

Introduction

Romania is a country located at the crossroads of Central and Southeastern Europe. It has a coastline on the Black Sea and borders Bulgaria, Hungary, Moldova, Serbia, and Ukraine. Romania has mountain ranges running from the north and west in the interior, which are collectively known as the Carpathians. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Romania has a mixed economy which includes a variety of private freedom, combined with centralized economic planning and government regulation. Romania is a member of the European Union (EU).



Location: Eastern Europe

Capital City: Bucharest (+2 GMT)

Chief of State: President Klaus Iohannis

Head of Govt.: Prime Minister Sorin Grindeanu

Currency: New Lei (RON)

Major Languages: <p>Romanian (official) 85.4%, Hungarian 6.3%, Romany (Gypsy) 1.2%, other 1%, unspecified 6.1%</p>

Primary Religions: <p>Eastern Orthodox (including all sub-denominations) 81.9%, Protestant (various denominations including Reformed and Pentecostal) 6.4%, Roman Catholic 4.3%, other (includes Muslim) 0.9%, none or atheist 0.2%, unspecified 6.3%</p>

Calling Code: 40

Voltage: 230

Key Websites

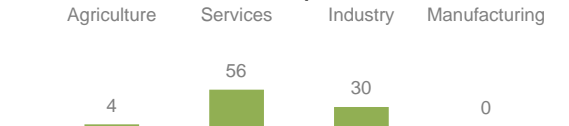
Main Government Page: gov.ro

Commerce Ministry: economie.gov.ro

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$506.13 billion (2017)
GDP growth (annual %):	6.95% (2017)
GDP per capita, PPP (current international \$):	\$25,840.84 (2017)
External debt stocks, total (DOD, current US\$):	\$95,888,350,000.00 (2016)
Manufacturing, value added (% of GDP):	20.24% (2016)
Current account balance (BoP, current US\$):	-\$7.11 billion (2017)
Inflation, consumer prices (annual %):	1.34% (2017)
Labor force, total:	8,833,526 (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.93% (2017)
Imports of goods and services (current US\$):	\$92.28 billion (2017)
Exports of goods and services (current US\$):	\$87.78 billion (2017)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	59 / 178
EY Globalization Index	31 / 60
Global Competitiveness Index	52 / 139
Global Enabling Trade Index	48 / 136
Global Manufacturing Competitiveness Index (GMCI)	33 / 40
Global Services Location Index	18 / 55
Index of Economic Freedom	37 / 180
International Logistics Performance Index (LPI)	48 / 160
Inward FDI Potential Index	68 / 139
KOF Index of Globalization	35 / 185
Networked Readiness Index (NRI)	66 / 139
Open Budget Index	9 / 115

Risk Assessment (Provided by Coface)

Country rating: A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

Business Climate rating: A3 - The business environment is relatively good. Although not always available, corporate financial information is usually reliable. Debt collection and the institutional framework may have some shortcomings. Intercompany transactions may run into occasional difficulties in the otherwise secure environments rated A3.

Strengths

- Large domestic market
- Significant agricultural potential: wheat, barley, colza, etc.
- Limited energy dependence (23%) thanks to coal, oil, gas, and uranium
- Large-scale renewable electricity production (37%)
- Diversified and competitive industry thanks to cheap labor
- Leu stable against euro

Weaknesses

- Demographic decline: low birth-rate and emigration of educated youth
- Serious regional disparities in terms of education, vocational training, healthcare, and transport; rural regions lag behind
- Low participation rate for Hungarian and Roma minorities, young people, and women in the economy
- Large informal economy (28%)
- Inefficient agricultural sector (11% of GDP)
- Slow bureaucratic and legal processes, corruption
- Weak public revenues and tax evasion

U.S. Embassy

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