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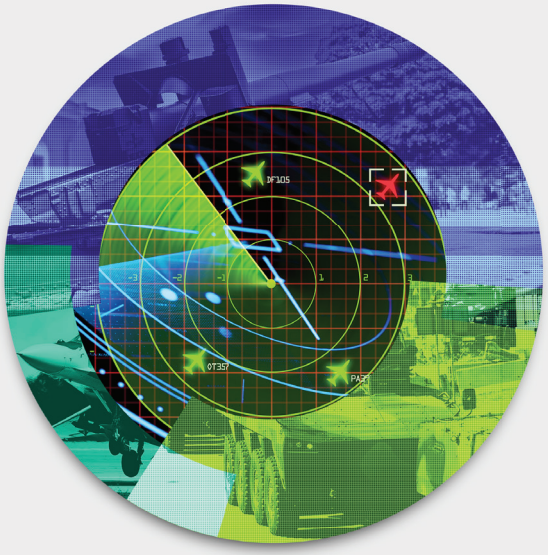


State aid schemes for the **defense industry and Strategic investments in Romania**

# Funding opportunities for industrial capacity development

**Context:** Romania is developing a support framework for industrial investments, focusing on strengthening defense industry capabilities and attracting strategic projects with significant economic impact. These schemes aim to enhance local production and integration into EU and NATO value chains.

## 1. Strengthening defense industrial capacities

### Estimated budget:

**EUR 400 million**

This component represents a dedicated funding line for the development of industrial production in the defense sector.

### Targeted investments

- Development of production capacities: ammunition, explosives, military vehicles, drones
- Modernization of existing facilities
- Establishment of new industrial units
- Technology transfer and industrial offset
- Integration of local suppliers into NATO and EU value chains

### Eligible beneficiaries

- Defense companies (including non-defense companies with conversion potential)
- Manufacturers, integrators, and suppliers
- Joint ventures with international companies

### Forms of support

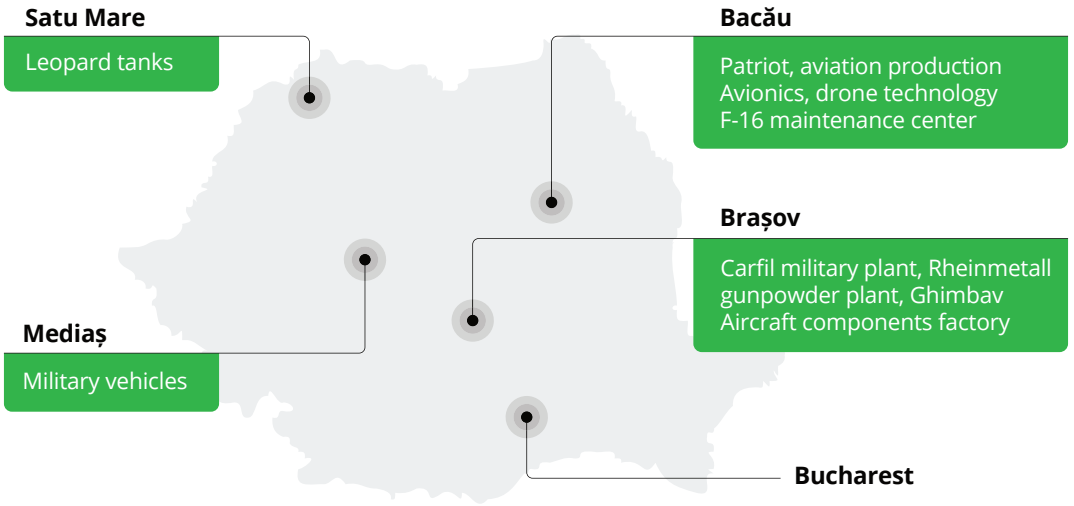
- State grants
- Guarantees or loans
- Hybrid schemes (grant + financing)

### Key conditions

- Minimum investment value: approximately EUR 2 million
- The implementation guide is expected to be published

**This scheme is designed to complement a series of projects already launched in Romania**

Romania: NATO's new defense production powerhouse



## 2. Large strategic investments with significant economic impact

Investment threshold:
**above EUR 200 million**

This component is part of:

- the economic recovery programme (with a contribution of EUR 0.8 billion)
- and, in parallel, the industrial policy package (with a contribution of EUR 1 billion until 2032)

**The new scheme establishes a framework for investments with significant macroeconomic impact on GDP, the trade deficit, and local and regional value chains.**

It targets projects capable of generating high added value and strong multiplier effects in the economy.

**Targeted sectors and projects | Strategic industries:**

✓ defense ✓ batteries / electromobility ✓ advanced materials ✓ advanced electronics ✓ green energy ✓ semiconductors

### Eligible beneficiaries

Romanian or foreign companies (including joint ventures)

### Types of investments:

- large greenfield projects
- major expansions
- integrated industrial platforms
- industrial ecosystems (beyond standalone production lines)

### Forms of support

- Individual state aid subject to European Commission approval
- Indicative intensity: approximately 20–40% of the investment value, determined based on the funding gap

### Indicative conditions

- Share capital: minimum approximately EUR 5 million; or
- Turnover: minimum approximately EUR 10 million and
- Assets: minimum approximately EUR 10 million

### Expected impact

- Economic growth (GDP)
- Reduction of the trade deficit
- Development of local and regional value chains

### Key considerations for defense companies

- Access to funding for the development and modernization of industrial capacities
- Integration into NATO and EU supply chains
- Support for technology transfer and industrial offset initiatives
- Opportunities to develop partnerships through joint ventures with international players

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