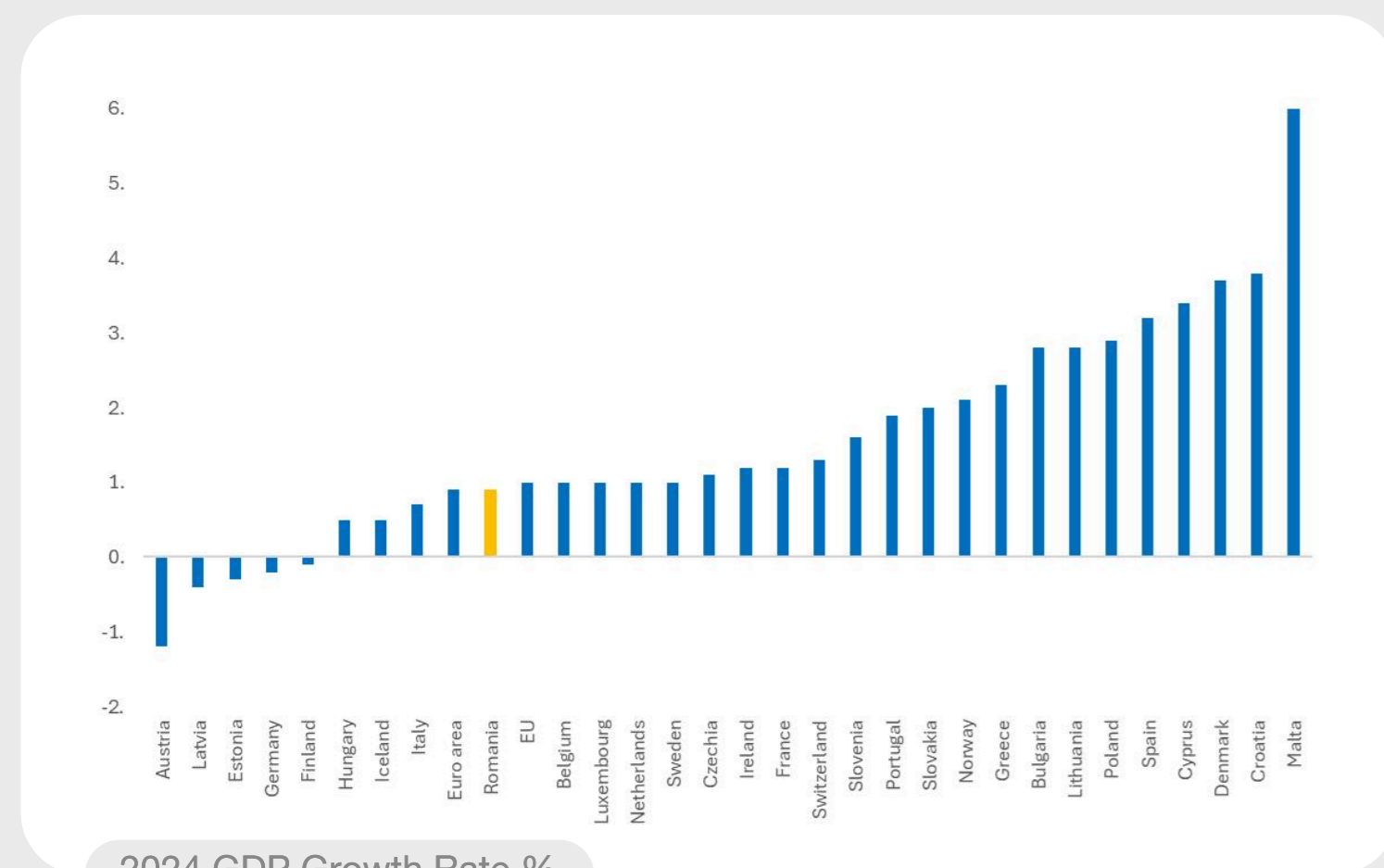


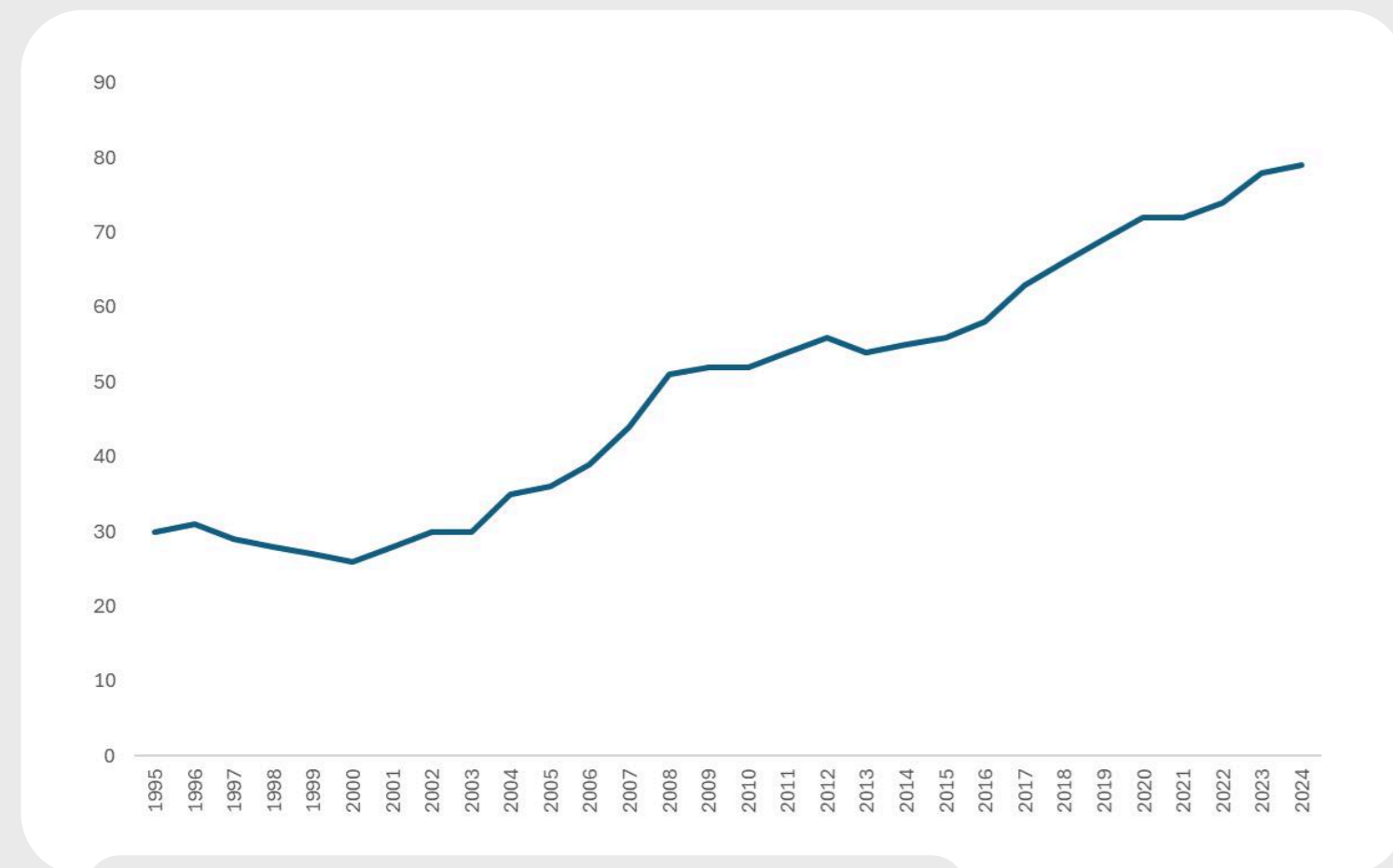
Romania - Quarterly GDP Growth rate %

Source: Eurostat



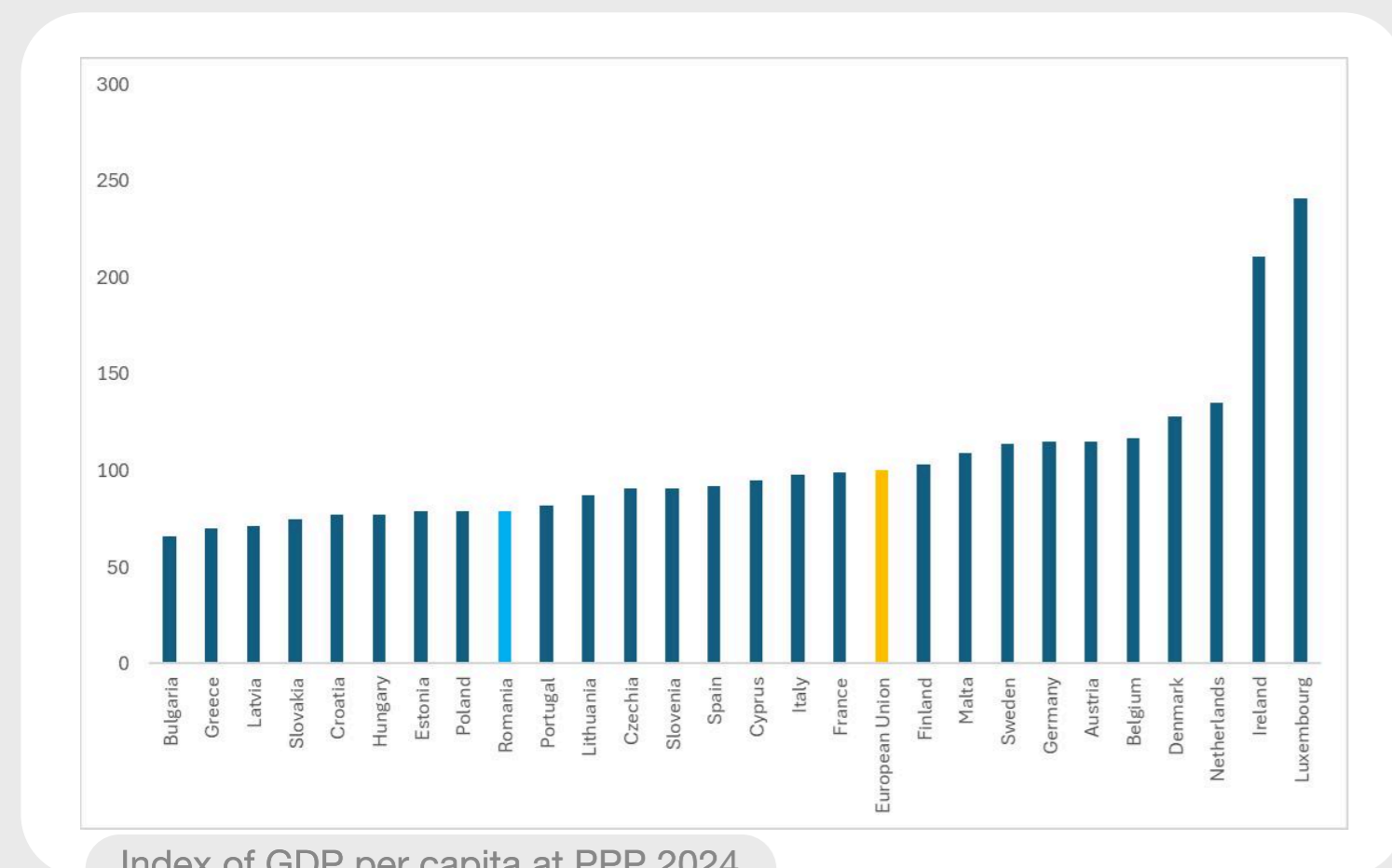
2024 GDP Growth Rate %

Source: Eurostat



Romania - Index GDP per capita growth (in PPP)

Source: Eurostat



Index of GDP per capita at PPP 2024

Source: Eurostat

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2024 GDP IN ROMANIA AND THE EU. MAIN POSITIVE AND NEGATIVE CONTRIBUTIONS.

Romania

According to provisional data for 2024, the GDP in Romania grew by **0.9%** compared to 2023, while in Q4 2024 the GDP grew by 0.7% compared to the same quarter of the previous year

GDP in 2024

In nominal terms, the estimated GDP for 2024 was **1,766,067.6 million lei** at current prices. In real terms, annual growth was 0.9%, indicating modest economic growth compared to previous years.

The quarterly GDP growth has been relatively stable, but GDP growth has slowed slightly in last months of the year.

- **Q1: + 0.5%** compared with the same period in 2023
- **Q2: + 0.9%** compared with the same period in 2023
- **Q3: + 1.2%** compared to the same period in 2023
- **Q4: + 0.7%** compared with the same period in 2023

Contribution of Resource Categories to GDP Growth

Economic growth in 2024 was influenced by variations in sectoral output. Some industries contributed positively while others had a negative impact.

Positive Contributions

- Trade, transport, storage, hotels and restaurants (+0.4%)

This sector made the largest contribution to GDP growth due to a 2.1% increase in business volume. It accounted for 20.7% of the GDP.

- Public administration, defense, health, education (+0.1%)

The 0.6% increase in business volume made a positive contribution. Its share in the GDP was 12.8%.

- Culture, recreation, and personal services (+0.2%)

This sector recorded the highest growth in volume of activity (6.8%). Although its share in the GDP is of only 3.1%, its impact has been significant.

- Net taxes on products (+0.9%)

A volume growth of 9.6% contributed significantly to the GDP, indicating an increase in tax revenues.

Negative Contributions

- Agriculture (-0.4%)

It was the worst affected sector, with a 10.5% reduction in business volume. Its share in the GDP is of 3.2%

- Construction (-0.2%)

Activity in this sector shrunk by 2.4%, reflecting a decrease in investment. Construction accounts for 7.5% of the GDP.

- Real estate transactions (-0.1%)

Business activity decreased by 1.3%, which had a negative impact on the GDP.

Industry, IT, financial and professional services did not contribute significantly to the change in the GDP.

Contribution of Use Categories to GDP Growth

From a GDP utilization perspective, growth in 2024 was influenced by household consumption and changes in exports and imports.

Positive Contributions

- Household final consumption (+3.6%)

The volume of consumption increased by 5.9%, boosting GDP growth. This was due to accelerated growth in household income in 2024 and an increase in purchasing power.



Ioan Nistor

Chief Economist

Romania's GDP grew by 0.9% in 2024. Growth pace was modest. Household consumption had the highest contribution to GDP. Investments and agriculture declined. Romania reaches 79% of the EU average index of GDP per capita (PPP).

✉ CONTACT



- Change in stocks (+1.0%)

Inventories made a positive contribution, indicating adjustments in anticipation of future demand.

Negative Contributions:

- Gross Fixed Capital Formation / Investment (-0.4%)

Investment volume decreased by 1.7%, contributing -0.4% to the change in GDP in 2024. Although the first quarters made important contributions to GDP growth through investment, the end of the year led to accelerated declines, bringing the average for the year into negative territory.

- Net exports (-2.9%)

The exports of goods and services decreased by 3.6%, while imports increased by 3.4%. This deterioration in the trade balance reduced the GDP.

Conclusion

The year 2024 was characterized by reduced economic growth of 0.9%, marked by a solid performance in the consumer and services sectors, but affected by declines in agriculture, construction, and exports.

- Consumers supported the economy, with household spending up 5.9%.
- The trade and services sectors were the main drivers of growth.
- Investment and exports were limiting factors, pointing to challenges ahead.

The slow pace of economic growth and declining investment requires fiscal stimulus and strategic investment measures to ensure more robust economic growth in the coming year.

Europe

In Europe, for 2024, the GDP increased by 0.9% in the Euro area and by 1.0% in the EU, after +0.4% in 2023. Malta (+6.0%), Croatia (+3.8%), and Denmark (+3.7%) recorded the highest increases in 2024 while Austria (-1.2%), Latvia (-0.4%), and Estonia (-0.3%) had the highest decreases.

GDP components and contributions to growth

The GDP components for the fourth quarter of 2024 were: Household final consumption expenditure increased by 0.4% in the Euro area and by 0.6% in the EU, after +0.6% in the Euro area and +0.5% in the EU in the previous quarter. Government final consumption expenditure increased by 0.4% in the euro area and by 0.3% the EU while gross fixed capital formation (investments) increased by 0.6% in the euro area and by 0.5% the EU. Exports decreased by 0.1% in the Euro area and increased by 0.1% in the EU and imports decreased by 0.1% in both areas.

The contribution to GDP growth came from: Household final consumption expenditure (+0.2 pp) for the Euro area and (+0.3 pp) the EU, government final expenditure (+0.1 pp) for both the Euro area and the EU, gross fixed capital formation (+0.1 pp) for both the Euro area and the EU. The changes in inventories was negative for both the Euro area and the EU (-0.2 pp), while net exports were negligible for both the Euro area and the EU.

GDP per capita in PPP in 2024

Preliminary estimates of the GDP per capita in PPP in 2024 was between 66% of the EU average in Bulgaria and 241% in Luxembourg. Luxembourg (141%) and Ireland (111%) had the highest levels well above Netherlands (+35%) and Denmark (+28%) while the lowest levels of GDP per capita were recorded in Bulgaria, at 34% below the EU average, Greece (at 30% below average), and Latvia (at 29% below average).

Romania increased +1pp from 2023 and reached 79% or 21% below EU average. Romania had a steady increase GDP per capita in PPP converging towards the EU's average. Therefore, as of 2024 data, Romania surpassed Bulgaria, Greece, Latvia, Slovakia, Croatia, Hungary as GDP per capita in PPP and has the same values with Estonia and Poland. As can be seen from the graph as well, most of the consistent increase came after Romania joined NATO (2004) and the EU (2007), fueled by EU funding and FDI.

Romania – 2025 GDP Forecast

Our projected real GDP growth for 2025 is 1.88%. A slight recovery is expected after 2024's modest 0.9% growth, driven mainly by continued household consumption and possible recovery in agriculture and investment.

Positive Contributions Expected in 2025

- Household consumption to remain strong, real wages likely to grow (2.5%) and inflation expected to moderate.
- Public sector demand may increase with likely more funding to health, education, defense.
- Services sector growth will likely continue, especially trade, transport, tourism, personal services.
- Digital and logistics sectors may also expand.
- Agriculture may rebound, assuming better weather conditions and yields.
- Net taxes likely to grow as the government focuses on improving collection and more VAT and excise revenues from consumption.

Risks / Negative Contributions

- Net exports may remain negative: Import demand still strong. External demand from EU may remain soft.
- Investment uncertain: If EU funds absorption remains slow or private investment hesitates, growth will be limited.
- Construction may remain weak: Especially residential and commercial real estate, unless supported by state programs.

GDP per Capita in PPP

Romania is likely to continue closing the gap with EU average, possibly reaching 80%–81% in 2025. Continued convergence depends on sustained real growth and stable inflation.

Key Assumptions

- No major global shocks (e.g., energy crisis, war escalation, global recession)
- Moderate inflation (5%) and interest rate stability
- Continued EU funding inflows (PNRR, Cohesion funds)
- Exchange rate remains broadly stable (EUR/RON)