



Disclaimer

This report is proprietary to Banca Transilvania. The research report issued by BT containing strictly personal opinions of the authors and not representing official statements of BT are for information purposes only and are not intended to be used in the investment decision-making process or at any stage of the provision of investment services or activities. Content may be revised or changed without prior notice. Nothing contained in this report shall be construed as a promise or guarantee of the future performance of any financial instrument mentioned. Additional information regarding this disclaimer is available [here](#).

RETAIL TRADE AND INTERNATIONAL TRADE

Retail trade

The retail trade in Romania saw a significant annual shift in 2024, particularly in comparison to the broader trends within the EU. According to Eurostat and the NIS, Romania recorded a strong 7.4% increase in retail trade in July 2024 (Calendar and seasonally adjusted) and 8.1% as gross series on a year-to-year basis. This is especially noteworthy given that the EU average remained relatively stable, reflecting a marginal overall increase of 0.4% in retail trade volume during the same period. Romania's performance is driven largely by its resilient non-food sector, which managed to compensate the regional challenges, particularly in sectors like food, drinks and tobacco, which generally saw a decline. A closer look at the components in the EU volume of retail trade shows a decrease for food, drinks, tobacco by 0.4%, an increased for non-food products by 0.9%, and a decrease for automotive fuel in specialized stores by 0.4%. Among Member States, the highest annual increases were recorded in Luxembourg +10.3%, Croatia +7.9%, and Bulgaria +6.8%. The largest decreases were observed in Belgium -4.4%, Estonia -3.1%, and Finland -2.1%. In Romania, in the first 7 months of the year, the turnover in retail trade increased compared to the same period, both as a gross series by 8.1% and as series adjusted for working days and seasonality by 7.0%.

The components contributing to this increase were sales of non-food +14.5%; sales of food, beverages and tobacco +4.8%; and retail trade of fuels +0.6%. Retail trade turnover, working-day and seasonally adjusted series, in July 2024 compared with July 2023, increased by 7.4% overall, due to increases in sales of non-food +12.3% and food, beverages and tobacco +5.0%. Retail trade of fuels in specialized stores decreased by 0.2%.

International trade

Regarding the international trade in goods in July in Romania, exports in July 2024, compared to July 2023, increased by 8.6% while imports by 13.4%. In the first 7 months of the year, exports totaled 54585.9 million euro and imports totaled 72625.3 million euro. This means that exports decreased by 0.9% and imports increased by 2.7% compared to the same period last year. The trade balance deficit in the first 7 months of the year amounted to 18039.4 million euro, higher by 2435.0 million euro (+15.6%) than in the same period last year.

In the first 7 months of the year, important shares in the structure of exports and imports are held by the product groups: machinery and transport equipment (47.1% for exports and 36.4% for imports) and other manufactured products (29.0% for exports and 28.5% for imports). The value of intra-EU trade in goods was 39485.8 million euro in dispatches and 52872.5 million euro in arrivals, representing 72.3% of total exports and 72.8% of total imports. The value of extra-EU trade in goods was 15100.1 million euro in exports and 19752.8 million euro in imports, representing 27.7% of total exports and 27.2% of total imports.

In comparison to other EU countries, Romania's retail performance was ahead of larger economies such as Germany or France, where growth has been either stagnant or negative due to a combination of inflation and declining consumer confidence. In contrast, Romania's relative higher wage growth and lower unemployment rates have sustained retail consumption, positioning it as one of the stronger retail markets in the EU. As a result, the consumption had and will continue to have a positive impact on the GDP composition of the country.

Romania's international trade tells a different story. While exports increased in July (+8.6%), imports grew at a much faster rate (+13.4%). This has increased the trade deficit in the first 7 months of the year. This shows that a substantial part of Romania's retail consumption is sourced from imports. The rising trend in imports correlates with the growth in retail trade, suggesting that a significant portions of consumer goods sold in Romania are imported. This heavy reliance on imports to meet retail demand will continue to drive the trade deficit unless domestic production rises, or the economy shifts toward local products. Looking forward, retail trade in Romania is expected to grow, fueled by consumer spending. The trade deficit is likely to remain a persistent challenge for Romania, as the country continues to rely on imports to meet consumer and industrial demands.



Ioan Nistor

Chief Economist

“Retail growth and trade imbalances. Imports rose faster than exports. Retail growth is supported by imported goods.”