THE INTERACTION BETWEEN FOREIGN INVESTORS AND NATIONAL ENTERPRISES IN THE ROMANIAN SERVICE SECTOR[1]

GEORGETA ILIE, PhD
Institute for World Economy, Romanian Academy
13, Calea 13 Septembrie, 6th sector, Bucharest
ROMANIA
georgeta.ilie@iem.ro, https://iem.ro/

Abstract: Over the last three decades, the attractiveness of the Romanian business environment, bolstered by favourable national policies, has generated substantial inflows of foreign direct investment (FDI), which in turn have contributed to Romania's economic transformation. As an important destination for FDI, the service sector has come to contribute significantly to the value added in Romania's GDP, employment, and foreign trade The main objective of this paper is to highlight the service sector as a beneficiary of the relationship between foreign investors and national enterprises, taking into account the different forms of business partnership, in accordance with the characteristics and dynamics of the Romanian service market. The research results are deployed in a quantitative dimension focused on the macroeconomic perspective related to service developments indicators, where FDI has had a considerable direct and indirect contribution, especially to the trade in services of Romania, as well as a qualitative approach of the most relevant forms of collaboration between foreign investors and national companies along the transformational processes in the Romanian economy depending on and in accordance with the particularities of the service domains. The statistical approach is based on data of national and international institutions, covering the period between 2015 and 2024, while the analysis of foreign-local collaborations and interactions is built on various studies and reports developed over time by institutions and companies, related to foreign projects and partnerships within the service markets in Romania. The concluding remarks in the last part of this paper emphasize that as a recipient of FDI, the service sector has been considerably transformed, with transfers of capital, technology, and know-how being multiplied by the spillover effects generated by interactions between foreign investors and domestic enterprises, contributing to Romania's specialization, especially in information and communications technology services.

Keywords: foreign direct investment, services, trade in services, Romania, spillover effects, economic development.
JEL Classification: F21, F23, F43, L8, O14.

1 Introduction

During the last decades, foreign direct investment (FDI) has had a central role in sustaining the development processes. Due to its capacity to provide capital, create jobs, transfer technology, introduce management practices, and getting access to foreign markets, FDI contributes to increasing competitiveness of many national economies, particularly the developing ones. Besides many advantages for a host economy, FDI makes it possible for a new economic actor to enter the national market, generating changes, particularly at the level of specific industries, both in expanding collaboration with local companies, as well as in stimulating competition between foreign and national enterprises. FDI has been considered to have an important impact on local enterprises, generally appreciated as positive, given the multiplier effects in the national business environment, with increased activities, employment, productivity, and significant upgrading of skills and competencies in accordance with international standards. At the same time, foreign investors have often been criticised for potential marginalization or even elimination of local businesses from their national markets, due to their capacity to provide high-quality and cost-effective goods and services.

[1] This article further capitalizes on the field of the author's doctoral thesis entitled "The role of foreign investments in the economic recovery of Romania".

The international experiences reveal that the relationship between foreign investors and national enterprises exists on a spectrum from strategic collaboration to intense competition, their interaction generating the concept of "dynamic coopetition" where firms cooperate and compete simultaneously (Xia et al., 2023). In this context, national enterprises may benefit from foreign partnerships through shared resources and knowledge or face challenges from direct competition and unequal power dynamics (Yeboah & Boateng Prempeh, 2023). FDI can boost national competitiveness through capital and technology transfer, driving innovation and creating job opportunities, while also posing risks such as technology leakage, market fragmentation, or suppressing and discouraging local entrepreneurship.

FDI inflows have played a substantial role in Romania's economic growth, from the perspectives of their contribution to the development of all industries and integration into the global markets, as well as of their impact on local businesses they interact with on the national market. The service sector has benefited significantly from all inputs brought by FDI projects, currently dominating the Romanian economy and its foreign trade relations, supported by foreign companies operating into the economy and also national enterprises, the development strategies of the latter ones being driven by FDI. The upward trend of the Romanian service sector has had an important contribution in sustaining the entire economy, in accordance with its level of development and economic policies, considering its international connectivity through FDI, as well as the national enterprises benefiting directly and indirectly from the FDI influence.

2 Research methodology

The methodological design used in this article is a mixed one, combining a qualitative approach with a quantitative analysis focused on the contribution of FDI to the expansion of the Romanian economy between 2015 and 2024, particularly from the perspective of the interaction between foreign investors and national enterprises in the service sector. The qualitative assessment is based on the relevant literature consisting in scientific articles and official reports presenting results about the role of FDI in Romanian economy development and particular aspects related to the interaction between FDI and local enterprises. Throughout the analysis, personal observation and interpretation of the particular case of the evolution of the service sector in Romania are made. The quantitative analysis accompanies the qualitative approach, aiming to highlight Romania's progress in the service industries, to which foreign as well as local investors have contributed. The data examined are provided by the official national institution, particularly the National Bank of Romania (NBR), as well as the statistical divisions of European and international institutions, such as Eurostat of the European Commission, the World Bank database, and the Global Services Trade Data Hub of the World Trade Organization.

The research aims to identify the particular Romania's progress in the field of the service sector from the perspective of the interaction between FDI and local enterprises, after more than three decades of opening up the economy, which created the conditions for the expansion of foreign investment and trade flows. To this end, our analysis was focused on the following categories of indicators: services development (the share of service sector of gross domestic product/ GDP; the share of employment in services of total employment at the national level; the contribution of trade in services to GDP); FDI in services (the inflows of FDI in the service sector, totally, as share of total FDI, and by service categories); trade in services related to FDI (the contribution of FDI to trade in services; the structure of exports and imports of services of foreign investing companies in Romania); other relevant indicators related to FDI and trade in services (trade in intermediate services; trade in digitally delivered services, totally and by categories of services). The analysis of the indicators covers the decade between 2015 and 2024, with some indicators presenting only data in 2024 compared to 2015, as well as some special references to more distant years to highlight the progress of some indicators under certain influencing factors. The particular investigations are focused on the services with the largest shares in FDI destinations and trade flows, such as business services and information and communication technology (ICT) services, where many forms of foreign-local collaboration and interaction have developed.

The analysis focuses on the effects of FDI on services in Romania, from the perspective of national enterprises as partners in service businesses, taking into account some personal observations and opinions related to the effects of foreign-local interaction and prospects of service industries in Romania. The most important limitation of this research is related to the shortages of specific data for emphasising a more accurate statistical dimension of the effects of FDI on national enterprises operating in services, given the difficulties in collecting specific data for the wide variety of services, providers, and especially business models in this sector, and aggregating them into sectoral or national indicators. For example, the official statistics reports the total employment in foreign-owned companies (NBR, 2016-2025), but without a sectoral repartition, while different analyses conducted by private entities cover particular industries, such as the business services sector focusing on those related to ICT (ABSL, 2024). Given the growing development of businesses related to ICT services, at the level of national authorities, specific reports are released on this particular field, which also involve various related studies conducted by private companies to outline the main trends in this area (RAIFT, 2023). Consequently, the extension of the research as soon as more data become available is considered.

The research results are structured into two main sections: (i) the contribution of FDI in supporting the development of the service sector in Romania, emphasised by the evolution of relevant indicators; as possible, there are made appreciations related to the different contribution of foreign and national companies in services to specific indicators, such as foreign trade; (ii) the service sector in Romania as a beneficiary of the relationship between foreign investors and national enterprises; within this section, the variety of collaboration forms between foreign investors and national companies are investigated, underlying the specific characteristics of their cooperation and their effects on national markets; considering the literature related to the topic of this paper, there are taken into account different specific business models (such as outsourcing) and effects (such as demonstration effects and crowding out effect). The concluding remarks in the last part of the paper synthesize the contribution of FDI in sustaining the service industries and trade in services of Romania, underlining their role in the development of national enterprises in services as a result of their association and also competition in the market.

3 Literature review

The effects of the increasing FDI flows on host economies have been intensively analysed in specialised literature and reports related to economic development. Recent relevant contributions in this field can be remarked at Adelakun and Ogujiuba (2023) finding that FDI is viewed as a major driver of economic development of developing economies, due to the transfers of capital and knowledge, as well as productivity spillovers generated by the FDI inwards. Emako et al. (2022) identified that FDI's growth effect is influenced by its sectoral composition in developing countries. As well, Borensztein et al. (1998) developed an investigation identifying that FDI enhances economic growth by transferring technology and fostering knowledge spillovers in developing countries, arguing that its impact on growth depends on human capital, which helps in absorbing new technologies brought in by foreign investors.

Ghauri and Firth (2011) focused on the linkages occurring between multinational companies in services and local suppliers in emerging economies, examining backward and forward linkages, the influencing factors, and the effects of these linkages on domestic firms. As well, they argued that the main factors which facilitate these linkages in the service sector are related to the FDI mode of entry into the local market, subsidiary autonomy and role, as well as the government regulation and policy with a major impact on the development of these linkages.

Related to the growing contribution of the service sector in the economy, Banga (2005) explored the shifting of global FDI from manufacturing towards services, highlighting the rise of FDI role in increasing the business integration at the level of the world economy. In this regard, Chakraborty and Nunnenkamp (2008) also noted considerable changes in the composition and type of FDI over time in emerging markets, particularly from manufacturing to the service sector. Moreover, Shah and Raza (2022) found that FDI in services stands out for its role in connecting local service suppliers to the global value chain and boosting service exports. Similarly, Sen (2011) identified the propagation role of FDI in service industries from the perspective of its contribution to economic growth, but also of the vulnerability of host countries considering their dependence on FDI in sustaining the services developments.

Analysing the dynamic relationship between trade openness and FDI inwards, Zhang (2007) found that trade liberalization creates a more attractive environment for foreign investors by providing better market access and reducing barriers to business operations. Minh and Trinh (2023) underlined the role of the coherence of FDI attraction and trade liberalization policies in order to improve the benefits of FDI, particularly in the case of developing countries. The relationship between FDI and export and import flows depends on the regional policies, market conditions, and the level of trade openness (Lakshani et al., 2023). Given that FDI has an important contribution in boosting the competitiveness of national firms by providing access to technology and expertise, especially in developing and emerging countries, Lakshani et al. (2023) and Albiman et al. (2022) demonstrated that FDI raises the growth of export-oriented sectors, particularly by improving firms' productivity and enabling them to compete globally.

The investigation of the particular interplay between foreign investors, typically multinational companies, and domestic firms within host countries, examining its multifaceted implications for economic development and industrial structure adjustment, has been a topic of interest to many researchers. This interaction often turns around the direct and indirect impacts of FDI on local enterprises, frequently focusing on knowledge spillovers, technological transfer, and competitive dynamics (Dishon & Yabs, 2017; Gao & Sammartino, 2022). Resource dependence theory postulates that multinational corporations leverage their superior control over advanced resources, including technology and management systems, to gain a competitive advantage over local competitors, thereby enhancing their market dominance (Wu et al., 2022). The presence of multinational enterprises inherently offers learning opportunities for local firms through direct observation, demonstration effects, and the establishment of upstream and downstream linkages, facilitating the enhancement of local innovation capabilities and patenting. Such linkages involve the sharing of information regarding products and processes, thereby providing ways for suppliers and distributors to acquire technological knowledge, which subsequently diffuses to other local firms (Gao & Sammartino, 2022). FDI spillovers can increase the export potential of domestic companies by transferring knowledge and technology from foreign investors, particularly where foreign companies establish linkages with local companies (Sahoo and Dash, 2022).

In terms of host economies' attitude towards foreign presence in their markets, Yang and Meyer (2020) explored the relationship between foreign and local firms from the perspective of their competitive actions in emerging markets. Thus, these actions depend on local technological capabilities (when these are limited, the competitive aggressiveness of local firms is weaker) and on the attitude of host governments (when this is reduced, the aggressiveness of the competitive actions of multinational subsidiaries is reduced). Another interesting perspective was identified by Yeboah, S. et al. (2023) exploring the specific relationship between FDI and local entrepreneurial ecosystems, focusing on their impact on startups and small and medium-sized enterprises. Besides numerous advantages, they also identified many challenges, particularly for local startups, such as increased competition, dependency risks, unequal partnerships, and potential loss of intellectual property, in this case, national policies and strategies being needed to mitigate these risks. Cabral et al. (2024) analysed another interesting perspective of the foreign-local collaboration, namely improving the international reputation of national companies, with a high potential in attracting new foreign investments partners and consequently in increasing their presence on the global market.

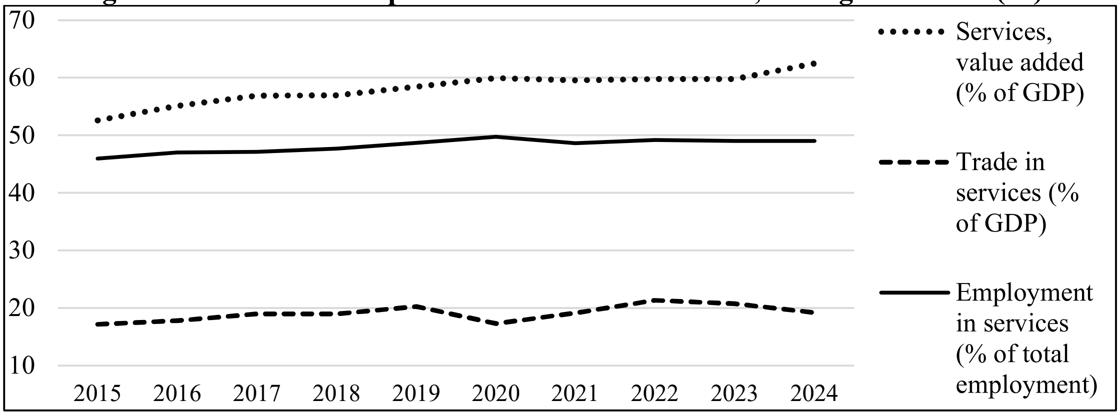
Considering the increasing interest in identifying new perspectives of the role of FDI in the service business developments, our paper focuses on the interaction between foreign investors and national enterprises in the particular case of the Romanian service sector. By examining this topic, we bring together the relevant aspects of the role of FDI in the expansion of the service sector in Romania, underlying the increasing contribution of services in the economic development.

4 Research results

4.1 The contribution of FDI to the development of the service sector in Romania

Since the fall of the Iron Curtain, the Romanian economy has gone through a period of major transformations generated by the national reforms through its transition from a planned to an open and market-based economy. The restructuring processes including privatisation of state-owned enterprises, liberalisation of foreign trade and implementation of a favourable foreign investment regime, had positive effects on Romanian economy. All these considerable changes have had a significant impact on the service sector, during the last years, service industries having a major contribution to the macroeconomic indicators. As revealed in Figure 1, in 2024, the service sector contribution to Romania's GDP reached 62.5% (a significant evolution during the last decade, from 52.6% in 2015, but a spectacular progress form 24.2% in 1990), service activities providing 49% of jobs at the national level (compared to 26.6% in 1991), while the contribution of trade in services to GDP was 19.2% (WBG, 2025).

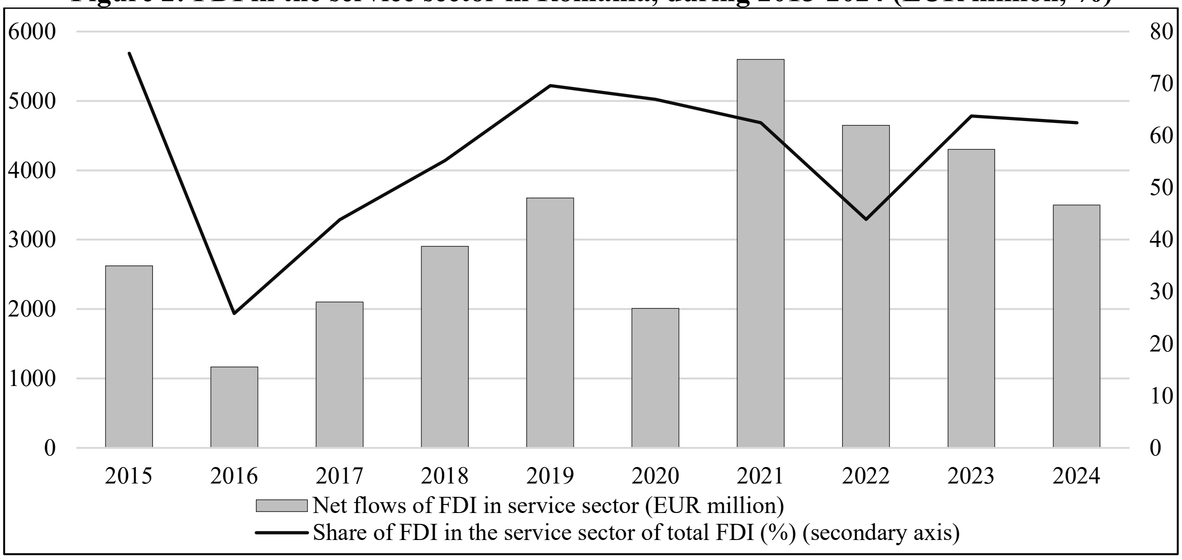
Figure 1: Services development indicators of Romania, during 2015-2024 (%)



Source: Author's representation based on data published by WBG (2025).

After three decades of intense transformations, the current service sector performance encompasses the results of the activities of foreign companies investing and operating in Romania, as well as developing a variety of forms of collaboration with national enterprises. The favourable regulatory conditions and competitive advantages have attracted many multinational companies to expand their activities in the service industries in Romania. The FDI inflows into the Romanian economy have played a crucial role in its modernization, contributing to the most important changes in the national development model, within services having stood out. As illustrated in Figure 2, despite the fluctuating trend during the recent years, service industries have dominated the total net FDI in the Romanian economy, the maximum share being reached in 2015 with 75.8%, while the maximum value was reached in 2021 with EUR 5,599 million. The data covering the last decade have emphasised the continued attractiveness of services for foreign companies investing in Romania, even in difficult times as those after COVID-19 pandemic crisis in 2020 (NBR, 2016-2025).

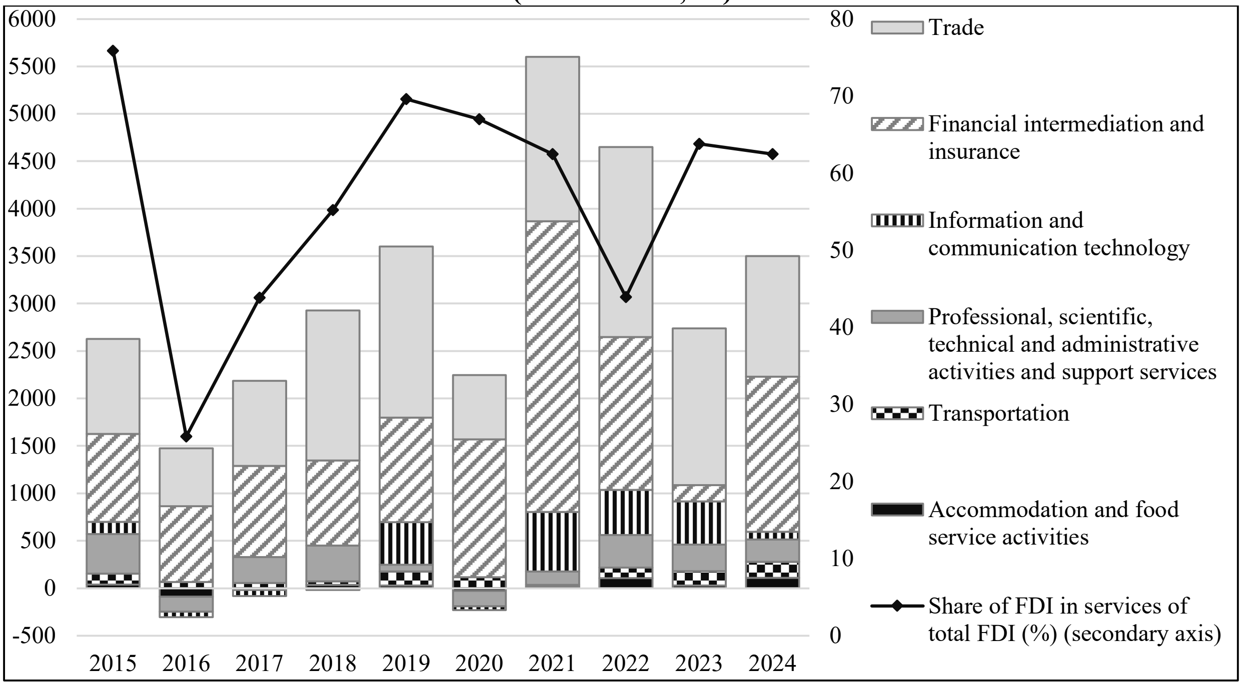
Figure 2: FDI in the service sector in Romania, during 2015-2024 (EUR million, %)



Source: Author's representation based on data released by NBR (2016-2025).

Both service industries and FDI are sensitive to a series of influencing factors, consequently, the sinuous evolution of net FDI in services in Romania during the last decade is explained by various external and internal conditions. Thus, the most recent significant external disrupting factor, namely the COVID-19 pandemic crisis with severe restriction measures affecting service activities where human interaction is indispensable, also generated a decline in the FDI net inflows in services. However, after the end of the pandemic, the service industries have continued to be an important destination of FDI in Romania, despite the difficult times of recovery processes and geopolitical tensions generated by the Russian-Ukrainian conflict. The data presented in Figure 3 highlight the dominance of FDI in financial intermediation and insurance services (with 46.7% of total FDI in services in 2024), followed by trading services (with 36.3% of total FDI in services in 2024). The FDI net flows of ICT services decreased in 2024, the best recent year being 2021, with 11.2% of total FDI in services.

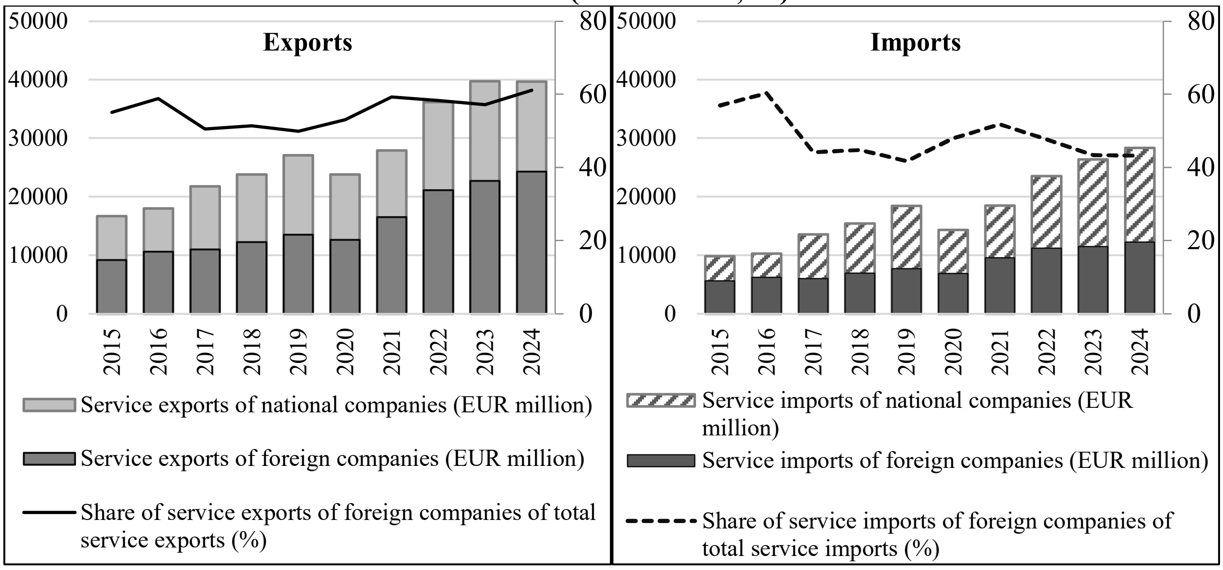
Figure 3: FDI net flows in the main service industries in Romania, during 2015-2024 (EUR million, %)



Source: Author's representation based on NBR (2016-2025).

The strategies of foreign companies investing in service industries have been developed considering the competitive advantages of the Romanian business environment, where service exports have been one of their objectives. Consequently, the expansion of foreign companies investing in service industries in Romania has had an important impact on its trade in services. As revealed in Figure 4, during the last years, the exports and imports of services generated by the foreign investing companies in Romania have followed a positive trend, in 2024 the share of service exports made by foreign companies operating in Romania rising at 61.17% of total services exports, while the share of service imports serving the foreign companies in Romania recorded a slow decrease during the last years, in 2024 achieving 43.19% of total services imports (NBR, 2016-2025). As well, the data emphasise a constant significant surplus of total trade in services, totally sustained by foreign companies in Romania: in 2024, the service trade surplus of foreign companies was EUR 12,036 million (following the previous positive trend, in 2023 the service trade surplus of foreign companies was EUR 11,243 million), while the service trade balance of national companies registered a deficit of EUR 679 million (after the surplus of EUR 2,064 million in 2023 and EUR 2,772 million in 2022).

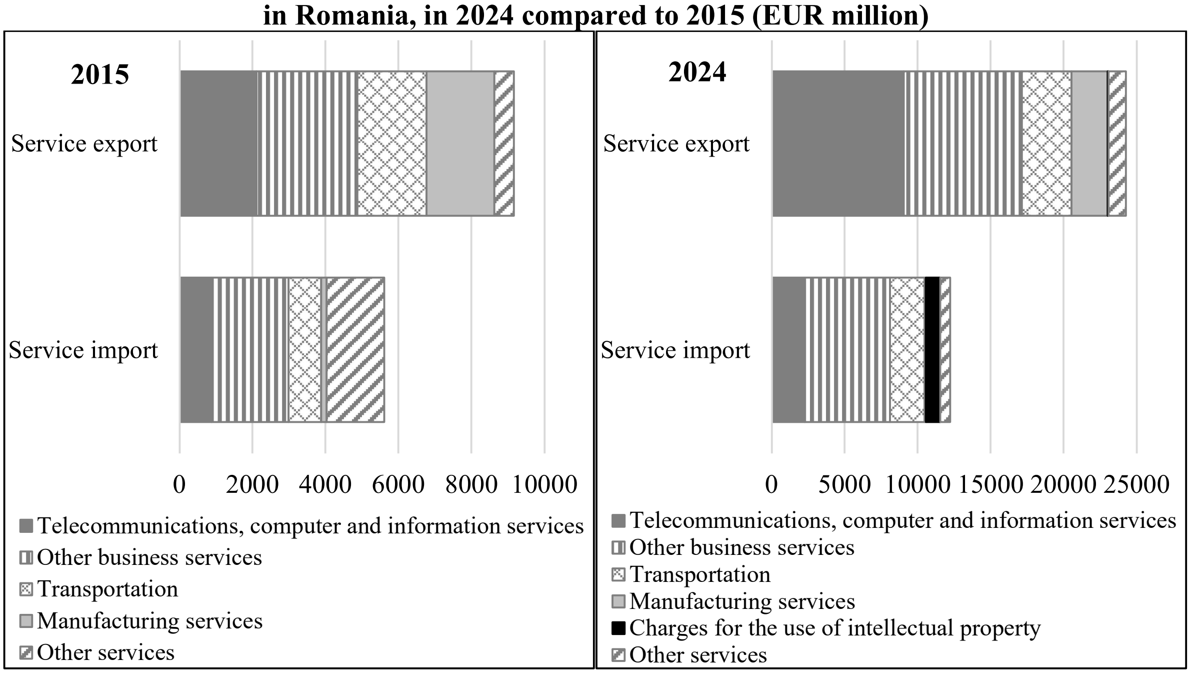
Figure 4: The contribution of foreign and national companies to trade in services of Romania, during 2015-2024 (EUR million, %)



Source: Author's representation based on NBR (2016-2025).

The analysis by the main categories of services traded by foreign companies in Romania discloses surpluses in all groups of services, except for charges for the use of intellectual property. The data showed in Figure 5 offer a relevant perspective of the evolution of the main categories of services traded by foreign companies in 2024 compared to 2015, emphasising their structural transformation during the last decade. As revealed, in 2024, telecommunication, computer and information services, and other business services represented 70.6% of service exports of foreign companies in Romania (an important increase compared to 2015, with 53.2%), and 66.2% of service imports of foreign companies in Romania (in this case, an increase from 53.3% in 2015).

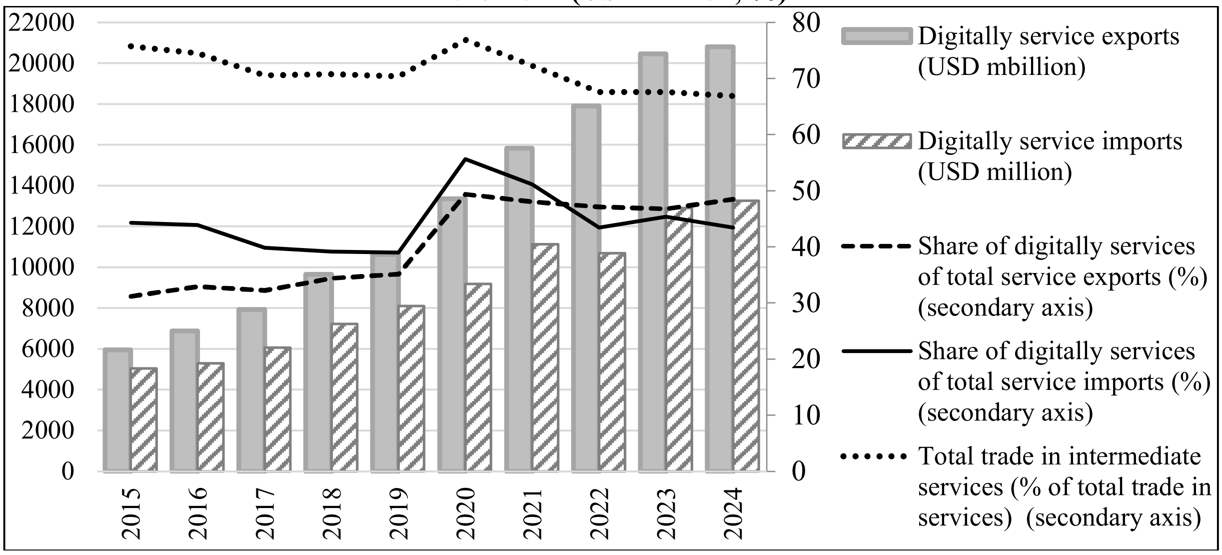
Figure 5: The structure of exports and imports of services of foreign investing companies in Romania, in 2024 compared to 2015 (EUR million)



Source: Author's representation based on NBR (2016, 2025).

The high share of foreign companies in Romania's trade in services, as well as their important surplus, have revealed the contribution of foreign companies investing in Romania in the integration of national service industries into the world trade, and particularly into the global value chains of services. Foreign-owned service companies can facilitate the integration of the Romanian service sector into global value chains and international markets, including for domestic firms that become their partners or suppliers. The recent expansion of global service value chains has been supported by the increasing of digitally delivered services, where the new digital technologies are used especially for the trade in professional services (particularly in ICT and other business services). Data presented in Figure 6 emphasise the increasing trends of exports and imports of digitally delivered services, supported by foreign companies investing in Romania, as well as national companies that have expanded into the digital service domains (WTO, 2025; Eurostat, 2025). Digitally delivered services are usually traded as intermediate services within global value chains. So, even during the recent years, a slight fluctuation in the Romanian trade in intermediate services has registered, the general appreciation related to the good contribution of trade in services to the integration of national service industries into the international value chains can be made, the maximum share being registered in 2020 with 76.9% (explained by the situation of pandemic crisis), while in 2024 the percentage of the intermediate services in the total trade decreased at 66.7% (Eurostat, 2025).

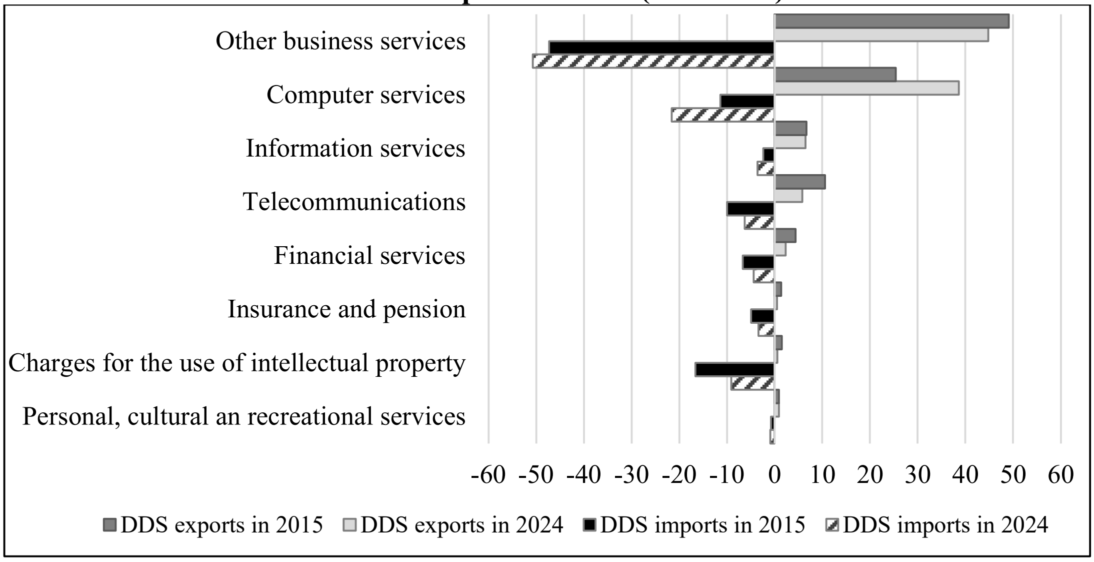
Figure 6: Trade in digitally delivered services and trade in intermediate services of Romania, during 2015-2024 (USD million, %)



Source: Author's representation based on WTO (2025) and Eurostat (2025).

Considering the main categories of services traded by digital means, Figure 7 reveals the continued dominant representativeness of the other business services and computer services, in 2024, their combined share achieving 83.4% total exports of digitally delivered services and 72.3% total imports of digitally delivered services. Their high share of trade in digitally delivered services is due to the powerful influence of factors that have made Romania a major regional hub for business process outsourcing, shared service centres, software development, and information technology services outsourcing. The computer services and business services form the backbone of Romania's digital trade balance because they are based on the country's most internationally competitive advantages, such as the highly skilled, multilingual workforce operating within a cost-effective, time-convenient, and technologically advanced environment (Jobava, 2025).

Figure 7: The structure of digitally delivered services exports and imports of Romania, in 2024 compared to 2015 (% of total)



Note: DDS – Digitally delivered services.
Source: Author's representation based on WTO (2025).

Summarising, the development of the service sector in Romania has followed the international trend in this field, the outcomes being the result of the activities of national and foreign service companies, which supported each other, creating a solid macroeconomic structure. The service sector in Romania has experienced considerable growth, with FDI being a key determinant. Sectors like ICT, professional, financial, telecommunications, and trade services particularly benefitted from foreign capital, along with all the accompanying valuable transfers.

4.2 The service sector in Romania as a beneficiary of the relationship between foreign investors and national enterprises

Considering the international experiences of many countries, it is generally agreed that FDI can have a considerable impact on local companies, both by involving them in their activities and also by creating a competitive environment in the market, the latter motivating them to implement development strategies in order to keep pace with international advances. Over the last two decades, the positive trends of Romanian macroeconomic indicators related to the service sector have reflected the results of both national enterprises and foreign companies. In the particular case of the Romanian service sector, FDI has had a significant impact on the market, with the participation and implication of national enterprises, encompassing positive benefits, but also challenges. The relationship between foreign companies and national enterprises has implied a variety of cooperation forms, according to the particularities of service domains and foreign investors specific strategies. Also, in assessing the results of this relationship, the characteristics and dynamics of the national market, as well as the regulatory framework promoting the national strategic interests, should be taken into account, strongly depending on the different periods of time along the transformational processes of the Romanian economy. Foreign-local cooperation in the service sector has had different levels of achievement, from the perspective of their level of specialization and differences in the intensity of the use of capital, technology, and knowledge.

The first major stage of interaction between foreign investors and the Romanian market was achieved through **privatization** projects, where the strategic service sectors were encompassed, such as financial and telecommunications services. In these areas, collaboration between foreign investors and national public enterprises was developed on the particular aspects of the acquisition projects (respectively sales of state assets to private and foreign investors), aiming to restructure, modernize, and develop the commercial services in accordance with international sectoral advances.

In the case of banking services, the privatization projects of the major state-owned banks mainly with Western European financial institutions (such as Romanian Commercial Bank with Erste Bank from Austria, Romanian Development Bank with Societe Generale Group from France, Bancpost with Eurobank Group from Greece, or Agricultural Bank with Raiffeisen Bank from Austria) marked the end of state domination in the commercial banking sector, the foreign capital becoming prevalent in the Romanian banking market (David, 2012). The privatization process of banking services in Romania, which largely involved the entry of foreign strategic investors, has been associated with important advantages, reflecting the typical benefits of privatization in the financial sector in a transition economy. This has conducted to boosts of financial services offered to national clients, but to major improvements in the utilization of physical and human resources, leading to efficient management and financial performance, including increased profitability (Cocris & Sarbu, 2017). Investments in banking services have facilitated transactions specific to the development of other foreign investment projects in the economy. In this regard, it is observed that the most important investors in Romania come from countries that have made significant investments in banking services (namely France, Italy, the Netherlands, or Austria). Also, the consolidation of the banking system has represented an important support in the development of other categories of collaboration between foreign and local companies. In addition, the banking services provided by these banks were not only aimed at serving local clients and facilitating transactions with international partners, subsequently creating important business service centres, as well as a large network with local service enterprises. A notable example in this regard is the company Societe Generale, which in recent years has developed business service centres serving its clients throughout Europe (SGG, 2025). All these activities and partnerships have generated positive effects for the service sector performance and consequently for the Romanian economy.

As well, mergers and acquisitions have had an important contribution to the consolidation of the Romanian insurance sector, where foreign financial groups have relied on national partners to reach customers, and strengthened their market position. In this sector, local companies, mainly insurance brokers, as the most important partners for foreign insurers, have been implied in providing the distribution channels and market access. The largest players in Romania are subsidiaries of major European financial groups, among them the most representative being: Allianz Group (from Germany) acquiring majority stake in Asigurari Ion Tiriac in 2000 and creating the current Allianz-Tiriac brand (Allianz-Tiriac, 2025); SIGNAL IDUNA Group (from Germany) acquiring majority stake in Garanta Asigurari in 2025 and consolidating its position by combining its expertise in health and life insurance with Garanta's general insurance portfolio (Romania Insider, 2025); and Groupama (from France), through a series of acquisitions and organic growth during the last years becoming a market leader by premium income (Groupama, 2025). The current Romanian insurance sector is characterized by strong competition, predominantly between foreign-owned major players with their national extensive alliances, particularly in the form of bancassurance partnerships and distribution networks, for all insurance segments.

The foreign financial investors, mainly major international banks and insurance groups operating as subsidiaries or branches in Romania, have developed and modernized the national financial infrastructure and services. As subsidiaries of large European financial groups (such as those from Germany, Austria, France, and Italy), the local institutions have the possibility to rapidly transfer the technology and know-how to the Romanian market, as well as to adopt the global best practices, especially in the area of digital services. The foreign presence can be considered a major catalyst for the Romanian financial sector's digital transformation, by providing the necessary capital, technology, and professional expertise required to upgrade infrastructure and implement digital customer interfaces at a pace that is challenging for domestic institutions.

The Romanian telecommunications sector has also been one of the major beneficiaries of FDI, in all its segments, where Western European companies have developed important investment projects, involving also national companies, both from the same industry and others, all of them sustaining the consolidation of this strategic sector. Nowadays, the telecommunications sector is dominated by the presence of foreign players, especially large and multinational groups that have invested massive amounts of capital for modernization and development of this sector in Romania. The impact of FDI on this sector has been predominantly positive, transforming Romania's telecommunication landscape, as the effects of privatization projects, as it was the case of RomTelecom, as well as the greenfield investments of companies such as Orange and Vodafone, bringing in the latest-generation of technology, management expertise, and international best practices that local companies could not have had the capacity to develop. Major projects in this field are constantly evolving, so a significant acquisition project involving major foreign and national companies was completed at the beginning of October 2025, as the joint acquisition of separated parts of Telekom Romania Mobile Communications by Vodafone Romania, as foreign investor, and Digi Communications, as national and regional investor (Telecom, 2025). As a result, through strategic investment projects, foreign capital has helped the construction of national networks, resulting in one of the highest internet speeds in Europe, particularly in fibre optics and mobile data, this infrastructure supporting the development of the digital economy and digital services trade. As demonstrated in section 4.1, the recent growth of digitally delivered services trade in Romania has been strongly sustained by FDI, particularly in the telecommunications and financial services sectors. The rise of digital services has made services trade a major engine of economic growth, with digitally delivered services accounting for almost half of trade in services of Romania in recent years (as detailed in Figure 6).

A common and specific cooperation between foreign investors and local enterprises in the service industries has been developed through the **outsourcing** model, the Romanian companies being recognised and well appreciated by foreign companies for quality inputs in the service sector. Outsourcing has stood out as a significant business model in the service sector in Romania, focusing on providing services to international clients, particularly from Western Europe countries and the United States (Sterescu, 2024; Statista, 2025). Foreign or multinational service companies operating in the fields of financial, information technology, or business services have identified the major competitive advantages of the Romanian market, mainly related to the skilled and multilingual workforce, good telecommunication infrastructure, and overall cost-effective solutions. However, within the projects carried out in Romania, investments in human capital by foreign investors are notable. During the last years, they have developed strong collaboration with local enterprises for performing tasks or providing specialised services in the business process outsourcing (BPO), mainly call centre services and support services in the areas of customer services, marketing, IT, human resources, or accounting, for their global activities. The Romanian outsourcing market, especially for IT and BPO, covers a large variety of segments, such as software development, cybersecurity, customer support, and automation, with a significant growth in recent years, supported by foreign investment and stimulated by government incentives. As a result, many global technology and business giants, such as Google, Microsoft, Amazon, Oracle, Dell and Adobe, have established operations or utilize outsourcing services, while Bucharest, Cluj-Napoca, Timişoara, and Iaşi becoming major hubs in BPO and positioning Romania as a key European player in the global outsourcing landscape (Jobava, 2025; rinf.tech, 2021; Zabor, 2024; StartupBlink, 2025).

In terms of government support, for many years, the IT sector in Romania has benefited from significant tax exemptions applied to both IT employees (exemptions from some taxes and contributions withheld from salaries) and companies (profit tax exemptions for companies involved in innovation and research and development), with effects on accelerating the development of the software industry (Drăgan 2025).

A particular form of collaboration of foreign companies with local companies in service industries in Romania has been developed in the area of **backward linkages,** respectively, by contractual relations with local suppliers for intermediate services. In the first stage of foreign investors, mainly medium-sized foreign firms, entering the Romanian market, local sourcing has provided essential inputs for their activities, this being the context for positive spillover effects. Considering the foreign companies' demand for specific inputs, local suppliers have increased their activities, also being interested in meeting the international standards. As a result, they have made efforts to improve the quality of their services and adopt better management practices, focusing on human resource development and technological upgrade. A particular motivation of foreign companies for association with local enterprises in Romania can be related to the national regulatory framework and bureaucratic procedures. Thus, in the particular fields of legal services (such as labour law, contract law, consumer protection regulations, fiscal regulations, or intellectual properties), marketing, logistics or maintenance services, collaboration of foreign companies with local enterprises for specialised services has brought an essential advantage, due their capacity to provide critical inputs associated to their ability to deal with local bureaucratic regulations. As well, collaboration with local companies for support services, although reduced in value (such as maintenance or security services) is indispensable for investors operating in a foreign market. For local service suppliers interacting with foreign companies on the national market, the benefits of the increasing volume of activity are accompanied by other advantages, including reputation. The collaboration with foreign investors has contributed to improving the international notoriety of service companies in Romania, where professionalism, trust, and stability are going to attract new investment partners, generating an increase in the presence of local companies on the global market. However, as many foreign companies gain experience in the Romanian business environment, they become less integrated into the local economy, being able to cover the support services they need on their own. In addition, some of them are more likely to import intermediate inputs and use their own global suppliers, which limits the potential for backward linkages with local suppliers. Thus, local supplier companies must be constantly concerned and make efforts to remain in the portfolio of foreign investors in their own market.

In the particular case of service industries, the collaboration with a foreign investor has allowed many Romanian firms to improve without FDI, benefiting of the demonstration effect (Sugiharti et al., 2022), as well as labour mobility. Thus, the advanced technologies, efficient work methods, and modern managerial and organizational practices brought by foreign companies have led to the **demonstration effect**, where domestic service enterprises have observed and adopted these practices, enhancing their own productivity and competitiveness. A relevant example in the Romanian service sector is noticed in business support services, mainly IT and BPO services, where the foreign investors served as best trainers or school of modern business management for Romanian service providers, raising the overall professionalism, technical sophistication, and competitiveness of the entire industry. The local Romanian IT and software companies have observed the complex and high value added services developed by the global IT giants, such as Microsoft, IBM and Oracle, established in Romania, and have adopted these new technologies and shifted their business models away from simple collaboration based on hiring a professional to complete a software development project (typically on a freelance or contract basis) to offering comprehensive services that provide complete or single provider systems, and developing specialized niche competencies, especially in the field of financial technology (FinTech) and education technology (EdTech). Consequently, the entry of foreign firms has created a more competitive environment, compelling local service providers to innovate, increase the quality of their services, and boost operational efficiency to be able to compete with the international players.

Another effect of the FDI in Romania can be noticed from the perspective of **labour mobility** from foreign companies to domestic ones, the employees benefiting from training and specialization programs, bringing knowledge and expertise to the local businesses. After gaining a few years of experience and training, a significant number of these highly skilled and trained employees left to join local companies or, more frequently, found their own local service companies and startups. This phenomenon is directly responsible for transforming Romanian cities into well-recognized European IT hubs, with the knowledge brought by previously multinational employees acting as a powerful engine for local business growth and innovation (Jude, 2015; StartupBlink, 2025).

While FDI has been crucial in the modernization and growth of Romania's service sector, in some specific situations, it has acted as a double-edged sword for national enterprises. Thus, the entry of foreign investors possessing greater financial power and market influence has created an unequal playing field that can put national enterprises at a disadvantage. The foreign investors competing directly with national enterprises or acquiring local companies have raised challenges for domestic players, with the potential of market fragmentation. As well, the overall benefit is largely conditioned by the ability of local firms, particularly small and medium-sized enterprises, to absorb the knowledge and effectively compete in the market created by the presence of foreign investors. The ability of domestic firms to benefit from FDI spillovers is limited by their own capacity of **absorption**, mainly explained by the deficiency of modern technology or human capital. Thus, the entry of large, efficient foreign competitors has led to some negative horizontal spillovers, the competition intensification rising difficulties for those less-resilient domestic firms, with the effect of market share decrease, reduced profits, or even liquidation. This phenomenon is known as the **crowding out effect** (Farla et al., 2016). A relevant example of the crowding-out effect in the Romanian services sector has been observed in retail trade services. The entry and aggressive expansion of large, efficient foreign retail chains (namely hypermarkets, supermarkets, and discount stores) led to the competitive exclusion of numerous smaller and less efficient domestic Romanian stores. As a result, many small, traditional Romanian-owned food and general merchandise stores were forced to shut down due to the intense and overwhelming competition from the technologically and financially superior foreign chains. Another challenge of foreign-local coexistence has been related to the competition for skilled and professional human resources, the wages paid by foreign companies, often higher than domestic enterprises, attracting the best employees. This behaviour has put upward pressure on labour costs for domestic service companies, leading to brain drain of the most skilled employees towards multinational companies, and leaving domestic firms with a less-skilled workforce.

The foreign-national collaboration in strategic services can also generate tensions and market pressure. A particular example is related to the Huawei company involvement in Romania’s 5G infrastructure, which sparked national security concerns. While the company has developed different collaborations with local companies, Romanian authorities have moved to restrict Huawei’s role in critical networks, aligning with European Union (EU) and NATO partners (Pai, 2021).

Considering the advantages and challenges of the partnership between foreign companies and local enterprises in services in Romania, the most appropriate approach is of “**dynamic coopetition**”. Thus, the interaction between foreign investors and national enterprises can be considered as a blend of collaborative and competitive relationships, where cooperation is leveraged to gain a competitive edge. Achieving an optimal balance between cooperation and competition is crucial, so the moderate competition can drive performance, while excessive competition can damage trust and hinder progress. Governments and policymakers play a critical role in managing this relationship by implementing strategies and regulations to mitigate negative impacts, promote fair partnerships, and foster interoperability to ensure innovation and sustainable economic growth.

In the particular case of Romania, the interaction between the two major players, foreign investors and national enterprises, had been considerably supported and shaped by **Romania's integration into the EU**, primarily through the establishment of a stable legal framework, increased access to the single market, and the provision of substantial EU funding (Simionescu, 2018). Romania's accession to the EU in 2007 helped to solidify institutional reform and align its legal and regulatory environment with EU standards. This included the adopting of the EU provisions on the free movement of capital and ensuring national treatment for foreign investors, the EU membership offering an extra trust to foreign investors in Romania by providing a stable and predictable legal environment. The Romanian service industries have benefited from EU membership, granting national enterprises unlimited access to the vast EU service market. This integration has been a primary driver for foreign investors, making Romania an attractive location for export-oriented activities, not only in goods but also in services. Although the liberalization of the market and the presence of multinational companies have naturally increased competition for national enterprises. While challenging, this pressure has encouraged local firms to innovate, upgrade, and become more competitive in the European market. In summary, the EU integration has acted as a catalyst, providing the framework and funding to attract foreign capital and, at the same time, offering resources and market access to help national enterprises modernize and integrate into the global economy.

5 Conclusions

The analysis of the collaboration between foreign investors and local enterprises in the service industries is a complex process, combining analytical approaches and market observations, especially from the perspective of statistics support. During the research process, we tried to verify the general approaches identified in the specialized literature related to foreign market penetration and its implications for local firms, from a dual perspective. On the one hand, there have been recognised the positive effects generated by the transfer of capital, technology and knowledge of foreign investors to local enterprises, as well as the latter's integration into the businesses of foreign service companies. On the other hand, there have been identified the possible negative effects of foreign investors on local firms caused by increased competition in the market, or their limited ability to collaborate with foreign companies.

The capturing of a comprehensive set of effects of the interaction between foreign investors and national enterprises has proved to be a difficult research endeavour, especially in the service sector, explained by its heterogeneity, as well as the variety of forms of relationship between all the economic entities involved. However, the investigation carried out led to some relevant results, corresponding to the objective of this paper. Within the first part of the research results, we confirmed the increasing role of services in the economic development of Romania, with the particular contribution of foreign investment and trade during the last decade. Accordingly, services have a dominant role in the Romanian economy, from the perspective of their contribution to GDP (over 60%), employment (almost 50%), and foreign trade relations (the trade in services of GDP is approximately 20%). An important contribution to the growth of the service sector has been brought by FDI. In recent years, over 60% of FDI has been directed towards services (mainly, financial intermediation and insurance services, trading services, and ICT services). The service trade plays an important role in total Romania's foreign trade, with growing trends and surpluses, our analysis identifying that Romania's service trade surplus is actually generated by the activities of foreign companies in Romania (for example, in 2024, the service trade surplus of foreign companies was EUR 12,036 million, while the service trade balance of national companies registered a deficit of EUR 679 million). This situation is explained by the fact that services trade flows carried out by foreign companies operating in Romania are dominated by high value-added services, such as telecommunications, IT, and other business services (these three categories representing more than 70% of exports and 66% of imports of services generated by foreign companies in Romania). Statistical data reflecting the predominance of foreign-owned service companies in investment and trade in services underline their role in integrating the Romanian services sector into global value chains and international markets, involving also the domestic partners or suppliers. This was confirmed by the high share of intermediary services in trade in services, respectively, around 70%.

During the last decades, the overall impact of foreign investors on national businesses in services has depended on specific particularities of service fields, considering the market characteristics and the regulatory framework adopted in the complex process of Romanian economy development, where the integration into the EU stands out. The coexistence of foreign-owned enterprises and domestic enterprises in the Romanian services sector can be generally characterized by complementary relationships in the production factors (as labour as capital, as well as technology and organizational capabilities) and supply markets (generated by the synergy and interdependence between service companies and their suppliers), combined with intense competition in some markets. As revealed in the first part of our analysis, the FDI has an important contribution to the development of the service sector in Romania, contributing to GDP and employment, and sustaining also an important share of trade in services.

The analysis of the collaboration between foreign investors and local enterprises from the perspective of the particular case of the service sector has led to the identification of a few main conditions of successful partnerships. First, government policies have played a critical role in opening the national environment for FDI and shaping the competitive landscape to ensure the appropriate environment for economic activities. As well, the government stimulus and incentives, as was the case with IT services providers, sustained their development perspective and contribution to the national economy. Second, the impact of foreign investors on domestic enterprises depended on different stages of economic development, respectively in 1990's and before the EU accession, and recently, when the service sector environment has followed the global trends, from the perspective of technological development, especially in ICT, and expansion of trade in digitally delivered services. Third, a skilled workforce is crucial for absorbing and utilizing the new technologies and knowledge brought by FDI, multiplying their effects in service industries.

Throughout the second part of our analysis, we tried to identify the main coordinates of the interaction between foreign investors and local enterprises in some representative services and in accordance with international appropriate business models specific to services. Therefore, the following aspects have emerged. The major starting point in the opening and foreign-local interaction was the privatization of services with a strategic role at the level of the national economy, such as banking and insurance services or telecommunications services. Moving on, the collaboration between the two categories of economic entities has intensified, in line with the evolutions in the world economy, so that at present this relationship brings these areas into the global trend of the digitalization of services. This fact is demonstrated by the indicators related to trade in services and digitally delivered services exposed in the first part of the analysis. In recent years, it is also noteworthy that the Romanian business environment in the service sectors has experimented with specific models such as outsourcing, backward linkages, demonstration effects, and even labor mobility. These support the view that FDI has been crucial in the modernization and growth of the Romanian service sector. However, like any economic phenomenon, it has not been without challenges, the interaction foreign-local companies also generating negative effects on last ones, the most relevant being related to the limited capacity of absorption and the crowding-out effect of national services markets.

Summarizing, considering the advantages and challenges of the relationship between foreign companies and local enterprises in services in Romania, the main advantages for the latter can be appreciated in terms of valuable transfers of capital, technology, know-how, innovation, and international best practices in services from foreign partners. All of these have the capacity to accelerate the modernization and digitalization of the Romanian services market. As well as the variety of partnership models with foreign entities has given the local company access to international markets and bolstered their reputation. The prospects for collaborations between foreign and local companies will depend on regulatory and administrative measures, the complexity and instability of some of which, in the context of the emergence of major economic challenges, may affect all economic activities in Romania. At the same time, while compatible, the local business culture may still require foreign management expertise to adapt to decision-making processes, specific communication styles, and employee expectations to ensure team integration and effective operations. Recent developments in the startup market represent a good and vital signal for the Romanian service sector, especially for high-value digital and knowledge-based services, which dominate its trade balance and can make an important contribution to its long-term health and sustainable growth.

References:

[1] Albiman, M. M. et al. (2022). The Effect of Foreign Direct Investment and Trade Openness on the Firms' Export Competitiveness and Products Diversification Among East African Community Members. In Demena & Van Bergeijk (eds), Trade and Investment in East Africa. Frontiers in African Business Research. Springer, Singapore. https://link.springer.com/chapter/10.1007/978-981-19-4211-2_9.

[2] Allianz-Tiriac. (2025). About Allianz-Tiriac. https://www.allianztiriac.ro/en_RO/individuals/about-Allianz-Tiriac.html. (accessed at October 12, 2025).

[3] Association of Business Service Leaders in Romania [ABSL]. (2024). ABSL 2024 Report: Rising Labour Costs, Recruitment Process, and Retaining Experienced Employees are the Main Challenges for Business Services Companies. https://www.absl.ro/absl-2024-report-rising-labour-costs-recruitment-process-and-retaining-experienced-employees-are-the-main-challenges-for-business-services-companies/#:~:text=The%20business%20services%20industry%20in%20Romania%20ranks%205th%20in%20terms,Timisoara%2C%20Sibiu%2C%20and%20Brasov.

[4] Borensztein, E. et al. (1998). How does foreign direct investment affect economic growth? Journal of International Economics, 45(1). https://doi.org/10.1016/S0022-1996(97)00033-0.
[5] Cabral, J. J. et al. (2024). The value of a reputation for sustaining commitment in interfirm relationships: The inclusion of corporate venture capitalists in investment syndicates. Journal of Business Venturing, Volume 39, Issue 3, May 2024. https://www.sciencedirect.com/science/article/abs/pii/S0883902624000132
[6] Chakraborty, C. & Nunnenkamp, P. (2008). Economic Reforms, FDI, and Economic Growth in India: A Sector Level Analysis. https://www.sciencedirect.com/science/article/abs/pii/S0305750X0800051X.
[7] Cocris, V. & Sarbu, M.-R. (2017). The structural evolution of the banking system in Romania under the impact of FDI. Oradea Journal of Business and Economics, University of Oradea, Faculty of Economics, vol. 2(1). https://ideas.repec.org/a/ora/jrojbe/v2y2017i1p55-62.html.
[8] David, D. (2012). The Romanian banking system – past, actuality, perspectives. Annals of Faculty of Economics, University of Oradea, Faculty of Economics, vol. 1(1). https://ideas.repec.org/a/ora/journl/v1y2012i1p1255-1261.html.
[9] Dishon, W. M., & Yabs, D. J. (2017). A critical literature review on the link between multinational enterprises presence, absorptive capacity and competitive advantage of firms. Archives of Business Research, 5(3). https://doi.org/10.14738/abr.53.2711.
[10] Drăgan, A. (2025). Romania's IT industry caught between tax pressures and AI opportunities. https://business-review.eu/br-exclusive/industries-to-watch-2025/main-story-romanias-it-industry-caught-between-tax-pressures-and-ai-opportunities-278741.
[11] Emako, E. et al. (2022). The effect of foreign direct investment on economic growth in developing countries. Transnational Corporations Review, Volume 14, Issue 4, December 2022. https://www.sciencedirect.com/science/article/pii/S1925209924003218.
[12] Eurostat. (2025). Globalisation dashboard. https://ec.europa.eu/eurostat/cache/dashboard/globalisation/ (accessed in October 2025).
[13] Farla, K. et al. (2016). Institutions, foreign direct investment, and domestic investment: crowding out or crowding in? World Dev., 88 (2016). https://www.sciencedirect.com/science/article/abs/pii/S0305750X14001077.
[14] Gao, R. & Sammartino, A. (2022). How does inward foreign direct investment shape emerging market firm invention patenting tendency? Evidence from China. Asia Pacific Journal of Management (2024) 41. https://doi.org/10.1007/s10490-022-09854-5.
[15] Ghauri, P. N. & Firth, R. (2011). The Impact of Foreign Direct Investment on Local Firms: Western Firms in Emerging Markets. Research in Global Strategic Management 15. https://www.researchgate.net/publication/228435257_The_Impact_of_Foreign_Direct_Investment_on_Local_Firms_Western_Firms_in_Emerging_Markets.
[16] Groupama (2025). Groupama Asigurari International subsidiary. https://www.groupama.com/en/fiche/groupama-asigurari-2/#:~:text=International%20subsidiary,health%20insurance%20or%20financial%20businesses.
[17] Jobava, T. (2025). Outsourcing to Romania: Overview & Market Report for 2025. https://devsdata.com/outsourcing-romania-overview-market-report/#:~:text=The%20IT%20companies%20in%20Bucharest,outsourcing%20choice%20for%20global%20enterprises.
[18] Jude, C. (2015). Technology Spillovers from FDI. Evidence on the Intensity of Different Spillover Channels. The World Economy 39(12). https://www.researchgate.net/publication/283976634_Technology_Spillovers_from_FDI_Evidence_on_the_Intensity_of_Different_Spillover_Channels#:~:text=Abstract,for%20the%20period%201999%E2%80%932007.
[19] Lakshani, S. et al. (2023). From short to long term: Dynamic analysis of FDI and net export in global regions. PLoS ONE 18(9): e0291301. https://doi.org/10.1371/journal.pone.0291301.
[20] Minh, V. T. H. & Trinh, P. T. T. (2023). The impact of FDI on economic growth in developing countries: the role of FDI inflow and trade openness. The Economics and Finance Letters, Conscientia Beam, vol. 10(3). https://ideas.repec.org/a/pkp/teafle/v10y2023i3p216-229id3519.html.
[21] National Bank of Romania [NBR]. (2016-2025). Foreign Direct Investment in Romania during the period 2015-2024. https://www.bnr.ro/Publicatii-periodice-204.aspx.
[22] Pai, S. (2021). Romania bans Huawei from its 5G network. https://developingtelecoms.com/telecom-business/telecom-regulation/11345-romania-bans-huawei-from-its-5g-network.html.
[23] rinf.tech. (2021, December). Romania as an IT Outsourcing 4.0 Destination: Market Overview. https://www.rinf.tech/romania-as-an-it-outsourcing-4-0-destination-market-overview/.
[24] Romania Insider. (2025). SIGNAL IDUNA receives ASF approval for the acquisition of the majority stake in Garanta Asigurări. https://www.romania-insider.com/signal-iduna-asf-aproval-takeover-garanta-asigurari#:~:text=%E2%80%9CThe%20acquisition%20of%20Garanta%20Asigur%C4%83ri,to%20actively%20support%20its%20development..
[25] Romanian Agency for Investment and Foreign Trade [RAIFT] (2023). Doing business in Romania. https://investromania.gov.ro/web/wp-content/uploads/2023/08/InvestRomania.ITC_BPO_SSC.pdf

[26] Sahoo, P. & Dash, R. K. (2022). Does FDI have differential impacts on exports? Evidence from developing countries. International Economics, CEPII research center, issue 172, https://ideas.repec.org/a/cii/cepiie/2022-q3-172-15.html.
[27] Sen, C. (2011) FDI in the Service Sector – Propagator of Growth for India? Theoretical and Applied Economics Volume XVIII (2011), No. 6(559). https://store.ectap.ro/articole/606.pdf.
[28] Shah, S. H. & Raza, S. A. (2022). The Impact of Services FDI on Services Exports in NICs. Economic papers Volume41, Issue2, June 2022. https://doi.org/10.1111/1759-3441.12333.
[29] Simionescu, M. (2018). Effects of European economic integration on foreign direct investment: The case of Romania. Economics and Sociology 11(4). DOI: 10.14254/2071-789X.2018/11-4/6.
[30] Societe Generale Group [SGG]. (2025). Societe Generale Global Solution Centre Romania. https://globalsolutioncentre.societegenerale.ro/.
[31] StartupBlink. (2025). Global Startup Ecosystem Report 2025. https://www.startupblink.com/startupecosystemreport.
[32] Statista. (2025). Business Process Outsourcing – Romania. https://www.statista.com/outlook/tmo/it-services/business-process-outsourcing/romania.
[33] Sterescu, V. (2024). The Romanian outsourcing market, stronger than ever. https://romania.cgsinc.com/wp-content/uploads/2024/07/White-Paper-CGS.pdf.
[34] Sugiharti, L. et al. (2022). The FDI Spillover Effect on the Efficiency and Productivity of Manufacturing Firms: Its Implication on Open Innovation. Journal of Open Innovation: Technology, Market, and Complexity. Volume 8, Issue 2, June 2022. https://www.sciencedirect.com/science/article/pii/S2199853122000403.
[35] Telekom. (2025). Vodafone Romania completes the acquisition of Telekom Romania Mobile Communications. https://mobile.telekom.ro/about-us/media/news/vodafone-romania-completes-the-acquisition-of-telekom-romania-mobile-communications/article320313#:~:text=Bucharest%2C%20October%201st%2C%202025,necessary%20approvals%20from%20Romanian%20authorities.
[36] World Bank Group [WBG]. (2025). World Bank Open Data. https://data.worldbank.org/indicator (accessed in October 2025).
[37] World Trade Organization [WTO]. (2025). Trade in commercial services. WTO Global Services Trade Data Hub. https://www.wto.org/english/res_e/statis_e/gstdh_commercial_services_e.htm (accessed in October 2025).
[38] Wu, J. et al. (2022). The role of FDI motives in the link between institutional distance and subsidiary ownership choice by emerging market multinational enterprises. British Journal of Management, 33(3). https://doi.org/10.1111/1467-8551.12508.
[39] Xia, J. et al. (2023). Horizontal FDI and Internal R&D of Local Firms in Emerging Economies: A Coopetition Perspective. https://www.cambridge.org/core/journals/management-and-organization-review/article/abs/horizontal-fdi-and-internal-rd-of-local-firms-in-emerging-economies-a-coopetition-perspective/727C34E5F2EB15C90599F81E7AF1ED70.
[40] Yang, W. & Meyer, K. E. (2020). How do local and foreign firms compete? Competitive actions in an emerging economy. International Business Review, Volume 29, Issue 3, June 2020. https://www.sciencedirect.com/science/article/abs/pii/S0969593120300275
[41] Yeboah, S. & Boateng Prempeh, K. (2023). Foreign Investment and Local Enterprise: Navigating the Tightrope of FDI Inflows and Homegrown Entrepreneurship. https://mpra.ub.uni-muenchen.de/118359/1/Foreign%20Investment%20and%20Local%20Enterprise_review%20FOR%20MPRA.pdf.
[42] Yeboah, S. et al. (2023). Harmonizing FDI and Local Entrepreneurship: Strategies for Inclusive Growth. Munich Personal RePEc Archive. https://mpra.ub.uni-muenchen.de/118385/1/FDI%20STRATEGIES%20FOR%20MAXIMISE%20BENEFITS%20FOR%20MPRA.pdf.
[43] Zabor, K. (2024). IT outsourcing to Romania: major hubs, tech talent pool, and more. https://www.n-ix.com/best-outsourcing-destination-romania-ukraine/.
[44] Zhang, K. H. (2007). Does foreign direct investment promote economic growth? Evidence from East Asia and Latin America. Contemporary Economic Policy. https://doi.org/10.1111/j.1465-7287.2001.tb00059.x.