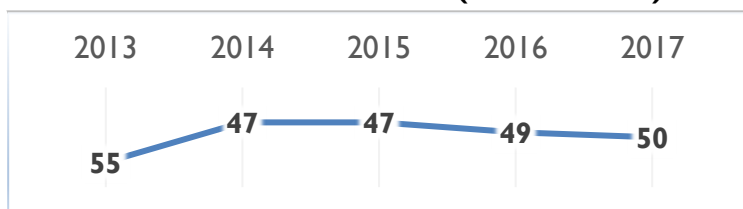


# ROMANIA

## OVERALL PERFORMANCE (63 countries)



## CHALLENGES IN 2017

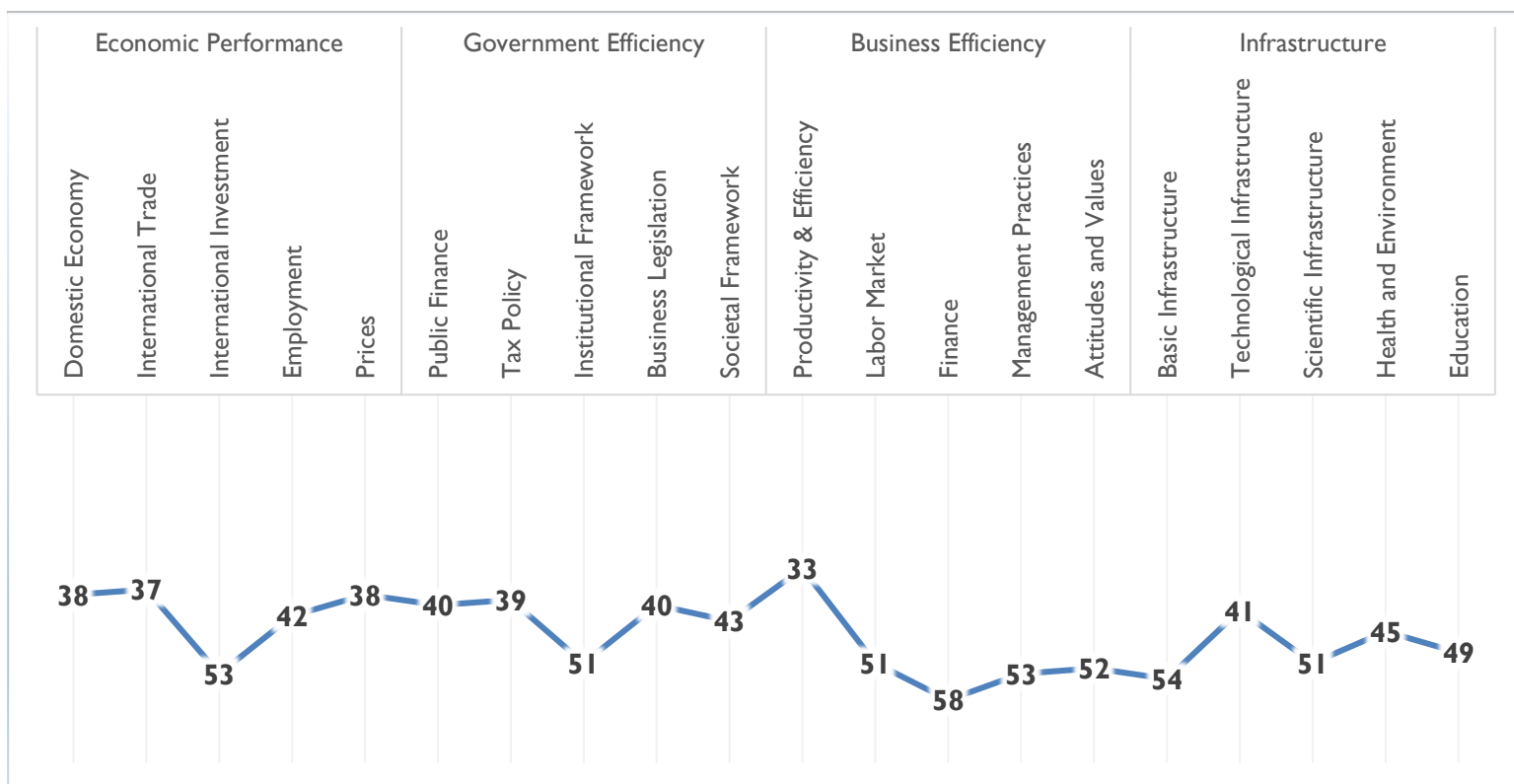
- Increase the rate of EU funds absorption.
- Achieve sustainable economic growth.
- Increase foreign direct investment – stimulating job creation.
- Increase the innovative potential of enterprises, particularly SMEs, through technology transfer and business support infrastructure.
- Enter the Schengen Area.

Provided by:  
CIT-IRECSON Center of Technological Information, Bucharest

## BASIC FACTS

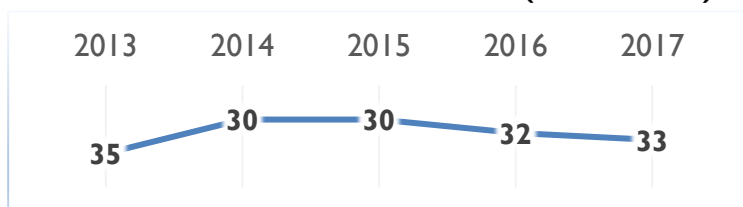
		Rank
Capital	Bucharest	
Land area (square km '000)	238 <sup>2016</sup>	
Exchange Rate (per \$)	4.079 <sup>2016</sup>	
Population - market size (millions)	19.76 <sup>2016</sup>	30
Gross Domestic Product (GDP) (US\$ billions)	186.1 <sup>2016</sup>	46
GDP (PPP) per capita (US\$)	22,348 <sup>2016</sup>	47
Real GDP growth (%)	4.8 <sup>2016</sup>	7
Consumer price inflation (%)	-1.56 <sup>2016</sup>	1
Unemployment rate (%)	5.70 <sup>2016</sup>	26
Labor force (millions)	9.14 <sup>2016</sup>	30
Current account balance (% of GDP)	-2.45 <sup>2016</sup>	46
Direct investment stocks inward (\$bn)	69.1 <sup>2015</sup>	47
Direct investment flows inward (% of GDP)	2.88 <sup>2016</sup>	27

## COMPETITIVENESS LANDSCAPE

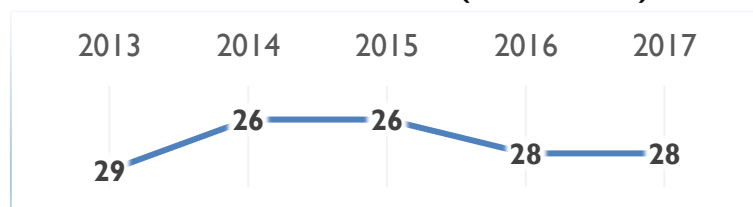


## PEER GROUPS RANKINGS

### EUROPE - MIDDLE EAST - AFRICA (40 countries)



### POPULATIONS < 20 MILLION (34 countries)



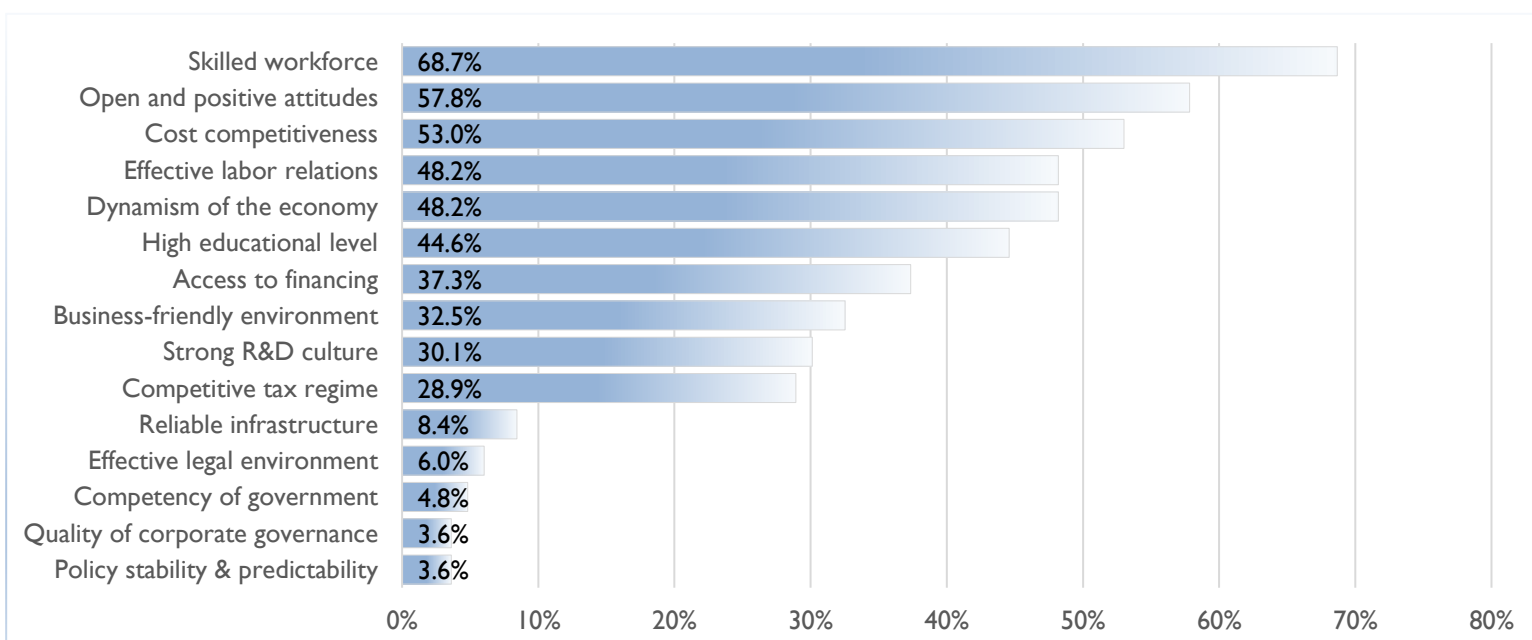
## COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY	WCY	DECLINES	WCY	WCY
	2016	2017		2016	2017
3.3.20 Corporate debt	2.73	4.32	2.1.02 Government budget surplus/deficit (%)	-0.74	-3.05
4.3.05 Business expenditure on R&D (%)	0.16	0.22	1.2.02 Current account balance	-1.10	-2.45
2.5.10 Equal opportunity	4.12	5.45	4.3.21 Researchers and scientists	5.79	2.53
1.1.15 Real GDP growth per capita	3.96	5.10	2.4.15 Start-up days	8.0	12.0
1.4.07 Long-term unemployment	3.90	2.80	4.2.14 Public-private partnerships	5.76	3.52
1.1.14 Real GDP growth	3.7	4.8	4.3.22 Scientific research legislation	5.18	3.27
4.3.02 Total expenditure on R&D (%)	0.38	0.49	4.4.04 Health infrastructure	3.52	2.24
2.5.04 Ageing of society	2.79	3.49	4.3.24 Knowledge transfer	6.00	3.83
3.3.08 Regulatory compliance (banking laws)	4.33	5.41	3.2.21 Brain drain	5.45	3.52
4.2.10 Internet bandwidth speed	12.9	16.1	4.3.20 Scientific research	5.67	3.66
4.2.11 Digital/Technological skills	6.06	7.45	4.3.25 Innovative capacity	6.45	4.32
2.2.12 Real personal taxes	4.03	4.84	1.5.02 Adjusted consumer price inflation	2.51	3.31
3.3.07 Financial risk factor	4.24	5.10	4.1.19 Maintenance and development	4.33	2.98
2.5.02 Personal security and private property rights	4.55	5.41	4.5.16 Management education	5.42	3.73
2.4.08 Government subsidies	0.49	0.40	1.1.13 Diversification of the economy	6.21	4.36

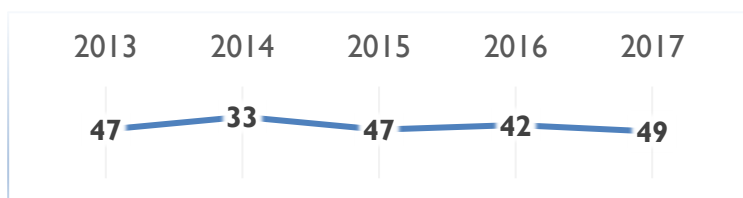
## KEY ATTRACTIVENESS INDICATORS

From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



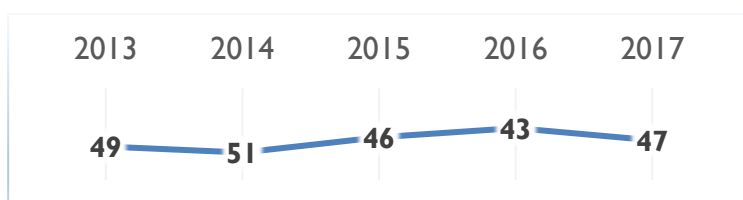
# ROMANIA

## ECONOMIC PERFORMANCE



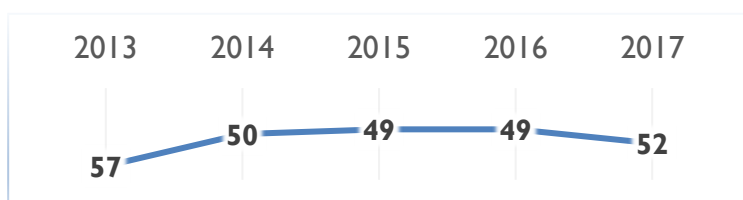
Sub-Factor Rankings :	2016	2017
Domestic Economy	36	38
International Trade	37	37
International Investment	51	53
Employment	39	42
Prices	34	38

## GOVERNMENT EFFICIENCY



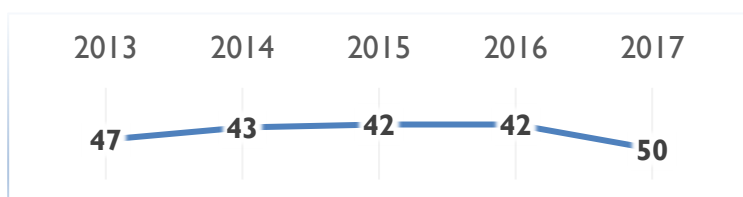
Sub-Factor Rankings :	2016	2017
Public Finance	29	40
Tax Policy	41	39
Institutional Framework	46	51
Business Legislation	36	40
Societal Framework	48	43

## BUSINESS EFFICIENCY



Sub-Factor Rankings :	2016	2017
Productivity & Efficiency	31	33
Labor Market	38	51
Finance	54	58
Management Practices	51	53
Attitudes and Values	56	52

## INFRASTRUCTURE



Sub-Factor Rankings :	2016	2017
Basic Infrastructure	50	54
Technological Infrastructure	34	41
Scientific Infrastructure	44	51
Health and Environment	45	45
Education	47	49

## ROMANIA

## STRENGTHS

Economic Performance	Rank
1.1.15 Real GDP growth per capita	5
1.5.03 Cost-of-living index	7
1.1.14 Real GDP growth	7
1.3.15 Relocation threats of services	11
1.3.14 Relocation threats of R&D facilities	14
1.3.13 Relocation threats of production	18
1.1.09 Gross fixed capital formation (%)	19
1.5.05 Office rent	21
1.2.17 Export concentration by partner	23
1.4.06 Unemployment rate	26

Government Efficiency	Rank
2.4.20 Redundancy costs	1
2.4.08 Government subsidies	5
2.2.08 Corporate tax rate on profit	6
2.5.07 Gini coefficient	10
2.4.01 Tariff barriers	14
2.2.01 Collected total tax revenues	21
2.1.04 Total general government debt (%)	21
2.5.14 Disposable Income	24
2.3.15 Rule of law	26
2.5.03 Homicide	32

Business Efficiency	Rank
3.2.03 Remuneration in services professions	6
3.2.04 Remuneration of management	12
3.2.01 Compensation levels	19
3.2.07 Labor relations	29
3.4.09 Customer satisfaction	29
3.1.11 Use of digital tools and technologies	30

Infrastructure	Rank
4.2.03 Mobile Telephone costs	10
4.2.20 ICT service exports	14
4.2.10 Internet bandwidth speed	16
4.4.18 Renewable energies (%)	20
4.2.02 Mobile Broadband subscribers	25
4.2.11 Digital/Technological skills	26
4.5.08 Women with degrees	27
4.5.18 Language skills	27
4.5.05 Pupil-teacher ratio (secondary education)	30
4.2.05 Connectivity	30

## WEAKNESSES

Economic Performance	Rank
1.3.04 Direct investment stocks abroad (% of GDP)	63
1.3.03 Direct investment stocks abroad (\$bn)	62
1.2.25 Tourism receipts	57
1.5.02 Adjusted consumer price inflation	53
1.1.19 Resilience of the economy	53
1.5.06 Food costs	50
1.1.21 GDP (PPP) per capita	47
1.3.07 Direct investment stocks inward (\$bn)	47
1.4.08 Youth unemployment	47
1.3.02 Direct investment flows abroad (% of GDP)	47

Government Efficiency	Rank
2.2.07 Effective personal income tax rate	59
2.3.12 Transparency	58
2.1.10 Tax evasion	56
2.3.11 Government decisions	56
2.3.14 Bribery and corruption	56
2.4.04 Public sector contracts	55
2.5.05 Risk of political instability	55
2.3.10 Adaptability of government policy	55
2.3.13 Bureaucracy	55
2.4.07 Investment incentives	55

Business Efficiency	Rank
3.2.10 Apprenticeships	63
3.3.01 Banking sector assets	60
3.4.02 Changing market conditions	59
3.3.11 Stock market capitalization (%)	58
3.4.03 Opportunities and threats	57
3.4.04 Ethical practices	55
3.5.02 Image abroad or branding	55
3.2.21 Brain drain	55
3.2.08 Worker motivation	54
3.4.11 Social responsibility	54

Infrastructure	Rank
4.2.14 Public-private partnerships	60
4.4.26 Quality of life	60
4.5.16 Management education	59
4.1.19 Maintenance and development	59
4.1.08 Population - growth	58
4.4.04 Health infrastructure	58
4.5.01 Total public expenditure on education	57
4.5.06 Secondary school enrollment	56
4.1.06 Management of cities	56
4.5.15 University education	56