New State Aid Programs for Industry and Research in Romania

by Johannes Becker, Partner EU-Grants

Back in February, the Romanian government announced new state aid programs for corporate investments - initially seven, but shortly thereafter the list was expanded to nine programs. Although the next government's plans are still unknown, two of these nine programs have already been developed to the point where they can be launched in the foreseeable future. For both programs, the current government has planned to provide 150 million euros in state aid annually for the period 2026–2032.

State Aid Program for Industrial Investments

Government Resolution HG 486/2026, which serves as the basis for this new industrial investment program, requiring a minimum investment of EUR 10 million was published at the end of June. This provides a valid legal basis for implementing the program.

The list of eligible industries is long; however, the chances of receiving funding approval correlate strongly with the size of Romania's foreign trade deficit in the respective sector: The higher the deficit, the more favorably the application is evaluated and thus the better the chances of receiving funding approval. Projects in the pharmaceutical industry have particularly good prospects, but projects in metal processing, the production of electronic components, the food industry, the textile industry, and the chemical industry are also high on the list. And the higher the level of automation at a production facility, the better the project evaluation.

As with many other programs, priority is given to investments in structurally disadvantaged regions of Romania, both in terms of the amount of funding and the evaluation of funding applications.

For the first time, this program offers the option of receiving either an investment grant or a tax credit during the first seven years of operation. However, in practice, this is unlikely to make much sense: the investment grant paid upon project completion is generally more attractive than a tax credit spread over seven years after completion, which only takes effect if the company actually generates profits.

Applicants are required to consider at least one of several options for reducing emissions or other negative environmental impacts. In addition, they should purchase as large a portion as possible of their raw materials and operating supplies in Europe to improve the project's evaluation. And there is another first in this program: If an applicant is willing from the outset to voluntarily forgo a portion of the state aid and apply for less state aid than would in principle be possible for their project, they can also earn valuable points in the project evaluation.

State Aid Program for Research and Development

For the first time, R&D projects will be funded from the Romanian national budget, though this funding is strictly contingent on the subsequent production or marketing of the developed products and services. This program is still at a slightly less advanced stage than the one for industrial investments, but it should also be largely completed by fall.

The projects for this program are to be carried out in three stages, each with a different purpose:

The first two stages pertain to the research and development phases of a project:

- Phase 1: Industrial research, starting at TRL 1–4 and continuing through TRL 4-6;
- Phase 2: Experimental development, starting at TRL 7 and continuing through TRL 9.

These two phases can last up to 48 months in total. Eligible expenses include personnel costs, external services, and equipment/software, on a pro-rata basis for the duration of the project.

The third phase provides funding for the investment component related to the production of the developed products or the offering of services. Depending on the region where the investment is made, the funding covers a varying portion of the investment costs.

Eligibility is, however, limited to the following research topics: supercomputing, artificial intelligence, microelectronics, biotechnology, agricultural technology, medical technology, renewable energy, energy storage, climate technologies, autonomous mobility systems, and space technologies, as well as advanced materials and modern industrial production.

Both existing and newly established Romanian companies are eligible for both funding programs, regardless of their current size.

Conclusion

Even if some of the nine announced state aid programs may not be implemented, there is likely to be a political consensus on the two programs listed here, so we expect that applications will be accepted in the near future.

We have been helping companies access state and European funding programs since 2007, and we look forward to strong participation.

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