

INDUSTRIAL STRATEGY OF ROMANIA 2024 - 2030 (*draft*)

Observations, proposals

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0. Summary

The Industrial Strategy of Romania 2024 - 2030 (aka SIR 2024) is an essential document for the sustainable development and long-term competitiveness of the Romanian economy, aligned with the objectives of the European Union regarding the transition to a green and digital economy.

However, our analysis highlights several shortcomings and proposes a series of measures needed to ensure the success of this transition:

1. Specific support for net-zero technologies: The strategy does not include concrete measures for the promotion and adoption of net-zero technologies essential for reducing carbon emissions. We recommend introducing a clear legislative framework, developing the necessary infrastructure and supporting heavy industry in this transition.

2. Simplification of authorization procedures: The document does not address the simplification and acceleration of administrative processes, essential for attracting investments in green technologies. It is necessary to implement simplified procedures, establish clear deadlines for authorizations and complete digitization of administrative processes.

3. Securing raw materials: The strategy omits aspects related to ensuring access to critical raw materials through the development of extraction and recycling capacities at the national level. It is essential to develop a national plan that includes measures for recycling, international partnerships and adaptation of the necessary legislative framework.

4. Creation of net-zero industrial corridors: The document does not mention the formation of regional industrial clusters dedicated to net-zero technologies. The development of net-zero industrial corridors, the creation of regional clusters and the integration of SMEs in these initiatives are recommended.

5. Support for energy-intensive industries: The strategy does not provide clear measures to support energy-intensive industries in the transition to sustainable technologies. It is necessary to introduce a specific legislative framework, fiscal and financial incentives, and promote intersectoral collaboration.

6. Support for innovation and digitization: The document does not propose a support framework for innovation and digitization, essential for increasing competitiveness. It is recommended to develop a national framework for R&D, digitization strategies, and the necessary digital infrastructure.

7. Investments in the training of the workforce: The strategy does not provide measures for the training and retraining of the workforce in the field of green technologies. Creating net-zero academies, adapting the education system and introducing incentives for training and reskilling are crucial.

8. International partnerships: The strategy does not include initiatives for the development of international partnerships essential for global competitiveness. We recommend the development of a national strategy for international partnerships and the promotion of exports of net-zero technologies.

9. Promoting the demand for green products: The document does not stimulate the demand for green and circular products through public and private procurement. It is necessary to promote green public procurement, introduce incentives for consumers and companies, and develop a framework for labeling and certifying green products.

10. Integration of SMEs in European value chains: The strategy does not focus enough on the integration of SMEs in European value chains, essential for their competitiveness. It is recommended to create a dedicated national program, promote collaboration between SMEs and large companies, and develop the necessary skills for integration in value chains.

11. Reducing bureaucracy: The document does not include concrete measures to reduce bureaucracy and legislative obstacles. It is necessary to simplify and speed up administrative procedures, reduce bureaucratic burdens and fully digitize them.

12. Capitalizing on Romanian potential: An essential chapter of the submitted proposals is dedicated to identifying and capitalizing on the areas in which Romania has the potential to excel at the European level. Through a data-driven approach, the Romanian state must analyze national resources, innovation capacities and market demand to prioritize areas such as renewable energy, ecological agriculture, and digital technologies. Based on these analyses, Romania should develop well-founded strategic projects, for which it will request financial support from the European Commission, thus ensuring sustainable development and long-term competitiveness.

These proposed measures could transform Romania's Industrial Strategy into an effective tool for achieving the objectives of sustainable development, competitiveness and integration in the European and global economy.

1. Specific support for net-zero technologies

Concrete measures to stimulate the production and adoption of net-zero technologies such as solar panels, wind turbines, batteries and carbon capture and storage technologies, which are prioritized under the NZIA, are lacking.

The European context:

The European Union, through initiatives such as the Net-Zero Industry Act (NZIA) and the European Green Deal, has established a series of measures and objectives aimed at supporting the development and adoption of net-zero technologies. These technologies are essential to achieve the goals of reducing greenhouse gas emissions and ensure the transition to a green and sustainable economy. The EU aims to produce domestically at least 40% of the annual demand for net-zero technologies by 2030, thereby reducing import dependency and boosting the competitiveness of European industry.

Shortcomings in SIR 2024:

SIR 2024 does not include clear and specific measures to support net-zero technologies, which creates a gap with the strategic directions of the European Union. This aspect is essential to ensure the transition to a sustainable economy and to maintain Romania's competitiveness within the single European market. Here are the main shortcomings:

1. Lack of a specific framework for the promotion of net-zero technologies:

SIR 2024 does not propose a legislative framework or specific policies for the support and development of net-zero technologies in Romania. Instead, the NZIA includes concrete measures such as simplifying authorization procedures, facilitating access to funding and supporting research and innovation in this field.

2. Absence of an infrastructure development plan for net-zero technologies:

The document does not detail measures to develop the infrastructure needed for net-zero technologies, such as green energy networks, energy storage capabilities, or carbon

capture and storage infrastructure . NZIA, on the other hand, emphasizes the importance of these elements in achieving climate neutrality goals.

3. Insufficient support for energy-intensive industries: While NZIA recognizes the need to support energy-intensive industries such as steel, chemical and cement production to invest in more sustainable technologies, SIR 2024 does not provide clear measures in this direction. This is crucial, considering the importance of these industries for Romania's economy and for achieving emission reduction targets.

4. No prioritization of strategic projects: SIR 2024 does not identify and prioritize strategic projects that could transform Romania into a regional leader in the production of net-zero technologies. The NZIA, instead, allows member states to designate strategic projects that benefit from additional support and simplified procedures for implementation.

What should be included in SIR 2024:

1. Creating a legislative framework favorable to net-zero technologies: Introducing policies and regulations that directly support the development and adoption of net-zero technologies, including simplifying authorization procedures, reducing bureaucracy and facilitating access to European and national funds for investments in these technologies .

2. Setting clear objectives for the production of net-zero technologies: Alignment with the European objective to produce at least 40% of the annual demand for net-zero technologies in Romania by 2030. This would involve the development of production capacities for technologies such as solar panels, wind turbines, batteries, heat pumps and carbon capture and storage systems.

3. Development of infrastructure for net-zero technologies: Implementation of a national plan for the development of the infrastructure necessary for the large-scale adoption of net-zero technologies. This should include investments in energy networks,

electric vehicle charging stations, energy storage facilities and carbon capture and storage infrastructures.

4. Supporting heavy industry in the transition to net-zero technologies:

Introducing specific support measures for large energy-consuming industries in Romania, allowing them to invest in green technologies and reduce their carbon emissions. These measures could include tax incentives, innovation grants and support for research and development.

5. Identification and prioritization of strategic projects: SIR 2024 should identify strategic projects in the field of net-zero technologies that can benefit from national and European support. These projects should be treated with priority, benefit from simplified administrative procedures and be integrated into regional development plans.

6. Creating public-private partnerships for innovation in net-zero technologies: Encouraging collaboration between government, the private sector and academic institutions for the development and implementation of innovative technologies in the net-zero field. These partnerships could be supported through dedicated funding programs and by facilitating access to the resources needed to develop these technologies.

2. Simplification of authorization procedures

The document does not propose measures to simplify and speed up administrative and authorization processes for strategic projects, which is essential for attracting investments, according to NZIA:

The European context:

The European Union, through the Net-Zero Industry Act, has emphasized the importance of simplifying and speeding up authorization procedures for projects that contribute to the achievement of climate neutrality objectives. These procedures include cutting red tape, removing administrative hurdles and prioritizing strategic projects that support the green transition. These measures are essential to stimulate investment in net-zero technologies and to enable the rapid implementation of projects that are crucial to achieving the European Union's climate goals.

Shortcomings in SIR 2024:

SIR 2024 does not include detailed and concrete measures to simplify authorization procedures, an essential aspect for attracting investments and for the rapid implementation of major industrial projects. This represents a significant disadvantage in relation to the European strategy and reduces Romania's competitiveness in attracting investments for green technology projects:

1. Lack of simplified procedures for strategic projects: SIR 2024 does not provide for the introduction of simplified or accelerated procedures for projects considered strategic, in contrast to the NZIA, which gives priority to these projects, giving them access to faster and less bureaucratic administrative processes.

2. Absence of clear deadlines for authorizations: The document does not establish clear deadlines for the completion of authorization processes, which can lead to significant delays in the implementation of projects. NZIA, on the other hand, proposes strict timelines such as 9 months for projects with smaller production capacities and 12 months for larger ones to ensure speedy implementation.

3. Lack of a single point of contact: There is no mention of the creation of a single point of contact for the initiators of strategic projects, which would facilitate coordination and reduce administrative complexity. NZIA recommends such contact points to support project initiators and to simplify the process of obtaining the necessary approvals.

4. Inefficient administrative procedures: SIR 2024 does not address the need to modernize and digitize administrative processes, such as accepting electronic documentation and reducing redundant requirements, which could significantly reduce the time and costs associated with obtaining authorizations. NZIA emphasizes the importance of these aspects to make procedures more efficient and accessible.

What should be included in SIR 2024:

1. Simplified and accelerated procedures for strategic projects: Introduction of simplified administrative procedures for strategic projects in the field of net-zero technologies. These procedures should include priority in the approval process, rapid access to resources and technical support, and clear timelines for completing the authorization process.

2. Setting strict deadlines for authorizations: SIR 2024 should include precise deadlines for obtaining the necessary authorizations, similar to the NZIA, which imposes deadlines of 9 to 12 months for strategic projects. This would reduce uncertainty and stimulate investment in net-zero technologies.

3. Creation of a single point of contact for strategic projects: Implementation of a single point of contact to ensure coordination between the various agencies and ministries involved in the authorization process. This contact point would provide technical and administrative support for project initiators and facilitate obtaining the necessary approvals in the shortest possible time.

4. Digitization and modernization of administrative processes: SIR 2024 should provide for the complete digitization of administrative processes, including the acceptance of electronic documentation and the elimination of redundant requirements. This would reduce the time and costs associated with obtaining permits and facilitate access to procedures for all parties involved.

5. Inter-ministerial and private sector collaboration: SIR 2024 should promote collaboration between ministries and the private sector to ensure that administrative procedures are adapted to the real needs of industry and that best practices from other EU Member States are implemented.

3. Securing raw materials

The document does not address the need to increase the security of supply of critical raw materials by expanding national extraction and recycling capacities, according to EU recommendations:

The European context:

The European Union recognizes the crucial importance of securing raw materials, especially those critical to the transition to a green and digital economy. The Net-Zero Industry Act and the Critical Raw Materials Act are European initiatives that emphasize the need to increase domestic capacities to extract, process and recycle critical raw materials. The aim of these measures is to reduce dependence on imports from third countries, ensure a secure and sustainable supply of critical materials and support the development of the European green technology industry.

Shortcomings in SIR 2024:

SIR 2024 does not specifically address the issue of securing critical raw materials, an essential aspect for ensuring the competitiveness of Romanian industry and facilitating the transition to a sustainable economy. This lack can have significant consequences on Romania's ability to support the development of net-zero technologies and protect its economy from external shocks related to the supply of essential materials:

1. Lack of a plan for the extraction and processing of critical raw materials:

SIR 2024 does not provide for specific measures to increase the extraction and processing capacities of critical raw materials in Romania. In contrast, European strategies emphasize the need to develop such capacities to reduce import dependency and ensure a stable supply of essential materials for net-zero industries.

2. Absence of measures to promote the recycling and reuse of materials: The document does not include clear initiatives to promote the recycling and reuse of raw materials, essential aspects for the development of a circular economy and for reducing

dependence on new resources. The EU actively promotes recycling and the development of processing technologies that minimize environmental impact and conserve resources.

3. Lack of an international collaboration framework for the security of raw materials: SIR 2024 does not mention the need for international collaboration to ensure access to critical raw materials, an important aspect in European strategies. The EU encourages partnerships with other countries and regions to diversify supply sources and create more resilient supply chains.

4. Absence of an adapted legislative and regulatory framework: The document does not provide for the adaptation of the legislative and regulatory framework to facilitate investments in the extraction, processing and recycling of critical raw materials. Instead, European policies promote the simplification of regulations and the creation of favorable conditions for the development of these essential industries.

What should be included in SIR 2024:

1. Development of a national plan for extraction and processing of critical raw materials: SIR 2024 should include a detailed plan for increasing national capacities for extraction and processing of critical raw materials. This plan should identify the resources available in Romania, set clear objectives for the development of the necessary infrastructure and propose measures to stimulate investments in this sector.

2. Promotion of recycling and reuse of materials: The document should provide for specific measures to promote the recycling and reuse of critical raw materials. These measures could include financial incentives for companies investing in recycling technologies, the development of waste collection and processing infrastructures, and awareness campaigns to encourage consumers to recycle.

3. Initiating international partnerships to secure raw materials: SIR 2024 should provide for measures to develop international partnerships with other countries and regions, in order to diversify sources of critical raw materials. These partnerships could

include trade agreements, joint research and development projects and cooperation in the processing and recycling of raw materials.

4. Adaptation of the legislative and regulatory framework: The document should include measures to simplify and adapt the legislative and regulatory framework in order to facilitate investments in the sector of critical raw materials. These measures should ensure a favorable environment for the development of extractive, processing and recycling industries, reducing red tape and providing incentives for companies investing in these areas.

5. Monitoring and management of national resources: SIR 2024 should provide for the creation of a national system for monitoring and management of critical raw material resources, which allows for an efficient and sustainable use of these resources. This system should also include measures to protect the environment and ensure compliance with sustainability standards.

6. Creating public-private partnerships for the development of the raw materials industry: The document should promote collaboration between the government, the private sector and academic institutions to develop the technologies and infrastructures necessary for the extraction, processing and recycling of critical raw materials. These partnerships could contribute to innovation in the sector and the development of more resilient supply chains.

4. Creation of net-zero industrial corridors

No mention is made of the formation of regional industrial clusters dedicated to net-zero technologies, as recommended by NZIA:

The European context:

The European Union, through the Net-Zero Industry Act and other initiatives under the European Green Deal, promotes the creation of "net-zero industrial corridors" and "regional clusters" to facilitate the transition to a green and sustainable economy. These corridors and clusters are designed to concentrate industrial activities in specific regions, where infrastructure and resources are dedicated to supporting production and innovation in net-zero technologies. These initiatives not only stimulate regional economic development, but also reduce transition costs for companies by ensuring access to shared infrastructure and specialized resources.

Shortcomings in SIR 2024:

SIR 2024 does not include concrete measures or plans for the creation of net-zero industrial corridors or regional clusters dedicated to green technologies. This is an important gap, given the economic and environmental benefits these initiatives could bring:

1. Lack of a plan for the development of net-zero industrial corridors: SIR 2024 does not provide for the development of specialized industrial corridors, which could facilitate the adoption of net-zero technologies and could stimulate the competitiveness of Romanian industry. In contrast, NZIA emphasizes the importance of these corridors for strengthening industrial capacities and reducing emissions.

2. Absence of a regional collaboration framework: The document does not include initiatives to encourage collaboration between different regions of Romania to create industrial clusters. These clusters could bring together companies, research institutions and local authorities to develop joint solutions and maximize the effectiveness of net-zero infrastructure investments.

3. Lack of a mechanism for prioritizing investments in regions with potential: SIR 2024 does not identify and prioritize the regions in Romania that could benefit the most from the development of net-zero industrial corridors. Instead, the NZIA provides a framework through which Member States can designate and support regions with the greatest potential for the development of net-zero technologies.

4. Absence of SME integration measures in industrial corridors: The document does not include specific measures to ensure the integration of small and medium-sized enterprises (SMEs) in these industrial corridors. The integration of SMEs is essential to develop a complete industrial ecosystem and to ensure that the benefits of the green transition are felt at all levels of the economy.

What should be included in SIR 2024:

1. Development of a national plan for net-zero industrial corridors: SIR 2024 should include a detailed plan for the development of net-zero industrial corridors in Romania. This plan should identify the regions with the greatest potential for the adoption of green technologies and propose measures to attract investment in these regions.

2. Creation of regional industrial clusters: SIR 2024 should promote the creation of regional industrial clusters, where companies, research institutions and local authorities can collaborate to develop and implement net-zero technologies. These clusters could benefit from shared infrastructure, specialized resources and government support to drive innovation and economic growth.

3. Prioritization of investments in regions with potential: The document should identify and prioritize regions that have high potential for the development of net-zero industries. These regions should benefit from additional support, including preferential financing, simplification of authorization procedures and access to modernized infrastructure.

4. Integration of SMEs in industrial corridors: SIR 2024 should include specific measures to ensure that SMEs are integrated in these net-zero industrial corridors. These measures could include financing facilities, access to technology and know-how, as well as support for the development of partnerships between SMEs and large companies.

5. Interregional and international collaboration: The document should promote collaboration between regions in Romania and regions in other EU member states to share good practices and develop cross-border industrial corridors. This would stimulate the exchange of technologies and knowledge and create opportunities for the development of the domestic market and exports.

5. Support for energy-consuming industries

SIR 2024 does not address support for energy-intensive industries such as steel and chemicals to transition to more sustainable technologies:

The European context:

The European Union recognizes the importance of supporting large energy-consuming industries (energy consumers) in the transition to a sustainable and green economy. These industries, such as steel, cement, chemicals and other basic materials, play a key role in the European economy, but are also major contributors to greenhouse gas emissions. The Net-Zero Industry Act and other European initiatives emphasize the need to support these industries in their efforts to decarbonize and adopt net-zero technologies, to ensure their long-term competitiveness and to contribute to the EU's climate goals.

Shortcomings in SIR 2024:

SIR 2024 does not include clear and concrete measures to support energy-intensive industries in their transition to more sustainable technologies. This lack of support can have significant consequences on the competitiveness of these industries and can slow down Romania's progress towards achieving climate neutrality goals:

1. Lack of a specific support framework for energy-intensive industries: SIR 2024 does not provide for detailed measures to support energy-intensive industries in their decarbonization efforts. The NZIA, in contrast, includes dedicated measures for these industries, such as facilitating investment in emission-reducing technologies and supporting research and development in green technologies.

2. Absence of fiscal and financial incentives: The document does not mention fiscal incentives or other forms of financial support for energy-consuming industries that want to invest in the modernization of facilities and the adoption of green technologies. Instead, European policies propose various support mechanisms, including subsidies, tax breaks and facilities for investment in decarbonisation technologies.

3. Lack of a strategy to maintain competitiveness on the international market:

While the NZIA and other European strategies emphasize the need to support large energy-consuming industries to keep them competitive on the global market, SIR 2024 does not propose a clear strategy in this regard. Without support measures, these industries risk losing ground to international competitors, especially in the context of high energy costs and pressures to reduce emissions.

4. Absence of cross-sectoral collaboration initiatives: The document does not include initiatives to promote collaboration between the various energy-intensive industrial sectors to develop joint decarbonisation solutions. NZIA instead encourages the creation of industrial clusters and net-zero corridors, which allow industries to collaborate and share resources and technologies to reduce emissions.

What should be included in SIR 2024:

1. A specific legislative framework to support energy-intensive industries: SIR 2024 should include a set of legislative measures dedicated to these industries, facilitating investments in emission reduction technologies and promoting the transition to more sustainable production practices. These measures should also include support for research and development in green technologies specific to these industries.

2. The introduction of fiscal and financial incentives: The Romanian Government should provide fiscal incentives, such as tax exemptions or tax deductions, for the investments made by large energy-consuming industries in the modernization of equipment and the adoption of net-zero technologies. Subsidies and funding from national and European funds should also be available for decarbonisation projects.

3. A national strategy to preserve international competitiveness: SIR 2024 should develop a clear strategy to help Romania's energy-intensive industries remain globally competitive, despite the challenges of high energy costs and the green transition.

This could include support measures for exports, access to international markets and protection against unfair competition from outside the EU.

4. Promoting cross-sectoral collaboration and the creation of industrial clusters: The document should encourage the creation of industrial clusters and net-zero corridors that allow large energy-intensive industries to collaborate and share resources to develop common reduction solutions of emissions. These initiatives could include public-private partnerships and collaborations between companies and academic institutions to develop and implement new technologies.

6. Support for innovation and digitization

The document does not propose an innovation framework to support the digitization and development of emerging technologies through tools such as regulatory sandboxes:

The European context:

The European Union recognizes that innovation and digitization are essential for achieving the transition to a green and sustainable economy. The Net-Zero Industry Act and other European initiatives, such as the Digital Strategy and Horizon Europe, promote the development of advanced technologies and the integration of digitization in all sectors of the economy. These initiatives emphasize the importance of investing in research and development (R&D), creating an enabling environment for start-ups and innovative SMEs, and ensuring access to technology and digital infrastructure for all regions and industries. Digitization is considered a key element for energy efficiency, carbon reduction and global competitiveness of European industry.

Shortcomings in SIR 2024:

SIR 2024 does not include clear and detailed measures to support innovation and digitalisation, which are essential for increasing competitiveness and supporting the transition to a green economy. The lack of a solid support framework for these fields can prevent the adoption of advanced technologies and can limit the access of the Romanian industry to the opportunities offered by the digital revolution:

1. Lack of specific measures to support innovation: SIR 2024 does not provide a concrete framework for stimulating research and development (R&D) in the field of net-zero technologies and other ecological innovations. Instead, European policies such as NZIA and Horizon Europe provide funding and support for innovative projects that contribute to the green transition.

2. Absence of a digitalization strategy for industry: The document does not include a clear strategy for integrating digitalization into industry, an essential aspect for increasing efficiency and reducing carbon emissions. The EU promotes digitization as a crucial tool for optimizing industrial processes and developing new sustainable business models.

3. Lack of incentives for start-ups and innovative SMEs: SIR 2024 does not propose measures to support start-ups and SMEs that develop innovative technologies and solutions. The EU, through various funding programs and policies, encourages the development of new businesses in the green technologies and digitization sector, recognizing their crucial role in the green transition.

4. Absence of modern digital infrastructure: The document does not provide for measures to develop the digital infrastructure necessary to support innovation and digitization throughout the country. A modern digital infrastructure is essential to ensure access to technology in all regions and to support the development of digital industries.

What should be included in SIR 2024:

1. Creating a support framework for research and development (R&D): SIR 2024 should provide for specific measures to stimulate R&D in the field of net-zero technologies and other green innovations. This framework could include funding for research projects, tax incentives for R&D investment and partnerships between universities, research institutes and industry.

2. Development of a national digitization strategy for industry: The document should include a clear strategy for the integration of digitization in industry, supporting the adoption of advanced digital technologies such as artificial intelligence, Internet of Things (IoT), and blockchain. This strategy should be focused on improving the efficiency of industrial processes, reducing carbon emissions and developing new sustainable business models.

3. Incentives for start-ups and innovative SMEs: SIR 2024 should include support measures for start-ups and SMEs developing innovative technologies in the field of net-zero and digitalisation. These measures could include access to finance, mentoring, business incubators and simplification of administrative procedures for these companies.

4. Development of modern digital infrastructure: The document should provide for investment in digital infrastructure, including high-speed broadband networks, data centers and digital collaboration platforms. This infrastructure is essential to support the development of digital industries and to ensure access to technology in all regions of the country.

5. Promoting education and training in digitization and innovation: SIR 2024 should include measures to educate and train the workforce in the digital skills needed to support innovation and digitization. These measures could include vocational training programmes, specialized university courses and retraining initiatives for employees.

6. Collaboration with international partners for innovation and digitalization: The document should encourage international partnerships in the field of innovation and digitalization, through participation in European research projects, collaborations with international companies and access to global funding for innovative projects.

7. Investments in workforce training

The document does not provide for specific measures for the training and retraining of the workforce in the field of green technologies, such as through the creation of net-zero academies, as envisaged by the NZIA.

The European context:

The European Union recognizes the crucial importance of a well-trained workforce to support the transition to a green and sustainable economy. The Net-Zero Industry Act and other initiatives under the European Green Deal emphasize the need to develop skills in the field of net-zero technologies, create quality jobs and ensure a workforce adapted to the needs of modern industry. The EU proposes initiatives such as the creation of "Net-Zero Academies", which aim to train and retrain the workforce in the field of green technologies, to support both the energy transition and the competitiveness of European industry.

Shortcomings in SIR 2024:

The SIR 2024 does not include detailed and concrete measures for investment in training and reskilling of the workforce, an essential aspect for the success of the transition to a green economy. This lack of action can slow down the adoption of net-zero technologies and negatively affect the competitiveness of Romanian industry:

1. Lack of initiatives to develop skills in net-zero technologies: SIR 2024 does not propose specific programs for training or retraining the workforce in the field of green technologies, which contrasts with the proposals in NZIA to create Net-Zero Academies. These academies are essential to ensure that EU workers, including Romania, are prepared to contribute to the green transition.

2. Absence of a plan for adapting the educational system: The document does not mention measures for adapting the educational system in Romania to the new requirements of the green economy. NZIA, on the other hand, emphasizes the need for

collaboration between governments, companies and educational institutions to develop relevant training programmes.

3. Lack of incentives for employers and workers: SIR 2024 does not provide incentives for employers who invest in training their employees or for workers who want to retrain in fields related to net-zero technologies. In contrast, European policies propose financial support measures and incentives to encourage participation in training and retraining programs.

4. Absence of a qualification recognition mechanism: The document does not include measures to ensure national and European recognition of qualifications obtained within training programs for net-zero technologies. NZIA proposes measures for the recognition of qualifications across the European Union, facilitating labor mobility and access to jobs across Europe.

What should be included in SIR 2024:

1. Creation of national training and retraining programs in net-zero technologies: SIR 2024 should propose the creation of national academies or programs specialized in training and retraining the workforce for net-zero industries. These programs should be developed in partnership with academic institutions, industry companies and government organizations, ensuring their relevance and quality.

2. Adaptation of the educational system to the needs of the green economy: The document should provide measures for the integration of competences related to green technologies in the educational curriculum, starting from pre-university to university education. This would include the development of dual education programs and specialized courses in universities focused on net-zero technologies and sustainability.

3. Introducing incentives for training and retraining: SIR 2024 should include incentive measures such as subsidies, tax breaks and other forms of financial support for companies that invest in training their employees and for workers who participate in retraining programs in fields related to net-zero technologies.

4. National and European recognition of qualifications: The document should provide for the creation of a mechanism for the recognition of qualifications obtained within training programs for net-zero technologies, at national and European level. This mechanism would facilitate labor mobility and ensure that Romanian workers can access employment opportunities throughout the European Union.

5. Cross-sectoral collaboration for skills development: SIR 2024 should promote collaboration between various industry sectors, government and educational institutions to develop training programs that meet the real needs of industry. This could include public-private partnerships and joint human resource development initiatives.

8. International partnerships

There is a lack of initiatives to create international partnerships for the trade and export of clean technologies, which is essential for the global competitiveness of the Romanian industry:

The European context:

The European Union, in its transition strategy towards a green economy, emphasizes the importance of international partnerships to support the development and adoption of net-zero technologies. The Net-Zero Industry Act and other European initiatives promote collaboration with third countries to secure access to foreign markets, critical resources and advanced technologies. These international partnerships are essential to boost the competitiveness of European industry, to facilitate the exchange of knowledge and to ensure a global energy transition that contributes to the reduction of greenhouse gas emissions worldwide.

Shortcomings in SIR 2024:

SIR 2024 does not include concrete measures for the development of international partnerships in the field of net-zero technologies, which limits Romania's ability to fully integrate into the global green economy and take advantage of international cooperation opportunities:

1. Lack of a clear international partnership strategy: SIR 2024 does not provide a clear strategy for establishing and developing international partnerships with other countries or regions. Instead, NZIA emphasizes the importance of these partnerships to ensure access to advanced technologies and to develop external markets for net-zero products and services.

2. Absence of a coordinated approach at the European level: The document does not include measures to coordinate Romania's efforts with those of other EU member states within international partnerships. A coordinated approach would allow Romania to benefit from joint initiatives and strengthen its position on the international market.

3. Lack of export initiatives for net-zero technologies: SIR 2024 does not propose specific initiatives to promote exports of Romanian net-zero technologies on international markets. NZIA, on the other hand, supports the creation of net-zero industrial partnerships with other countries to boost exports and facilitate access to new markets.

4. Absence of protection mechanisms against unfair competition: The document does not include measures to protect Romanian industries against unfair competition from third countries that do not respect the same environmental or social standards. European policies propose the use of trade instruments and anti-dumping measures to ensure a level playing field for European companies.

What should be included in SIR 2024:

1. Development of a national strategy for international partnerships: SIR 2024 should provide for the creation of a clear strategy for the development of international partnerships in the field of net-zero technologies. This strategy should identify key markets, set clear objectives for cooperation and propose measures to attract foreign investment and promote exports of green technologies.

2. Coordination with European initiatives: The document should include measures to align Romania's efforts with those of other EU member states within international partnerships. A coordinated approach would allow Romania to benefit from joint initiatives such as trade agreements, cross-border research and innovation projects and industrial development programmes.

3. Promotion of exports of net-zero technologies: SIR 2024 should include specific initiatives to support Romanian companies in the promotion and export of net-zero technologies on international markets. These initiatives could include financial support programs, participation in international fairs and exhibitions, as well as the creation of collaborative networks with international partners.

4. Protection of Romanian industry against unfair competition: The document should provide for measures to protect Romanian industries from unfair competition, by using commercial instruments available at the European and international level. This could include the application of anti-dumping tariffs, measures to protect intellectual property and the enforcement of environmental and social standards in international trade.

5. Promoting international collaboration in research and innovation: SIR 2024 should include measures to encourage international collaboration in research and innovation, especially in the development of net-zero technologies. This could include participation in European research projects, partnerships with academic and research institutions in other countries and access to international funding for innovation projects.

6. Romania's integration into global value chains: The document should provide measures for the integration of Romanian companies into the global value chains of net-zero technologies. This would involve supporting Romanian companies in developing production capacities for critical components, as well as facilitating access to global markets through international partnerships.

9. Promoting the demand for green products

Measures to stimulate demand for circular and net-zero products through public and private procurement, as recommended by EU policies, are not included:

The European context:

The European Union, through strategies such as the European Green Deal and the Net-Zero Industry Act, places particular emphasis on stimulating demand for green, net-zero and circular products. This is essential to achieve climate neutrality goals and encourage the transition to a more sustainable economy. The EU promotes the use of green public procurement, provides incentives for consumers and companies to choose sustainable products and sets strict sustainability criteria for products available on the market. These measures are intended to create a favorable framework for the development of the market for organic products and to ensure a constant demand for such products.

Shortcomings in SIR 2024:

SIR 2024 does not include clear and concrete measures to promote the demand for green products, which may limit Romania's ability to achieve sustainability objectives and stimulate the development of a competitive green economy:

1. Lack of green public procurement initiatives: SIR 2024 does not provide policies or programs to encourage the use of green public procurement, an important tool for stimulating demand for sustainable products. In contrast, European strategies such as the NZIA emphasize the need for public procurement to include sustainability criteria to boost the market for green products.

2. Absence of incentives for consumers and companies: The document does not include measures to provide direct incentives to consumers or companies to choose green products. In contrast, the EU proposes various incentives, such as tax reductions, subsidies or reward schemes, to encourage the transition to sustainable consumption and production.

3. Lack of a legislative framework for the labeling and certification of green products: SIR 2024 does not propose the introduction of strict standards for the labeling and certification of green products that would allow consumers to make informed choices. EU policies promote the use of clear and transparent standards to ensure that green products are easily identifiable and meet strict sustainability criteria.

4. Absence of a strategy to educate and sensitize consumers: The document does not include measures to educate and sensitize consumers about the benefits of green products and the importance of sustainability. Instead, the EU supports awareness and education campaigns to encourage more responsible consumption behaviours.

What should be included in SIR 2024:

1. Promotion of green public procurement: SIR 2024 should include clear policies imposing sustainability criteria in public procurement. These criteria should prioritize products and services that meet environmental standards and help reduce carbon emissions. Thus, the government could stimulate demand for green products and encourage companies to adopt more sustainable production practices.

2. Introduction of incentives for consumers and companies: The document should provide incentives for consumers and companies that choose green products. These incentives could include tax breaks, subsidies for the purchase of green products or rewards for companies that improve their environmental performance. Such measures could help to increase the demand for sustainable products in the domestic market.

3. Development of a framework for labeling and certification of green products: SIR 2024 should introduce national standards for labeling and certification of green products, aligned with European norms. These standards would ensure that organic products are easily recognizable and meet strict sustainability criteria, giving consumers the assurance that they are making responsible choices.

4. Implementation of an education and awareness strategy: The document should provide for measures to educate and raise public awareness about the benefits of green products and the importance of sustainability. Awareness campaigns, educational programs in schools and community initiatives could help change consumer behavior and increase demand for green products.

5. Collaboration with the private sector to develop the market for green products: SIR 2024 should encourage collaboration between the government, the private sector and non-governmental organizations to develop the market for green products. This could include public-private partnerships, research and development initiatives and support for innovations that help reduce environmental impact.

10. Integration of SMEs in European value chains

The document does not focus enough on the integration of Romanian SMEs in European value chains, essential for increasing their competitiveness:

The European context:

The European Union recognizes the crucial role of small and medium-sized enterprises (SMEs) in the European economy and emphasizes the need to integrate them into European value chains to ensure competitiveness and innovation in the industrial sector. The Net-Zero Industry Act and other EU initiatives such as the COSME Program and Horizon Europe support SMEs through access to finance, support for innovation, skills development and the facilitation of international cooperation. The integration of SMEs into European value chains is essential to enable them to benefit from the opportunities offered by the European Single Market and the transition to a green and digital economy.

Shortcomings in SIR 2024:

SIR 2024 does not include specific and detailed measures for the integration of SMEs in European value chains, which may limit their ability to benefit from the opportunities created by the European single market and to adapt to the new requirements of the green economy. The lack of a clear strategy in this regard can lead to a weak competitiveness of Romanian SMEs on the European and global market:

1. Lack of support measures for the integration of SMEs in value chains: SIR 2024 does not provide for specific initiatives to support SMEs in their efforts to integrate into European value chains. The EU, on the other hand, through various programmes, provides financial support, advice and market access to facilitate the integration of SMEs into European and global supply chains.

2. Absence of a collaboration strategy between SMEs and large companies: The document does not include measures to promote collaboration between SMEs and large companies in Romania and the EU, essential for increasing the capacities of SMEs

and for their integration in value chains. European strategies promote partnerships between large companies and SMEs to boost innovation and increase competitiveness.

3. Lack of a strategy for SMEs' access to finance and international markets:

SIR 2024 does not provide detailed measures to facilitate SMEs' access to finance and international markets, which is crucial for their integration into European value chains. The EU offers various financing mechanisms and programs that support SMEs in expanding into international markets.

4. Absence of a support framework for the development of SME skills: The document does not include measures for the development of SME skills, necessary to face European requirements and standards within value chains. The EU promotes vocational training and reskilling to ensure that SMEs can adopt new technologies and comply with strict environmental and quality regulations.

What should be included in SIR 2024:

1. Creation of a national program for the integration of SMEs in European value chains: SIR 2024 should provide for a national program dedicated to supporting SMEs in their efforts to integrate into European value chains. This program should provide funding, advice and capacity building support so that SMEs can effectively collaborate with European partners and participate in the supply chains of large companies.

2. Promoting collaboration between SMEs and large companies: The document should include measures to promote partnerships between SMEs and large companies in Romania and the EU. These partnerships could be supported through funding facilities, public-private partnerships and joint research and development initiatives. Collaboration would stimulate innovation and allow SMEs to expand their capabilities and access new markets.

3. Facilitating SMEs' access to financing and international markets: SIR 2024 should provide for measures to facilitate SMEs' access to financing sources and

international markets. These measures could include access to European funds, credit guarantee schemes and export support programmes. Facilitating access to finance and markets is crucial for the growth and internationalization of SMEs.

4. Skills development and vocational training for SMEs: The document should include a support framework for developing the skills needed by SMEs to integrate into European value chains. This could include vocational training programmes, retraining courses and continuing education initiatives enabling SMEs to adopt new technologies and comply with European environmental and quality standards.

5. Creation of networks and collaboration platforms for SMEs: SIR 2024 should support the creation of networks and collaboration platforms that facilitate contacts and exchange of best practices between SMEs, large companies and other stakeholders in supply chains European value. These networks could include online platforms, matchmaking events and regional and international collaboration initiatives.

11. Reducing bureaucracy

There are no concrete measures to eliminate bureaucracy and legislative obstacles, which are necessary to increase the competitiveness of Romanian industry:

The European context:

The European Union, through various initiatives and regulations, including the Net-Zero Industry Act and the European Green Deal, recognizes that cutting red tape is essential to facilitate the transition to a green economy and boost economic growth. Simplifying administrative procedures, reducing bureaucratic burdens and speeding up authorization processes are considered priorities to ensure a favorable environment for investment and innovation. These measures are intended to improve the competitiveness of European industry, reduce costs for companies and enable the rapid implementation of infrastructure and green technology projects.

Shortcomings in SIR 2024:

SIR 2024 does not include detailed and concrete measures to reduce red tape, which may hinder the efficient development of industrial and green infrastructure projects. Excessive bureaucracy can discourage investments, delay project implementation and reduce Romania's competitiveness on the European and global market:

1. Lack of specific measures to simplify administrative procedures: SIR 2024 does not provide for clear initiatives to simplify administrative procedures, essential for reducing the time and costs needed to obtain authorizations and approvals. In contrast, NZIA proposes specific measures to speed up authorization processes, especially for strategic projects in the field of net-zero technologies.

2. Absence of a framework for reducing bureaucratic burdens: The document does not include measures to reduce bureaucratic burdens for companies, which is crucial to stimulate investment and innovation. The EU promotes a regulatory framework that

minimizes bureaucracy and creates favorable conditions for business development and the implementation of innovative projects.

3. Lack of a strategy for the digitization of administrative procedures: SIR 2024 does not foresee measures for the digitization of administrative procedures, which could significantly reduce the time and effort needed to manage bureaucratic requirements. Digitization is essential to improve the efficiency of processes and to ensure their accessibility at the national level.

4. Absence of inter-ministerial coordination mechanisms to simplify bureaucracy: The document does not mention the creation of inter-ministerial coordination mechanisms to ensure that efforts to reduce bureaucracy are coherent and effective at all levels of government. Instead, the EU promotes an integrated and coordinated approach to simplify regulations and administrative procedures.

What should be included in SIR 2024:

1. Simplifying and speeding up administrative procedures: SIR 2024 should provide for clear measures to simplify and speed up administrative procedures, especially for strategic projects in the field of net-zero technologies. These measures could include strict deadlines for obtaining authorizations, reducing the number of approvals required and centralizing the approval process in a single point of contact.

2. Reducing bureaucratic burdens for companies: The document should include measures to reduce bureaucratic burdens for companies, especially for SMEs and start-ups. These measures could include simplifying reporting requirements, eliminating redundant documents and creating standardized procedures at the national level.

3. Digitization of administrative procedures: SIR 2024 should provide measures for the complete digitization of administrative procedures, including the introduction of a national electronic system for the submission and management of applications for authorization and approval. Digitization would significantly reduce the time and costs

associated with bureaucracy and improve the accessibility of these services for all actors involved.

4. Creation of an inter-ministerial coordination mechanism: The document should propose the creation of an inter-ministerial coordination mechanism to ensure the coherence and efficiency of measures to reduce bureaucracy. This mechanism would facilitate collaboration between different government ministries and agencies and ensure effective implementation of simplification measures.

5. Consultation with the private sector and civil society: The document should provide for regular consultations with the private sector and civil society to identify bureaucratic problems and develop solutions adapted to the real needs of the economy. These consultations would ensure that the simplification measures respond to the challenges faced by companies and contribute to increasing competitiveness.

12. Capitalizing on Romanian potential

Identification of strategic areas through data-based analyses:

Romania has significant potential in certain economic and industrial fields, which, if capitalized correctly, can transform the country into a leader at the European level. In order to identify these areas, it is essential that the Romanian state adopts a data-driven approach, using advanced analyzes that include economic, technological, environmental and social assessments.

Analyzes should include:

1. Assessment of existing natural resources and infrastructure: Identification of available natural resources (minerals, renewable energy resources, fertile agricultural land) and industrial infrastructure that can be adapted or expanded to support the development of new industries.

2. Innovation and research and development (R&D) potential: Assessment of national research and innovation capabilities, including available talent in universities and research institutes, to support the development of advanced and sustainable technologies.

3. Analysis of international competitiveness: Identification of areas in which Romania has or can develop competitive advantages at the European level, such as green energy production, ecological agriculture, digitization and automation technologies, and the production of advanced materials.

4. Market demand study: Analysis of domestic and international markets to identify market segments that can be captured or expanded by Romanian companies, especially in the context of the transition to a green and digital economy.

Prioritization of areas of strategic interest:

Based on the analyses, the Romanian state should identify and prioritize the areas in which it can excel at the European level. These areas should be chosen based on their potential to attract investment, create jobs, and contribute to sustainable economic growth.

These areas could include:

- **Renewable energy:** Romania has a high potential in the production of wind and solar energy, as well as in the development of energy storage technologies.
- **Organic agriculture:** Having fertile agricultural land, Romania can become a leader in the production of organic food with high added value.
- **Digital technologies and automation:** The development and integration of digital technologies, such as artificial intelligence, blockchain, and the Internet of Things (IoT), in traditional industries can improve their efficiency and competitiveness.

Request for European funding for strategic projects:

After identifying the priority areas, Romania should develop concrete strategic projects to be presented to the European Commission for funding. These projects should be well-founded, with clear objectives, detailed implementation plans and an economic and social impact assessment.

The Romanian state should request financial support for:

- 1. Development of the necessary infrastructure:** Creation of green energy networks, modernization of transport and logistics infrastructure, and development of innovation and R&D centers.
- 2. Training and retraining of the workforce:** Implementation of national training and retraining programs in priority areas, to ensure the availability of a qualified workforce.
- 3. Supporting SMEs and start-ups:** Providing grants and tax facilities for SMEs and start-ups operating in the identified priority areas.
- 4. Promoting public-private partnerships:** Encouraging collaboration between government, the private sector and academic institutions to accelerate the development and implementation of strategic projects.

By adopting a strategic and data-based approach, Romania can identify and capitalize on the areas in which it has a high potential to become a European leader. This will allow not only long-term economic development, but also a more competitive positioning of Romania within the European Union.