

Romania: Oil companies will pay additional income tax

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Romanian Minister of Finance Viorel Stefan said that companies extracting oil and gas in Romania will have to pay a new tax on the profits obtained from these activities, in addition to existing royalties and standard tax on profit of 16 %.

Minister Stefan explained that the Government is currently working on a new royalty tax system for oil and gas sector and the draft law could be finalized by the end of June. He stressed that the new tax will be lower for the hydrocarbons extracted and used in Romania and higher for oil and gas intended for export.

Last week, Romanian Prime Minister Sorin Grindeanu held a meeting with the representatives of ExxonMobil and OMV Petrom consortium, assuring them that the Government will support the investment projects for developing new sources of offshore hydrocarbons production.

PM Grindeanu stressed the Government's readiness and determination to support such investment projects in order to help ensure Romania's energy security and to exploit energy resources in conditions of competitiveness and sustainability. The Government is firmly committed to providing the necessary regulatory framework to attract and develop these project in Romania, which will provide access to the latest technologies, know-how transfer and also contribute to energy security and meet the needs to promote investments in the oil and gas sector, said PM Grindeanu on this occasion.

According to the Romanian Association of Petroleum Exploration and Production Companies (ROPEPCA), there are currently over 400 oil deposits in Romania and over 13,000 active wells. Total investments in oil and gas sector last year amounted to 650 million euros, with the turnover of almost 2.9 billion euros and some 14,800 employees.