

Cushman & Wakefield Echinox analysis: The large technology companies have quadrupled their businesses and teams in Romania between 2009 and 2019, to over 3 billion Euros and 50,000 employees



**The top 50 largest technology companies in Romania, which realise software and digital solutions for group companies or for third parties, have increased in the last ten years by approximately four times the turnover and teams in Romania, reaching a cumulative turnover of 3 billion euros and over 50,000 employees in 2019, according to a Cushman & Wakefield Echinox analysis.**

Most of these companies, such as Amazon, IBM, HP, Microsoft or Oracle, are also in the top of the largest technology companies globally, which reconfirms Romania's position in the top of the most dynamic IT hubs in the world.

With 5.5% contribution to Romania's GDP overall formation in 2019, the technology sector has become an important pillar of the national economy, but also of the real estate market, given that companies in this industry have been the most active office occupier in the last decade, both in Bucharest and in other university centers in Romania, such as Cluj, Timisoara or Iasi, generating, on average, about 40% of demand.

The latest data of the National Institute of Statistics indicated in 2018 a number of 140,000 employees in the IT industry in Romania, most of them working in Bucharest (46%), Cluj (12%), Timisoara (9% ) and Iasi (6%).

In the context of the Covid-19 pandemic, in which the digitization processes have been accelerated both among companies and public administrations, Romania is in a position to become an important provider of technological solutions that will contribute to the information systems efficiency.

The average net salaries of Romanian employees working in the data technology sector were about 7,800 lei (1,600 EUR) in May 2020, being the highest in the Romanian economy, but among the lowest in the IT industry worldwide, the local market remaining extremely competitive in terms of wage costs.

**Madalina Cojocaru, Partner Office Agency, Cushman & Wakefield Echinox:** “The positive evolution of IT companies doesn't only have the role to reconfigure the structure of the economy, but also the image of cities, if we consider that the development of the Floreasca - Barbu Vacarescu office pole was largely driven by Oracle's need for space, while the Central-West area is booming because of companies such as IBM, Microsoft or Bitdefender. We have noticed in recent years a growing appetite for office space in the central areas of Bucharest, which offers so many transport options and a variety of afterwork leisure facilities, such as restaurants, parks, theaters or museums. By encouraging as many students as possible to acquire more technological skills, we are confident that the IT and office markets will continue to grow in an accelerated pace over the next decade.”

**Cristi Moga**, *Head of Research, Cushman & Wakefield Echinox*: “Over the last ten years, the Romanian IT market has gone from a status of hope to a status of certainty in terms of competence and talent levels of the local resources. Fortunately, the current crisis does not seem to influence this, on the contrary, analyzing the BNR data, in the first five months of the year, the IT services exports increased by 22% compared to the same period of last year, to almost 1,9 billion euros. Under these conditions, we expect the industry to continue to grow, both through the development of existing companies and the emergence of new local or international companies, supporting both the relaunch of the local economy and the demand for modern office space.”

The stock of modern offices in Bucharest and regional cities (Cluj-Napoca, Timisoara, Iasi and Brasov) amounts to approximately 4 million square meters, housing about 350,000 employees in various fields, such as IT, telecom, financial services (banks - insurance), professional services (lawyers - consultants), media, etc.