

Japanese Companies in Romania

Romania Project

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1. Introduction

Do you know about Romania? Have you ever thought about Romania from an economic point of view? I had not known about Romania at all.

Please look at this table (T-1), showing the amount of trade between Japan and other countries. From this table, Romania does not look important to us.

	Jan – Dec, 2016		
	Export	Inport	
China	113,879,073	156,417,223	(\$)
USA	130,021,542	67,247,681	
Germany	17,641,257	22,013,604	
Israel	2,001,205	1,287,407	
Romania	388,014	479,815	
JETRO created from Ministry of Finance “Trade Statistics”.			
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▲ T-1: The Amount of Trading Between Japan and Other Countries.

However, some famous Japanese companies have their own business based in Romania, even though there is a small market.

Why did they expand their business to Romania? I wanted to find out, so I researched Japanese companies in Romania.

2. Name Recognition of Japanese Companies in Romania

First, I sent a questionnaire to Koishikawa students and Romanian students. The questionnaire was asking whether a person knew a name of a company. All companies listed in the questionnaire have their branches or factories in Romania. I wanted to know how well companies are known to the local Romanian people through this questionnaire. These companies were on the questionnaire.



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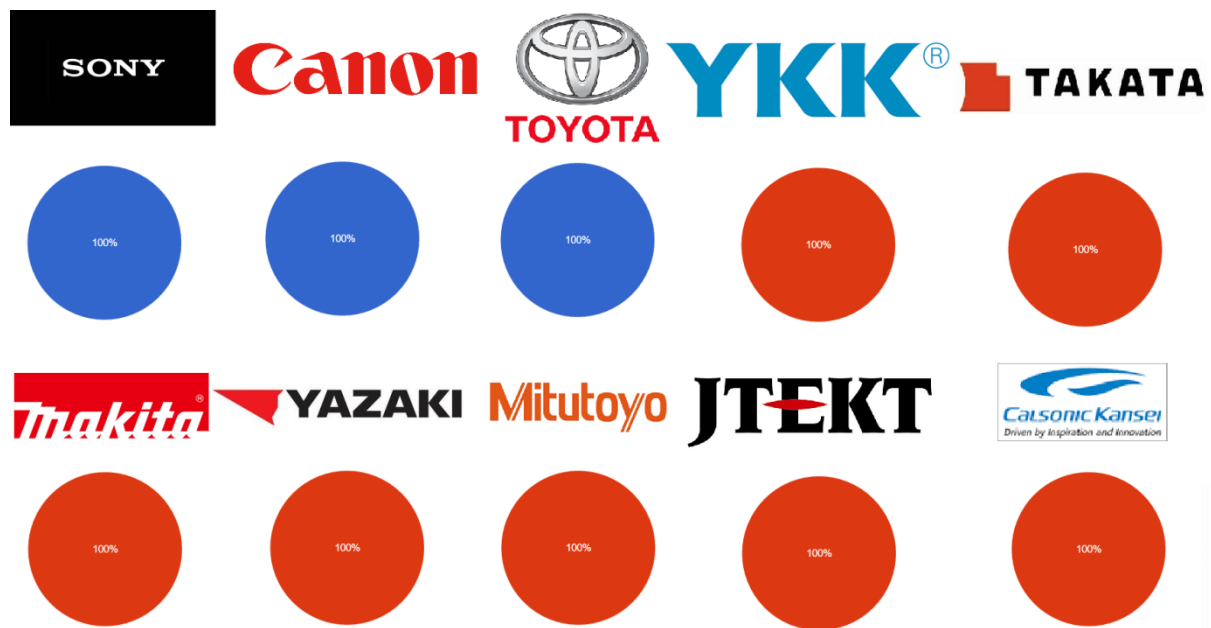
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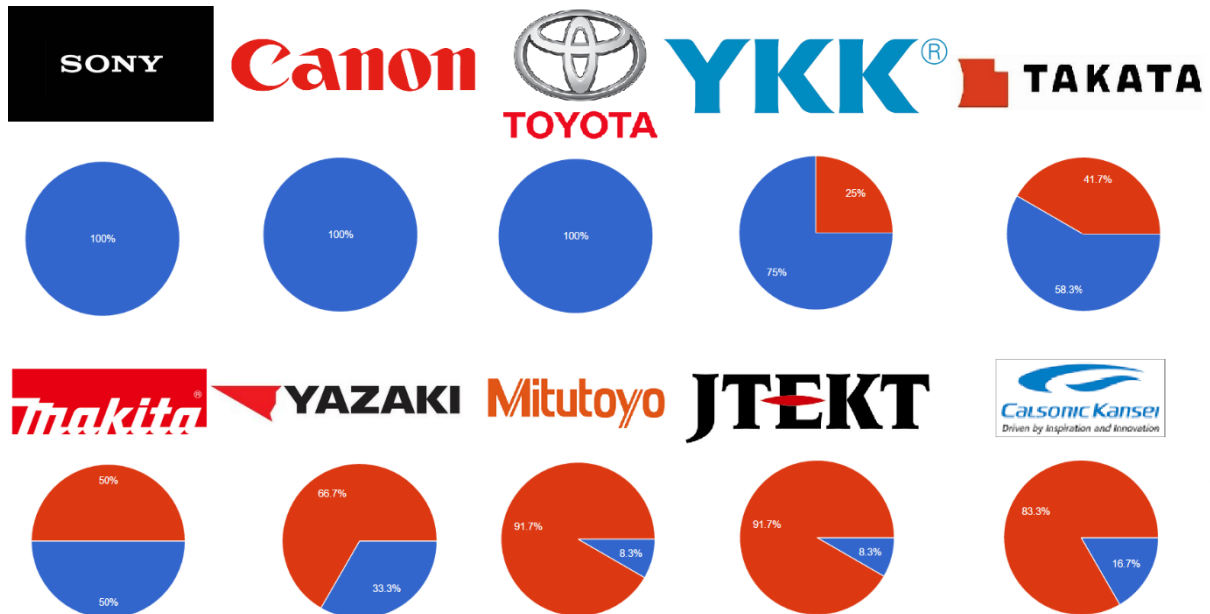
▲T-2. Companies

Please look at these pie charts(T-3). They are the results of the questionnaire I asked to the Romanian students. Blue means “Yes, I know this company.” Red means “I don’t know.”Some huge Japanese companies are well known in Romania, but others are not known at all.



▲T-3. The results of the questionnaire to Romanian.

However, please look at these pie charts(T-4). They are the results of the same questionnaire, which was answered by Japanese students. I have got similar results to the ones from the Romanians. Some of the companies are not known even by Japanese people.



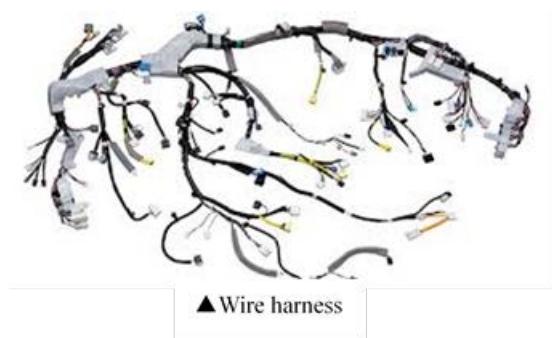
▲T-4. The results of the questionnaire for Japanese

From these results, I can say that most of the companies which have a branch in Romania are not known to Romanian and Japanese people.

3. Type of Business

Second, I researched for what type of company has branches in Romania.

According to the web page of the Ministry of Foreign Affairs in Japan, the companies' names which invest a lot of money into Romania are YAZAKI, JTEKT, and SUMITOMO DENSO.



I found one thing from this; many companies which have bases in Romania produce machine parts, especially auto parts. TAKATA is a seat belt manufacturer, Sumitomo Denso makes a wire harnesses, and CALSONIC KANSEI is a general auto parts company. They are not well known in Romania and Japan because they are subcontractors.

This means that most of the big Japanese companies which have opened up branches made bases in Romania are subcontractors.

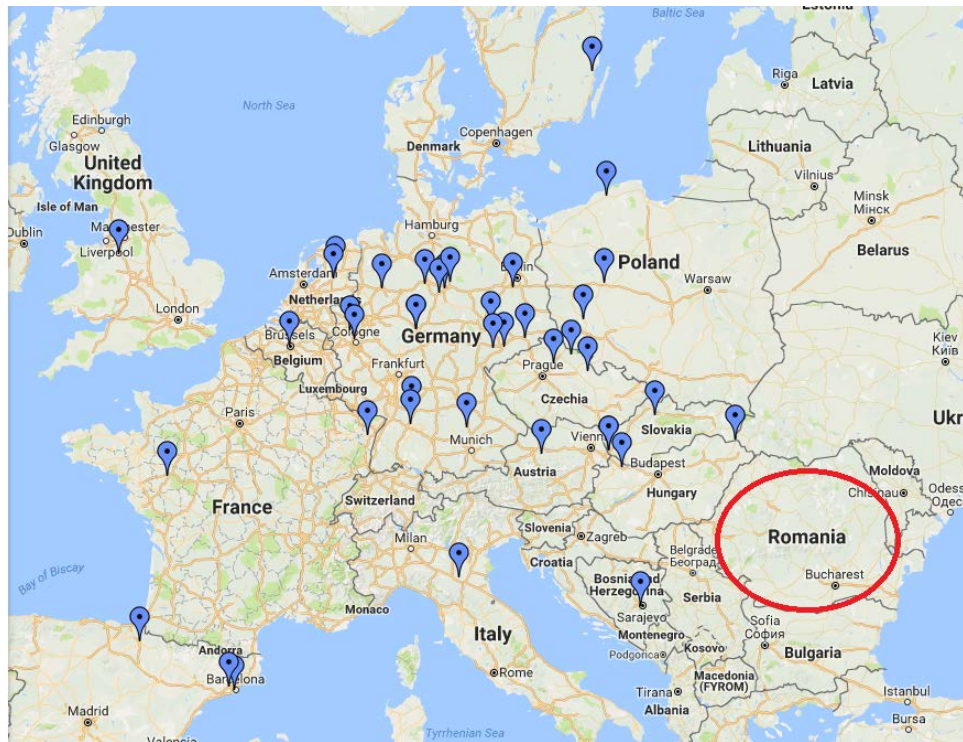
4. Position of Romania for Companies

Third, I researched Romanian history.

Romania had been a communist country until 1989. Nicolae Ceausescu, The Romanian president at that time, pushed forward with heavy industry. As a result, Romania was ready to accept the car industry when Japanese companies were expanding into overseas markets.

Communist rule also affected the Romanian economy. The democratization of Romania was later than other communist countries. Naturally, Romanian economic development lags behind others. This means that Romania has many low-wage workers. The Romanian salaries are lower than other countries.

Furthermore, Romania is a member of the EU. The EU has many big factories of the Italian, French and German automakers. Companies do not have to pay tax to transport their products around Europe. Please look at T-5, the map which shows where Volkswagen factories are. From this map, we can say that Romania is close to the main motor industry areas.



▲ T-5. Locations of the VW's factories

In this way, although Romania is a member of the EU, companies can make their products cheaper in Romania. That is why many Japanese subcontractors have factories in Romania.

5. Conclusion

In conclusion, I can say that Japanese subcontractors have made bases in Romania because Romania is a good country for them. They can produce and transport at lower cost in Romania.

We cannot say that Romania is a big country. It is only a small market. Some Japanese people might think that Romania is not an important partner for Japan. However, Romania occupies an important role in producing cars. Car companies cannot produce their cars without subcontractors.

Certainly, Romania is not a big partner now, but someday Romania might be an important partner to Japan.

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