

# IT OUTSOURCING ROMANIA

**A Strategic Business Guide**



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# **Why Romania is a Prime Destination for IT Outsourcing**

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## 1. Introduction

Romania has positioned itself as a top-tier IT outsourcing hub, attracting companies looking for **high-quality services at competitive rates**. As the global IT outsourcing market surpasses \$525 billion, Romania remains a preferred destination thanks to cost efficiency, top technical expertise, and a favorable business climate. Companies worldwide choose Romania for its strategic location, highly skilled talent, and robust digital infrastructure.

## 2. Why Outsource to Romania?

Romania stands out due to its business-friendly environment, modern infrastructure, and strong technical capabilities. Here's why companies continue to invest in Romanian outsourcing:

- **Exceptional Talent: Strong IT Workforce:** With over 160,000 IT specialists and more than 8,000 IT graduates each year, Romania continues to foster a highly skilled and growing tech talent pool.

- **Language & Cultural Compatibility:** Most of IT professionals are fluent in English, with many speaking French, German, or Italian.
- **Competitive Costs :** While rates are rising, Romania still offers up to 40% savings compared to Western Europe.
- **Time Zone Advantage:** Working hours overlap with both Western Europe and the U.S., facilitating seamless collaboration.
- **Nearshoring Benefits:** Romania is an EU member, providing legal stability and easy access for European partners.
- **World-Class Internet & Digital Infrastructure:** Ranked among the top 5 globally for internet speed, ensuring smooth remote operations.

### 3. Key Facts on Romania for Investors

- **Country Area:** 237,500 sq.km
- **Population:** 19 million
- **Capital:** Bucharest
- **Currency:** Romanian Leu (RON)

- **Time Zone:** GMT+2 (GMT+3 in summer)
- **GDP per Capita (2024):** \$21,570
- The IT industry reported revenue of **\$13.7 billion in 2024**. With a projected 10% CAGR growth, the industry is expected to reach approximately \$27.4 billion by 2029.
- **Average Gross Wage in the IT Industry (2024):**  
The average gross monthly salary in the IT sector is approximately 12,653 RON (€2,500), significantly higher than the national average salary of 4,973 RON (€1,000).
- **Economic Growth:** Romania has shown consistent economic expansion, with GDP per capita rising steadily over the past 20 years.
- **Foreign Direct Investment (FDI):** A key hub for foreign investment in Central and Eastern Europe, Romania has attracted substantial capital in IT and technology-related industries. Over the past decade, the country attracted over 300 FDI projects in the Software and IT Services sector, making it the leading sector for foreign investment.

- **Taxation:** The country offers a business-friendly tax structure, with a flat 16% corporate and personal income tax rate - one of the lowest in the European Union.

## 4. Market Growth and Economic Influence

The IT sector contributes 6% to Romania's GDP, reinforcing its economic importance. Key growth drivers include:

- **Major foreign investments:** Over €20 billion from global companies invested in the Romanian IT market over the past 3 years.
- **Fintech, Healthcare & Cybersecurity Growth:** Rapid expansion in AI-driven solutions, secure financial services, and health-tech innovations.
- **AI & Automation Focus:** Companies invest over €50 million annually in artificial intelligence and process automation.
- **Talent Retention & Upskilling:** Continuous improvement in higher education & professional training programs



## 5. Technological Drivers & Digital Transformation

Romania is at the forefront of digital transformation, with an increasing number of tech firms integrating AI, automation, and hybrid workforces:

- **AI & Machine Learning:** Over 40% of Romanian IT companies already leverage AI for optimization and innovation.
- **Cloud & Big Data:** A growing number of companies are shifting to cloud-based services to enhance scalability and performance.
- **Hybrid Work Models:** 70% of Romanian IT firms have successfully adopted hybrid work strategies, improving flexibility.
- **Cybersecurity Leadership:** Romania hosts several key European cybersecurity R&D centers, reinforcing its global standing.
- **5G Connectivity & Fiber Networks:** High-speed internet infrastructure supports rapid innovation and development

## 6. Challenges & Solutions in IT Outsourcing

Despite the strong market potential, outsourcing in Romania comes with some challenges. However, businesses are finding effective solutions:

### Challenges:

- **Rising Salaries & Competition for Talent:** Skilled developers are in high demand, leading to salary increases.
- **Regulatory Adjustments & Tax Reforms:** Tax changes may impact incentives for IT professionals.
- **Automation Reducing Entry-Level Roles:** AI and automation are reshaping junior IT roles, requiring more upskilling.

### Solutions & Opportunities:

- **Strategic Hiring & Upskilling:** Companies invest in advanced training programs to develop mid-level and senior expertise.



**Hybrid & AI-Powered Teams:** Combining human expertise with AI-driven automation optimizes productivity.

## 7. Top Tech Hubs in Romania

### Bucharest – The Outsourcing Powerhouse

- **Key Players:** Microsoft, IBM, Oracle
- **Specialties:** Business process outsourcing (BPO), AI research, cloud services
- **Advantages:** Largest tech workforce, modern infrastructure, high investments
- **GDP per Capita:** ~\$50,000
- **Average Gross Wage:** 10,812 RON (~\$2,400)
- **Average Gross Wage in IT:** 15,184 RON (~\$3,370)

## Cluj-Napoca – The Silicon Valley of Eastern Europe

- **Key Players:** Bosch, Emerson, NTT Data
- **Specialties:** Software development, R&D, fintech
- **Advantages:** Strong startup culture, university-driven talent pipeline
- **GDP per Capita:** ~\$40,000
- **Average Gross Wage:** 10,362 RON (~\$2,300)
- **Average Gross Wage in IT:** 14,551 RON (~\$3,230)

## Timisoara – Multicultural Tech Hub

- **Key Players:** Nokia, Continental, SAP
- **Specialties:** Embedded systems, software engineering
- **Advantages:** EU-backed infrastructure, highly skilled multilingual workforce
- **GDP per Capita:** ~\$35,000
- **Average Gross Wage:** 9,911 RON (~\$2,200)
- **Average Gross Wage in IT:** 13,918 RON (~\$3,090)



## Brasov, Iasi, Craiova & Oradea

- Growing hubs with strong IT potential and expanding business ecosystems.
- **Average Gross Wage in IT** is lower than top 3 IT outsourcing destinations  
(Bucharest, Cluj and Timisoara)

## 8. Emerging Trends & Strategic Opportunities

- **Performance-Based Pricing Models:** 25% of contracts now include value-based pricing.
- **Sustainability in IT:** 35% of firms integrate green IT practices.
- **Growth in Fintech & Healthcare IT:** Strong demand for **regulatory-compliant, secure solutions**.
- **Expanding Global Reach:** Increasing partnerships with the **U.S. and Western Europe**.

## 9. Understanding the Cost of IT Outsourcing in Romania

Romania remains one of the most competitive destinations for IT outsourcing in Europe, offering high-quality software development services at attractive rates. Based on data from our Romanian IT partners—**over 50 local IT outsourcing companies**—the average daily rate for IT outsourcing services in Romania ranges **between \$320 and \$380 at a national level**.

In major IT hubs like Bucharest and Cluj-Napoca, where the talent pool is highly skilled and the cost of living is higher, the average daily rate increases to around \$420. However, for specialized projects requiring niche expertise and senior engineers, prices can go as high as \$700 per day.

These rates are influenced by multiple factors, including talent costs, operational expenses, taxes and benefits, and project complexity. For more details about the Romanian outsourcing market, we recommend reaching out to professional services.



## 112Hub: Romania's Specialist in IT Outsourcing Consulting

At 112Hub, we provide tailored solutions for companies seeking to establish or expand their presence in Romania, Portugal, or Bulgaria, ensuring both technical excellence and cultural alignment. Our expertise is structured into three key service areas:

- **Supplier Evaluation and Matching** – We thoroughly assess your specific requirements and connect you with the most suitable partners from our extensive network. Whether you need **software development, IT security, or specialized technology solutions**, we ensure an optimal match to meet your business objectives.
- **Operational Support** – For companies setting up operations in **Romania, Portugal, or Bulgaria**, we provide **interim management services**, assisting with local market entry, compliance, and operational efficiency to ensure a smooth transition.

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- **Mergers and Acquisitions (M&A)** – Since **2018**, we have been supporting businesses in identifying and acquiring **software companies** in **Romania, Portugal, and Bulgaria**, facilitating strategic growth and expansion in these dynamic markets.

With a **vetted network of over 60 trusted local partners**, we bring deep industry expertise and local insights to streamline **IT outsourcing, operational setup, and investment strategies**, ensuring long-term success.

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