Facts about Romanian IT Market
Summary

1. Facts about IT

2. Market overview - HOW ATTRACTIVE IS THE ROMANIAN IT SECTOR
   2. Market overview – Bucharest – facts and figures

3. Market overview – Cluj – facts and figures

4. Market overview – Iasi – facts and figures

5. Market overview – Iasi – facts and figures

6. Top IT employers in 2015

7. Education marker overview

8. Comp & Ben – Net Salary Ranges

9. Comp & Ben – Most Attractive Hiring Perks

10. What did tech candidates value most in a workplace in 2015

11. How to find the best IT candidates
The Romanian software and IT services industry has confirmed its potential to become a real pillar to the local economy, generating four times higher added value per head than the country’s economy’s average and having a realistic potential to exceed EUR 4 billion (2.5% of the GDP) before 2020. *

2015 was once again the year of the IT industry: new companies entered the Romanian market, large development projects steadily were assigned to Romania and more and more companies are considering moving their support centers to Europe. The headlines of the IT industry in 2015 mainly talked about:

- The IT remains the domain with zero unemployment;
- Cost effectiveness replaces low cost as the chief main concern of those seeking to outsource IT;
- Most desired IT skills remain the Java skills;
- Soft skills are more and more a demand of the IT support centers;
- IT professionals switch to small IT companies and start-ups;
- Besides the well known IT hubs, Bucharest, Iasi, Cluj and Timisoara new cities start becoming attractive for investors: Pitesti, Craiova, Sibiu and Targu Mures;
- Many companies in the IT & Telecom sectors announced their intention to expand their TAC, NOC and Technology Centers.
- With the poll of IT candidates continually shrinking, more and more companies consider attracting juniors through internship programs and campus recruitment.

You’ll find here updated information on the most desired areas and companies for IT professionals, their salary expectations and interesting trends to watch for the next year.

We appreciate both feedback and your inquiries, so please feel free to email us at office@lugera.ro

*Source: Public information
HOW ATTRACTIVE IS THE ROMANIAN IT SECTOR

Romania is a sound grounded market, best known for the perfect combination of high levels of technical proficiency in leading-edge technologies and soft skills – communication, languages, flexibility - superior to what is typically found in other outsourcing locations. The key attraction points are:

- Qualified offshore / near-shore destination with very good perspectives to become the most important European Hub for the development of the IT industry
- Still Attractive Cost versus Performance balance
- Technical and sector specific skills highly ranked amongst the other European competitors
- Ability to understand and satisfy client needs beyond basic technical requirements
- Cultural Fit, Language Skills, Adaptability, Flexibility and Similar Mentality to US / Western Europe Technical Excellence
- Industry clusters are focused in major university cities: Bucharest, Cluj-Napoca, Iasi, Timisoara, Brasov and Craiova
- Core operations include:
  - R&D, software development and technology centers: embedded automotive systems, semiconductor design, security applications, development tools, network operator equipment etc.
  - BPO centers — IT supports and software development, financial, HR and administrative services, supply chain.
  - Support centers, Call centers.
- There are over 120000 IT specialists and the demand for IT professionals is steadily increasing. For 2016 companies forecast an increase of 25% and by 2020 the Romanian IT market is expected to reach a total of 300.000 professionals.
HOW ATTRACTIVE IS THE ROMANIAN IT SECTOR?

**BUCHAREST** concentrates more than half of the IT workforce in Romania. 70% of the top 25 software companies with the highest turnover in Romania have their largest Romanian teams in Bucharest. Top hiring companies include:

- FREESCALE
- IBM
- ADOBE
- TELEKOM
- EA
- SAP
- ORACLE
- DELL
- ENDAVA
- MICROSOFT
- LUXOFT
- IXIA
- INTEL Software

**CLUJ-NAPOCA** is the second largest city in Romania, also known for the biggest IT Cluster in Romania, Cluj IT. Founded in October 2012 the cluster includes 36 companies reaching a total number of over 4000 employees and incomes exceeding 178 mil EUR, 78% generated of exporting services, 5 universities, as well as 8 public institutions and catalyst organizations. For 2016, Cluj IT Cluster took over the coordination of the activity of Balkan and Black Sea ICT Network, the IT&C clusters network in the Balkan and the Black Sea Area for 2016, including 17 members in Albania, Bulgaria, Bosnia and Herzegovina, Greece, Kosovo, Macedonia, Montenegro, Romania, Serbia and Turkey.

- HP
- BETFAIR
- EBS
- ISDC
- IQUEST
- SOFTVISION
- 3 PILLAR GLOBAL
- ENDAVA
- FORTECH
- ZITEC
HOW ATTRACTIVE IS THE ROMANIAN IT SECTOR?

IT&C companies perceive Iasi as a developing IT and services market. There are about 7,000 IT professionals in Iasi, while the local universities release over 800 IT graduates per year. Iasi has established itself as one of the largest and most influential IT centers in Romania through community driven, industry supported events such as Codecamp.ro, agile/lean meet-ups.

**IASI**
- BITDEFENDER
- ENDAVA
- Amazon Development Center
- CAPGEMINI
- TIVO
- MIND

IT&C sector in Timisoara is one of the most dynamic, registering substantial growth in the last few years. Every year, there are around 1,200 IT & C graduates and over 2,500 technical graduates.

**TIMISOARA**
- ALCATEL - LUCENT
- ACCENTURE
- EBS
- ISDC
- IQUEST
- SOFTVISION
- 3 PILLAR GLOBAL
- ENDARA
- FORTECH
- ATOSS
- ACI
Top IT Employers in Romania 2014

As per the European Statistics Office, Romania has around 280,000 IT specialists, representing 2.7% of the total number of active employees. Although not yet in the top, Romania has a great growing potential:
- Finland – 6.7%
- Sweden – 6%
- Luxemburg – 5.1%
- Estonia and the Netherlands – 5%

<table>
<thead>
<tr>
<th>Top IT Employers in Romania in 2014, based on the average number of employees</th>
</tr>
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<tbody>
<tr>
<td>ORACLE ROMANIA</td>
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<tr>
<td>COMPUTER GERENATED SOLUTIONS ROMANIA</td>
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<tr>
<td>COMDATA SERVICE</td>
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<tr>
<td>IBM ROMANIA</td>
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<td>WEBHELP ROMANIA</td>
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<td>UTI GRUP</td>
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<td>GAMELOFT ROMANIA</td>
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<td>ENDAVA ROMANIA</td>
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<tr>
<td>LUXOFT PROFESSIONAL</td>
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<tr>
<td>STEFANINI ROMANIA</td>
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<tr>
<td>ATOS IT SOLUTIONS &amp; SERVICES</td>
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<td>ARVATO SERVICES</td>
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</table>
Most Important Tech universities in Romania include:

- 5 elite polytechnic universities
- 59 other Technical universities
- 174 private colleges with technical degree programs
- Romanian graduates are acknowledged for their multilingual skills
- Over 7,000 university graduates

Romania is European leader and the 6th in the world, in the number of certified IT specialists
Market overview

COMP & BEN
Hiring perks – advantages for IT companies and employees

• 2015 was the year when more and more candidates accepted job offers in smaller companies or start-ups.

• This was also due to the fact that the IT employees in start-ups were also exempted from the payment of the 16% salary tax as their peers in larger companies who had benefited from this facility since 2013.

• In order to benefit from the exemption in 2016 the company needs to have accomplished in 2015 a turnover of 100,000 dollars.

• If until the summer of 2015, a condition for the the exemption was that the employee were a licensed analyst, programmer, IT program designer, data base admin, software engineer or project manager, after the mid 2015, this diploma condition was removed. The beneficiary only needed to have graduated from a long term superior education institution or to own a bachelor degree diploma issued by an authorized institution and to conduct any IT related activity, as a database administrator, system engineer or software system engineer.

There are around 14000 IT companies in Romania, half of them in Bucharest and Cluj-Napoca and 75000 employees paid an average net salary of 2600 lei.
Market overview

COMP & BEN
Most attractive hiring perks

LABOUR COST – COMP & BEN

Most common fringe benefits:
- Flexible working hours in the case of 84% of IT companies.
- 38% of the employers allow their employees to work occasionally from home while 28% of employers offer a short Friday at the office as an incentive
- Over a third of IT companies offer 13 paid months per year
- Additional benefits: Private health insurance, private pension, life insurance, gym card, casualty insurance, transportation, meal tickets, lunch, car etc.
Market overview

COMP & BEN
NET SALARY RANGES

Business Analyst

<table>
<thead>
<tr>
<th>Level</th>
<th>Senior</th>
<th>Middle</th>
<th>Junior</th>
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<tbody>
<tr>
<td></td>
<td>1,700 €</td>
<td>900 €</td>
<td>450 €</td>
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<td></td>
<td>2,000 €</td>
<td>1,500 €</td>
<td>750 €</td>
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DBA

<table>
<thead>
<tr>
<th>Level</th>
<th>Senior</th>
<th>Middle</th>
<th>Junior</th>
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<tbody>
<tr>
<td></td>
<td>1,800 €</td>
<td>1,100 €</td>
<td>800 €</td>
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<tr>
<td></td>
<td>2,500 €</td>
<td>1,500 €</td>
<td>1,000 €</td>
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<td></td>
<td>3,000 €</td>
<td>2,000 €</td>
<td>1,000 €</td>
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Android Developer

<table>
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<tr>
<th>Level</th>
<th>Senior</th>
<th>Middle</th>
<th>Junior</th>
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<tbody>
<tr>
<td></td>
<td>2,500 €</td>
<td>1,800 €</td>
<td>1,000 €</td>
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<tr>
<td></td>
<td>3,000 €</td>
<td>2,200 €</td>
<td>750 €</td>
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Project Manager

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<thead>
<tr>
<th>Level</th>
<th>Senior</th>
<th>Middle</th>
<th>Junior</th>
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<tbody>
<tr>
<td></td>
<td>1,300 €</td>
<td>1,000 €</td>
<td>800 €</td>
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<tr>
<td></td>
<td>1,500 €</td>
<td>1,200 €</td>
<td>900 €</td>
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System/Network Administrator

<table>
<thead>
<tr>
<th>Level</th>
<th>Senior</th>
<th>Middle</th>
<th>Junior</th>
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<tbody>
<tr>
<td></td>
<td>1,300 €</td>
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<tr>
<td></td>
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<td>1,200 €</td>
<td>900 €</td>
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QA Engineer

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<tr>
<th>Level</th>
<th>Senior</th>
<th>Middle</th>
<th>Junior</th>
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<tbody>
<tr>
<td></td>
<td>1,500 €</td>
<td>1,000 €</td>
<td>700 €</td>
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<td></td>
<td>2,500 €</td>
<td>2,000 €</td>
<td>1,000 €</td>
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What did tech candidates value most in a workplace in 2015?

- Technologies
- Relationship with their superior
- Recognition of their work
- Benefit package
- The team
- What did tech candidates value most in a workplace in 2015?

What did tech candidates value most in a workplace in 2015?
**Market overview**

**COMP & BEN**
**NET SALARY RANGES**

<table>
<thead>
<tr>
<th>Mobile Developer (IOS/Android)</th>
<th>Mobile Developer (Mac)</th>
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<tbody>
<tr>
<td>Senior 3,000 €</td>
<td>Senior 3,000 €</td>
</tr>
<tr>
<td>Middle 1,500 €</td>
<td>Middle 2,000 €</td>
</tr>
<tr>
<td>Junior 700 €</td>
<td>Junior 1,100 €</td>
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<table>
<thead>
<tr>
<th>Virtualization Engineer</th>
<th>Full Stack Dev</th>
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<tbody>
<tr>
<td>Senior 2,900 €</td>
<td>Senior 2,000 €</td>
</tr>
<tr>
<td>Middle 2,200 €</td>
<td>Middle 2,000 €</td>
</tr>
<tr>
<td>Junior 1,000 €</td>
<td>Junior 1,300 €</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Java Developer</th>
<th>Net Developer</th>
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</thead>
<tbody>
<tr>
<td>Senior 3,500 €</td>
<td>Senior 1,800 €</td>
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<td>Junior 1,200 €</td>
<td>Junior 800 €</td>
</tr>
</tbody>
</table>

75% of the IT professionals are not actively looking for a job, but over 50% of those approached are willing to change their job if the salary is at least 30% higher.
Thank you
For your time and interest!
Please, share with us your insights and, for any questions, remarks or suggestions, do not hesitate to contact us!
We’ll be happy to help you!
office@lugera.ro