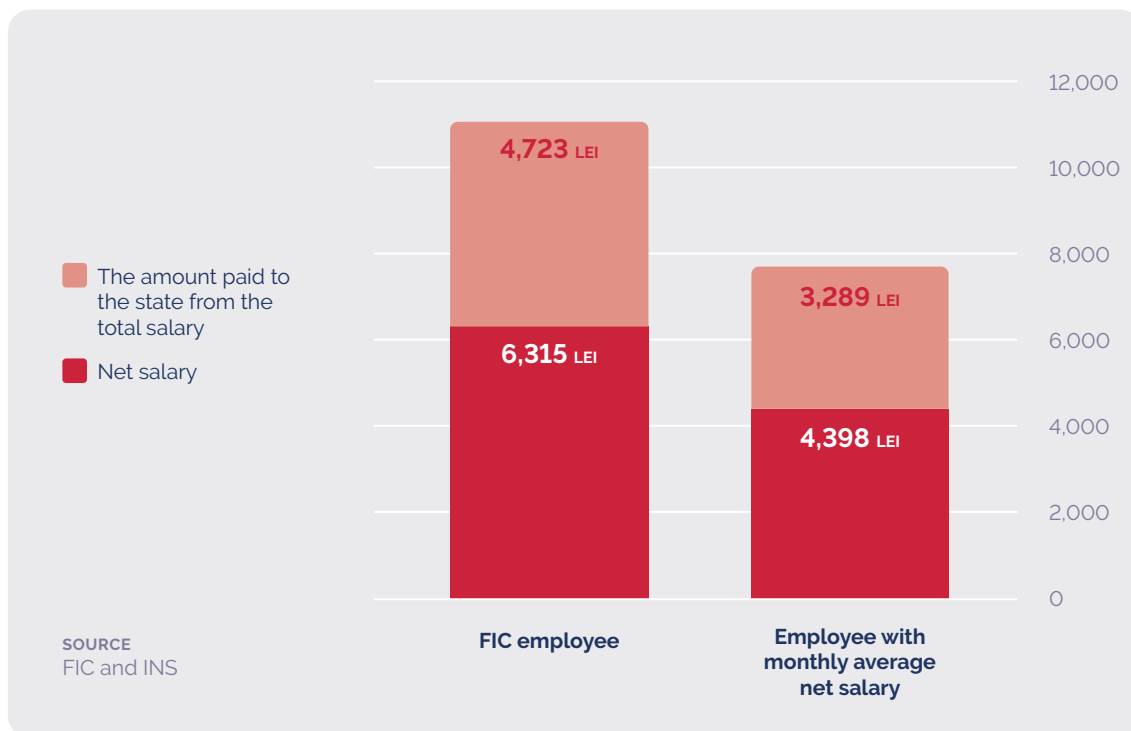


For a FIC employee earning a net salary of 6,315 RON per month in 2022, the company transferred 4,723 RON to the state, consisting of all necessary taxes and contributions.

The state collects the 4,723 RON from each FIC employee to produce public goods and offer services, which it makes available to all citizens. On average, each FIC employee contributes approximately 57,000 RON to the state budget each year, not counting the excise and VAT they pay when shopping or on local taxes.



The amount of contributions and taxes paid monthly from the total salary for a FIC employee (the employee of one of the 49 analyzed companies) **exceeds the average net salary in Romania.**



The amount of contributions and taxes paid monthly for a FIC employee is 4,723 lei compared to the amount of 3,289 lei paid for an employee with average salary per economy.

Therefore, what we can see from the data analyzed so far is that for FIC companies the average salary is much higher than Romania's minimum salary. Furthermore:

- Corporations pay both wages and employee contributions on time.
- All corporation employees receive their salaries and bonuses directly transferred into their bank accounts. Thus, FIC companies contribute to the reduction of the "underground economy" in Romania.
- Corporation employees are "bankable" clients, both through the level of net salary gain and through the security offered by the financial situation of the company they work for.
- The main objective of public policies must be aimed at attracting investments in industries with the highest added value, where salaries are also higher.

The net profit made by each FIC employee in 2022 was 183,827.15 RON. At the same time, the total salary cost of a FIC company for an average net monthly salary of 6,315 RON was 132,456.64 RON.

Net profit per employee made by FIC companies and the total cost to pay an employee's average annual salary, 2022

**183,827.75**

Net profit/employee

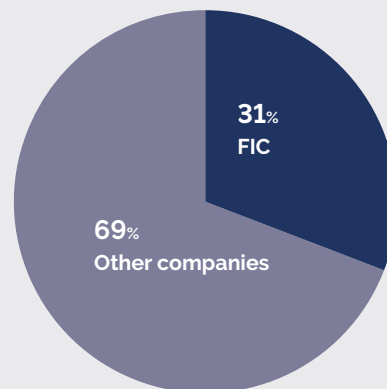
SOURCE  
FIC data

## Taxes paid by FIC companies



47 FIC companies transferred to the Romanian budget VAT and excise duties in the amount of approximately 40 billion RON, meaning 31% of the total VAT and excise duties collected by the state (129 billion RON).

### VAT and excise duties transferred to the State budget 2022 (%)



SOURCE  
FIC and the Romanian  
Ministry of Finance

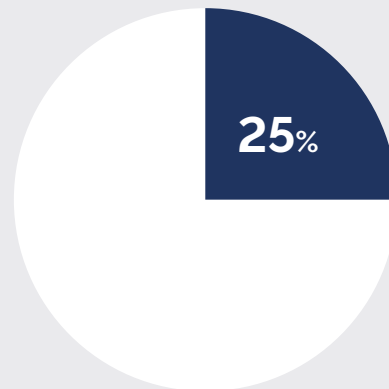
The state relies to a very large extent on the efficient and transparent systems of companies that collect excise and VAT, and we observe that they do so without fraud and without payment delays. The state can be sure at any time that these companies will collect the excise and VAT and pass it on immediately. These indirect taxes provide the government with essential funds to finance public expenditure and contribute to the economic and social development of the country.

The 56 FIC member companies responding to the questionnaire made payments of over 58 billion RON to the Romanian state budget in 2022, representing approximately 14% of the total current revenues to the state budget.

Moreover, the sums collected from FIC companies represented 49% of the total budget expenditures with personnel and 80% of the total budget expenditures with goods and services. Thus, these percentages highlight the substantial contribution that the surveyed FIC companies bring to the state budget, both in terms of supporting public expenses related to personnel, and the procurement of goods and services for the government and/or other public institutions.

Turnover (T/O) is another component that we consider when analyzing the impact of FIC member companies over the Romanian economy. The T/O of all FIC member companies have a significant role in Romania's Gross Domestic Product (GDP). In this sense, their turnover **represented approximately 25% of nominal GDP in 2022**. Thus, this proportion indicates a substantial contribution of FIC member companies to the country's total economic activity, underscoring the importance of promoting an environment conducive to attracting foreign direct investment, maintaining strong international trade relations, and harnessing the benefits of technology transfer and innovation to drive growth and development economic.

**% T/O, FIC member companies/nominal GDP, Romania 2022**



**SOURCE**  
FIC, the Romanian  
Ministry of Finance, the  
World Bank



Foreign  
Investors  
Council

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