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Title – Alan Anderson Group – Expanding PCBA production in Romania

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Transforming Education; Transforming Lives

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Alan Anderson Group – Transonics PLC, Lewmax, PCBA

- UK based family run company, established in 1976
- Operates from 1 location in UK plus one in Italy and one in China
- Initially started as a distributor for electronic parts, now has a division of device programming and one division of innovating and producing PCB for various industries
- Most of the parts are bought from China but some of the components are also bought from Poland, Czech Republic and Croatia



Alan Anderson Group – Transonics PLC, Lewmax, PCBA

- The majority of their customers are from UK, Ireland, Switzerland and Italy
- Because of Brexit the company looks to extend their business in Europe and, after a market research, they stopped at Romania



<https://aa-manufacturing.co.uk/s/cdn/v1.0/i/m?url=https%3A%2F%2Fstorage.googleapis.com%2Fproduction-sitebuilder-v1-0-4%2F784%2F65784%2F0rj87Cp%2F25a06f1f43d24e50acbdcf6e57c96f1b&methods=resize%2C1000%2C5000>

Romania



<https://cdn.britannica.com/35/6235-050-AE84964E/Romania-map-features-locator.jpg>



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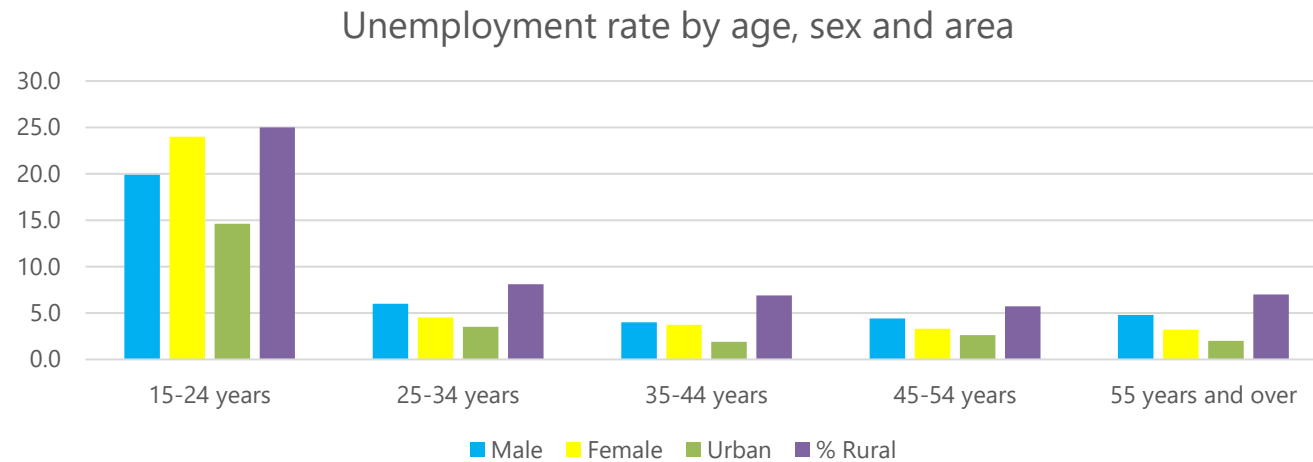
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Romania

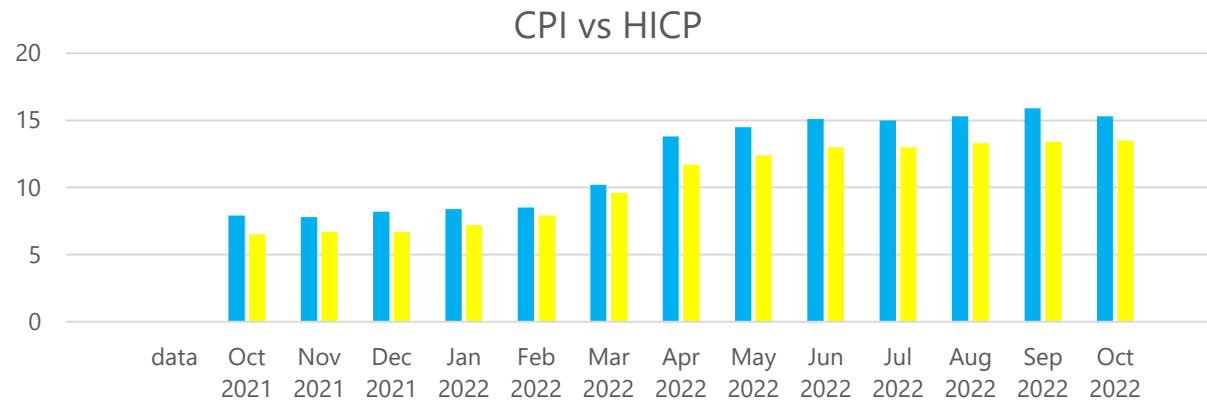
- Population – 19 millions –as of 1st of January 2022 (NIS, 2022)
- 11.5 million people aged 15-59 with a 5.3% unemployment rate(NIS,2022)



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Romania

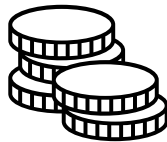
- The annual inflation rate in October 2022 is 15.3%, higher than in October 2021. (NIS,2022)
- The annual HICP-based inflation rate in October 2022 is 13.5% higher than in October 2021. (NIS,2022)



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Pestle analysis

Political	Economical	Social	Technological	Legislation	Environmental
Semi-presidential republic Executive functions are held by both President and Head of Government Joined EU in January 2007	Energetic independence Romania's electrical mix is one of the most balanced in the EU, with equal amounts of coal, hydropower, fossil gas, nuclear power, and wind power.	Competitive and qualified workforce in technology, engineering and foreign languages	Low production costs, innovation hubs Among the fastest and cheapest Internet solutions in Europe	Competitive fiscal system, low taxes compared with the rest of the EU	2 ports at the Black Sea plus 17 ports on Danube



Challenges

- Corruption
- Lack of infrastructure
- Lack of good and stable investment laws
- Poverty
- Bureaucracy



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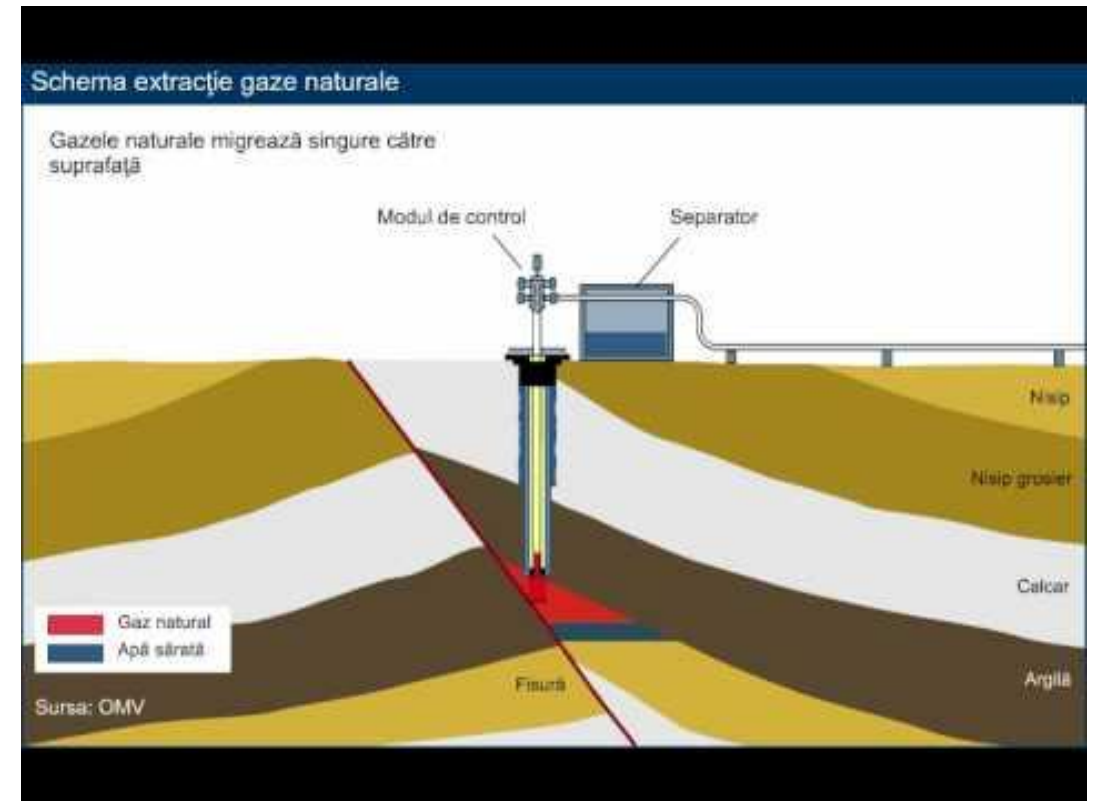
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<https://thumbs.dreamstime.com/z/hands-passing-money-under-table-corruption-bribery-hands-passing-money-under-table-corruption-bribery-122587910.jpg>

Opportunities

- Cheap workforce compared with UK
- Cheap properties for rent or buy
- Cheap transport cost from EU suppliers
- Energetic Independency



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Strategies

- Direct investment
- Rent a facility close to a rural area with good transport links
- Work with a recruitment company
- Start production



Image Source: Khakimullin Aleksandr / Shutterstock.com

Conclusions

Despite all the challenges, moving the production facility to Romania is the best decision because:

- It is closer from EU suppliers and they will save in transport cost and time
- The workforce is cheaper than in UK
- European customers won't have to pay customs and their products will be delivered faster
- As proven so many times, Romanians are good workers, smart and adaptable people.



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