White Book 2025

A Roadmap to Economic Growth and Competitiveness

Foreign Investors Council

May 2025,
Bucharest, Romania

White Book 2025

CONTENTS

PREFACE

The Foreign Investors Council (FIC) publishes the 15th edition of the White Book, which provides an overview of the progress made in the most relevant areas of the economy and an updated list of recommendations to ensure the sustainable evolution of Romania. Our project presents a series of recommendations for measures that need to be implemented to combat current crises, such as twin deficits, bureaucracy, legislative deficiencies, but also issues related to competitiveness, labour shortages, energy security and others.

The FIC 2025 White Book examines the strategic pillars for Romania's development: macroeconomics, taxation, environment, energy transition, competition and consumer protection, sustainability, technology and digitalization, human capital and healthcare. By improving these areas, Romania's accession process to the Organization for Economic Cooperation and Development (OECD) can be accelerated, as well as the alignment of the national legislative framework with European standards. At the same time, this analysis of the economy can help shape a national strategy to attract and stimulate private investment with the ultimate goal of reducing pressure on the state budget in the medium-long term. In a tense geopolitical context, it is important that the country's economy is as productive as possible and oriented towards high-value-added investments, so that it is prepared to respond to external shocks.

FIC remains a trusted partner to authorities and officials in identifying and meeting strategic targets, integrating European best practices, and increasing Romania's foreign investments and competitiveness. Our members are active dialogue partners and regularly work on targeted recommendations for our country's most crucial development fields through the White Book project to provide medium and long-term solutions for the solid growth and stability of the national economy.

MACROECONOMIC OVERVIEW

In 2024, the Romanian economy experienced a significant slowdown, influenced by both internal and external factors. Real GDP growth was recorded at 0.7%, a notable decrease from the 2.4% growth in 2023. On the demand side, consumption and investment were key drivers of economic growth, while the trade balance remained negative due to higher imports than exports. On the supply side, industry and services were fundamental pillars, although all sectors showed signs of stagnation or decline. For 2025, economic growth will largely depend on fiscal and monetary policies, the government's ability to stimulate consumption and investment, and maintaining competitiveness in industry and services.

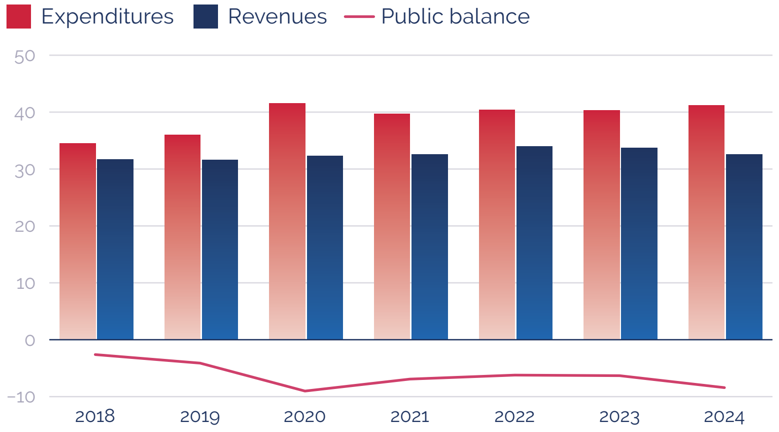
Find out more at
**wb2025.fic.ro/en/
macroeconomic-overview**

Public finances in Romania are facing a persistent and growing budget deficit, with significant deterioration observed from 2018 to 2024. The deficit reached -8.6% of GDP in 2024, driven by increased public expenditure. The upward trend in public debt, which exceeded the 50% threshold in 2024, raises concerns about sustainability and the need for prudent economic policies to balance the budget and reduce reliance on borrowing. The government must implement sound fiscal reforms, improve revenue collection, and rationalize public spending to ensure macroeconomic stability.

Confidence in the economy varied across Central and Eastern European countries in 2024, with Romania showing stronger economic sentiment compared to others. However, the drop in confidence in Romania before the presidential elections highlighted associated uncertainties. The dynamics of the economy and the favorable evolution of confidence will depend on the government's ability to combine the need for macrostabilization with measures to support growth.

FIGURE 1

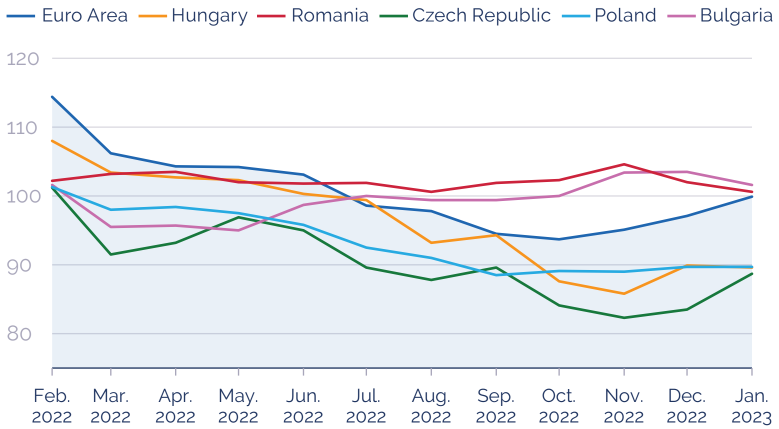
Budget balance, %GDP



Source: Eurostat

FIGURE 2

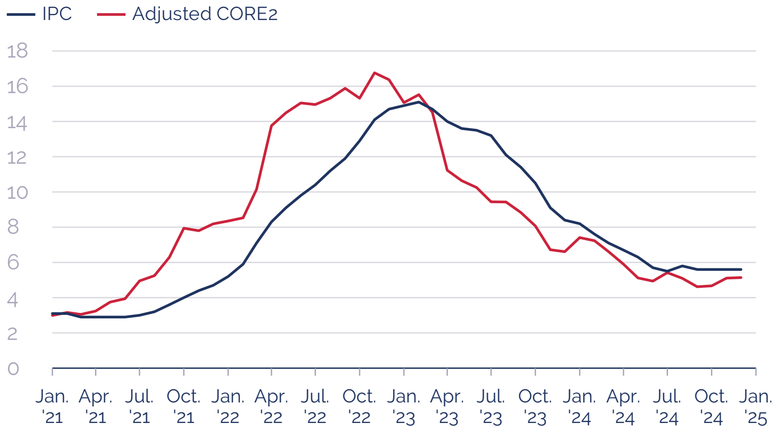
Economic Sentiment Index



Source: Eurostat

FIGURE 3

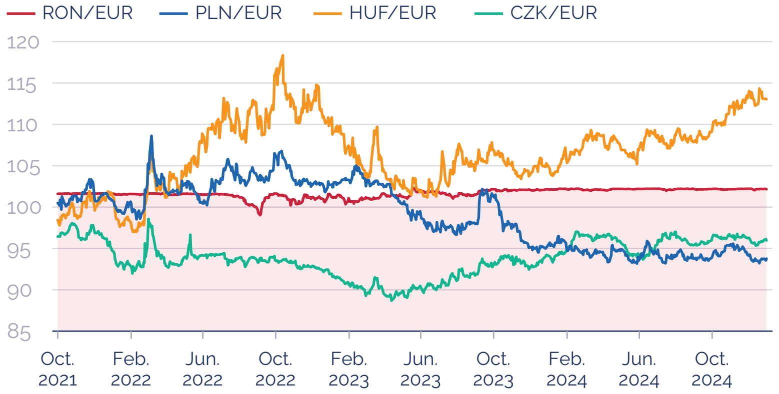
Evolution of inflation



Source: INS, NBR

FIGURE 4

Exchange rate developments in emerging markets in the region



Source: NBR

Inflation in Romania showed a downward trend during 2024, with the annual CPI inflation rate at 5.14% in December. However, extreme weather conditions and tax changes have impacted inflation, causing temporary reversals in the disinflation process. The monetary policy response included an increase in interest rates to control inflation, with the 3-month and 12-month ROBOR rates peaking in 2022 and gradually declining in 2023 and 2024.

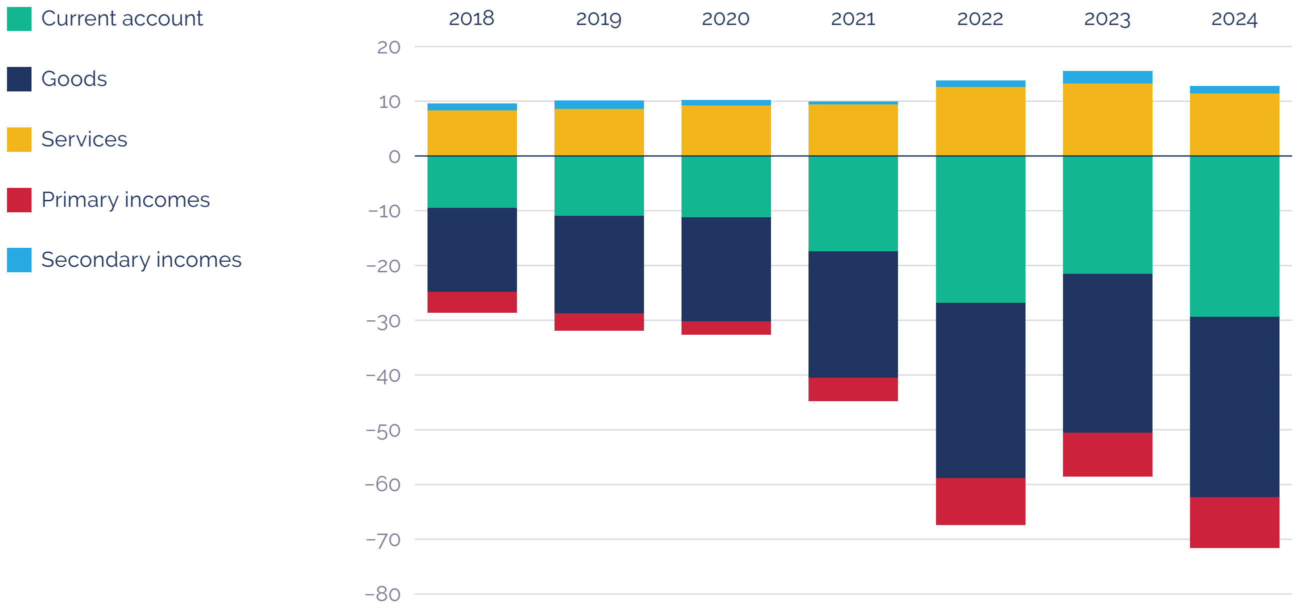
The exchange rates of Central and Eastern European currencies against the euro diverged in 2024, influenced by domestic economic factors and external influences. The Romanian leu remained relatively stable, while other currencies experienced significant fluctuations. The Bucharest Stock Exchange Index (BETI) reached an all-time high in July 2024 but faced potential impacts from international market tensions and the country's credit rating downgrade.

The low level of financial intermediation remains a major structural challenge for Romania, with the banking sector's assets in GDP at 50.6% in 2024, significantly below the EU average. The resilience of the banking sector has strengthened, with positive dynamics in capital adequacy indicators and low non-performing loans. However, the high exposure to government borrowing and the need for state financing to cover the budget deficit pose risks to financial intermediation.

The current account deficit of Romania's balance of payments widened significantly from 2018 to 2024, driven by the goods trade balance deficit. The services trade balance generated a surplus, but it was not enough to offset the structural deficit in trade in goods. The widening of the current account deficit suggests increased external vulnerability and the need for policies to reduce imbalances by stimulating exports and strengthening economic competitiveness.

FIGURE 5

Current account structure



Source: NBR

To ensure macroeconomic stability, the government needs to implement fiscal reforms, improve revenue collection, and rationalize public spending. Priorities include streamlining budget spending, cutting rigid expenditures, increasing the efficiency of public investment, and attracting European funds to support structural reforms and investments in key areas. Economic growth forecasts for Romania in 2025 and 2026 vary, with moderate growth expected and potential risks from financial market volatility, geopolitical factors, and fiscal and monetary policies.

TAXATION

In this chapter the business environment aims to highlight the importance of transparency and fiscal predictability to increase and facilitate foreign investments into Romania. Consultations with state authorities is essential both for the revision of draft legislation and for the implementation of existing legislation. This leads to an improvement in the quality and applicability of the legislation.

The clarity, stability, and predictability of the tax legislation and its implementation and interpretation are essential in investment decisions. The lack of transparency in the legislative process significantly affects the potential for economic development, by discouraging foreign direct investment.

Find out more at
wb2025.fic.ro/en/taxation

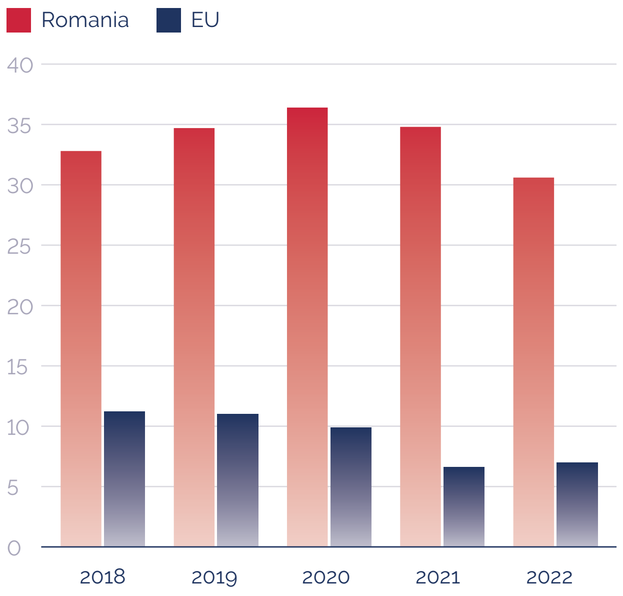
FIC considers that improving transparency should become a priority for the authorities, as it leads to increasing the predictability of the Romanian tax environment. Any change to the law, including its interpretation, should be adopted after consultation and properly applied by the tax authorities only for the future and well in advance of its entry into force. FIC recommends a constant and more consistent dialogue between the business environment, the Ministry of Finance (MF), and the representatives of the National Agency for Fiscal Administration (ANAF) regarding the predictability of the law and its uniform application. FIC also urges the MF to give the business community more time to review the bills to prepare companies to understand and comply with tax obligations.

In the current geopolitical and economic context, it is vital that the authorities and the business environment analyze the fiscal framework in a long-term perspective aimed at strengthening public finances for the benefit of the state and the private sector. FIC recommends that the tax reform introduce an equal distribution of burdens between the public and private sectors, as well as ensure tax fairness by eliminating exemptions, abolishing the minimum turnover tax, and capping CAS and CASS. FIC also believes that by maintaining a single quota, Romania can promote a favorable investment environment.

FIC supports the efforts of tax authorities to combat tax evasion and the essential steps taken toward a more digitalized and efficient tax administration.

FIGURE 6

VAT compliance gap (as % of VTTL[1])



Source: EU VAT Gap Report 2024, European Commission

1 The VTTL is the estimated amount of VAT that is theoretically collectable based on the VAT legislation and ancillary regulations, assuming full compliance

The amendments to the Offshore Law in 2022 (Law no. 256/2018) presented more favorable provisions for exploiting natural gas in the Black Sea that unlocked investments in the area. At the same time, one of the most relevant changes to the law was related to the tax regime for investments in the field, which has become more permissive. As a result, FIC recommends that future changes impacting the Black Sea Exclusive Economic Zone be discussed in detail with the business environment and that the need for stability with minimal effects on existing business plans be considered.

The reinvested profit helps companies to develop and contribute indirectly to the development of the economy, as well as to an increase in budget revenues. To continue stimulating investment as much as possible, FIC considers it essential to grant the possibility of applying the tax incentive at a later stage or to introduce the possibility of obtaining a cash refund.

FIC welcomes how the new global tax has been implemented in national legislation and appreciates the continued efforts of the Ministry of Finance to work and cooperate with professionals in the business environment. However, FIC considers that certain aspects should be clarified for a more practical interpretation and application of the legislation, such as the presence of tax incentives that can qualify as qualified refundable tax credits from the perspective of Pillar II in the Tax Code and could contribute to increasing the tax rate.

FIC appreciates the efforts of the Romanian authorities to clarify and improve the legislation on tax incentives for research and development. A clear, impartial, and consistent framework for distributing these incentives is designed to encourage companies to invest in value-added activities. Thus, FIC believes that discussions should occur between the business environment and the Romanian authorities regarding the modification of the current system of corporate income tax incentives in respect of research and development, so that it meets the requirements for a qualified refundable tax credit according to the Pillar 2 rules.

ENVIRONMENT

The business sector continues to face a lack of predictability concerning the legal and institutional framework on environmental issues despite continued efforts to engage with public officials on environmental legislation and institutional topics. This has been felt most strongly in the waste management sector, where the disproportionate regulation and enforcement of the waste management rules for private companies, as opposed to entities responsible for municipal waste collection, as well as the prolonged delay in adopting essential legal enactments, have led to significant instability and uncertainty in the market.

Find out more at
wb2025.fic.ro/en/environment

FIC members are committed to continuing to build stakeholder trust and simultaneously improving their business performance in a sustainable way and call on public authorities to initiate the consultation process from the earliest stages of the decision-making procedure.

Despite the involvement of the business sector and other relevant actors in public consultations and proposals for regulatory clarity, legislation remains unpredictable. The absence of long enough transitional periods for new requirements and delays in adopting secondary legislation, like the necessary update of the Environmental Fund contributions methodology, negatively affect businesses. The FIC emphasises the need for consistent interpretation of laws and early engagement with stakeholders to ensure regulatory stability, clarity, and sustainability.

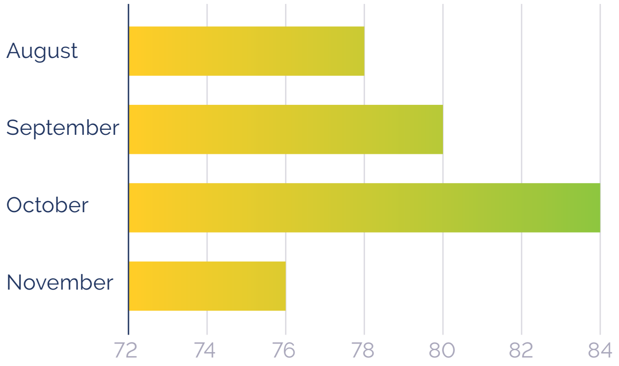
Romania has aligned with these EU goals by developing its Long-Term Decarbonisation Strategy 2050, updating the National Energy and Climate Plan (NECP) 2030, and working on national legislation to transpose EU directives and regulations. FIC acknowledges the Ministry of the Environment's efforts in implementing the revised EU-ETS legislation and the "Fit for 55" package, especially the Carbon Border Adjustment Mechanism (CBAM) and EU-ETS revisions. Special attention is needed in 2025-2026 to meet biomass sustainability and greenhouse gas savings requirements. In 2025, Romania should create a system for recognising biomass neutrality, focusing on sustainability and greenhouse gas savings criteria to be met. This system should be aligned with European guidelines while considering local conditions.

Improving waste management remains a key priority. FIC initiated consultations with key stakeholders in the waste management sector, resulting in the document "Difficulties in applying waste legislation and proposed solutions." It outlines recommendations to improve the regulatory framework's clarity, coherence, and fairness. FIC then engaged with authorities, such as the Ministry of the Environment, to address critical issues and advocate for solutions. Despite these efforts, the volume of separately collected recyclable waste remains low due to the poor implementation of economic tools like the circular economy contribution and the "pay as you throw" system. These tools face challenges, including a lack of clear timelines and difficulties in door-to-door collection.

We must note that the implementation of the Deposit-Return System is a big success in the field of waste management. While 2024 was a transitional year, marked by the system setup and adjusting the plan to the realities of the Romanian market, significant achievements were reached. We can highlight the system's 98% consumer awareness, with a return frequency of once every 2-3 weeks.

FIGURE 7

Collection rate registered in the last months of 2024



Source: ReturoSGR https://returosgr.ro/

Still, retail companies collecting non-hazardous waste from consumers and transporting it to authorised waste management operators should not require environmental authorisation. However, without explicit legal provisions confirming this exemption, interpretations may vary. Due to the absence of official guidelines, companies interpret the legislation inconsistently to reduce the environmental impact of certain plastic products.

Measures are needed to stimulate the development of infrastructure for the processing/production of recycled aggregates to ensure better waste management from construction and demolition activities.

Finally, on funding for environmental projects, the multiannual Financial Framework (MFF) 2021-2027 and the NextGenerationEU (NGEU) economic recovery package provide EUR 1.8 trillion to support recovery from the COVID-19 pandemic and promote the EU's long-term priorities. The Recovery and Resilience Facility, a key component of NextGenerationEU, became effective on 19 February 2021 and was designed to mitigate the economic and social impacts of the pandemic while facilitating green and digital transitions.

Allocation of the funds should be prioritised based on a risk evaluation, considering the EU targets that Romania must reach. The business environment should be consulted on the financing frameworks for EU funding and included in the list of beneficiaries for dedicated projects. The Romanian state's ETS revenues should be redirected back to the industries under the EU-ETS and used for co-financing their decarbonisation. Also, Romania should allocate approximately 30% of EU funds towards a greener Europe.

FOREIGN DIRECT INVESTMENTS AND STATE AIDS

FIC is a strong partner of the Romanian Government in identifying the most effective solutions and measures to attract Foreign Direct Investment (FDI). Attracting new FDI is vital for economic progress, as it results in capital, jobs, as well as knowledge exchange.

Find out more at
wb2025.fic.ro/en/foreign-direct-investments-and-state-aids

Investments were an important component in the preparation of the 2024 budget, as the overall expenditures planned for public investment was 120.1 billion lei – capital expenditure from the state budget, local budgets, and European funds (grants and loans)-, representing approximately 6.9% of GDP. The role of public investment is crucial to leverage the impact of foreign direct investment and to create future opportunities for the private sector.

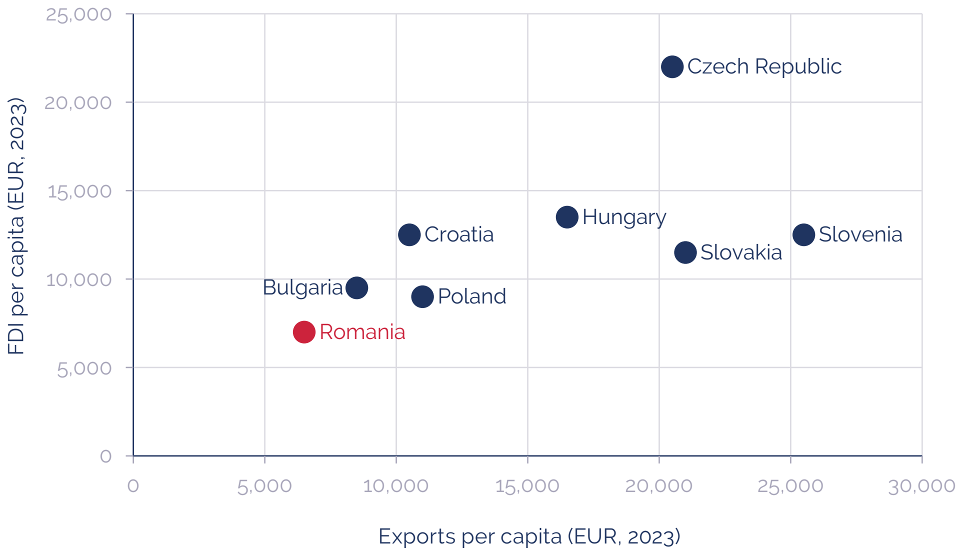
FDI clearly brings numerous tangible benefits ("hard facts") – which start with the inflow of capital, the creation of jobs, the increase in domestic consumption and exports, economic growth and an increase in budget revenue, as well as the opportunity for local suppliers to participate in global value chains. Furthermore, there are also numerous "soft" elements, such as the transfer of technology, enhancement of the skills of the labour force through the transfer of know-how, an improvement in the international competitiveness of local companies, increased domestic competition etc. These factors also contribute to the overall benefits of FDI and hence to economic growth.

State aid schemes symbolize an important component for large companies, which are not eligible for financing productive investments from European funds. In Romania aim to stimulate economic growth, support regional development, and enhance the competitiveness of various business sectors within the national economy. Romania offers the highest intensity of state aid in the EU, covering 30%-60% of the eligible costs, depending on the region (which can go up to 70% in four counties included in the Just Transition Plan) for CAPEX.

The FIC believes that it is necessary to increase the allocation of European and national funds for projects in the real economy, especially in the productive sector. It is also important that an increase in budgetary commitments for state aid and investment grants, even if payments are made in later years, in order to stimulate investment and accelerate the launch of projects, is also important. In the context of the unpredictable dynamics of economic sectors, the FIC considers that a constant dialog between business and political authorities is necessary to adjust financing schemes. At the same time, it is noted that the period between the adoption of state aid measures and the signing of financing agreements can take more than a year.

FIGURE 8

FDI and Exports per capita



Sources: FIC, UNCTAD, Eurostat

ENERGY TRANSITION

Europe faces significant energy challenges, including securing stable energy supplies, accelerating renewable adoption, and managing rising prices. Infrastructure upgrades and cost competitiveness are also critical to meeting decarbonization goals. Balancing secure and affordable energy with decarbonization goals amidst geopolitical shifts and altered supply patterns remains a crucial challenge at the EU level. Romania must strengthen fiscal and regulatory frameworks to support domestic production while addressing the significant compliance costs imposed by EU regulations.

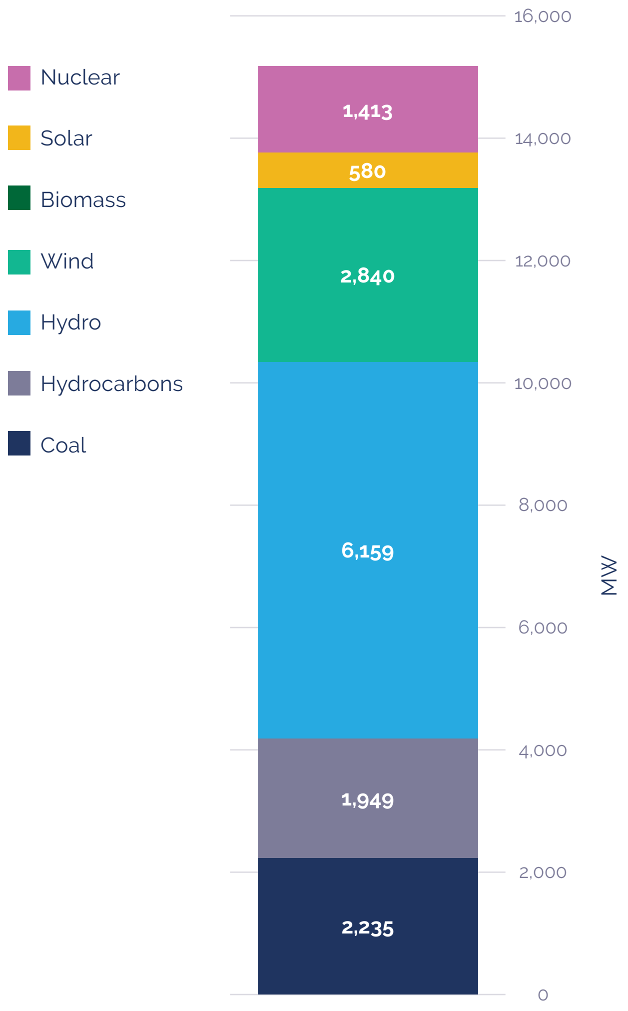
Find out more at
wb2025.fic.ro/en/energy-transition

Romania's regulatory environment should be adapted to increase needed private investments, which is essential for modernization and energy transformation. FIC advocates for a legislative framework that aligns with European principles, ensuring market fairness and addressing price pressures and long-term supply security. Frequent, untransparent legislative changes to correct initial errors have led to financial losses and diminished investor confidence. FIC underscores the importance of transparent governance and constructive stakeholder dialogue to prevent such disruptions.

Balancing short- and long-term measures to achieve decarbonization while maintaining economic resilience and competitiveness is a key challenge at both the EU and national levels. The renewable energy sector in Romania has grown significantly due to its potential in wind, hydro, biomass, CCUS (carbon capture, utilisation and storage), and solar energy, alongside a support scheme launched in 2008. The most recent data from Transelectrica (published in April 2024) shows the total installed capacity for electricity is estimated at 15206 MW, with a net power of 14166 MW.

FIGURE 9

Electricity installed capacity (April 2024)



Source: https://www.transelectrica.ro/ro/web/tel/home

FIC believes that a clear, predictable, non-discriminatory & aligned with the EU legislative background policy framework is needed for hydrogen infrastructure, with transparent access to infrastructure and market conditions to foster competition. The European Green Deal emphasizes biomethane and hydrogen's role in decarbonizing Europe's energy system, with the REPowerEU plan and revisions to RED II and III pushing for biomethane and renewable hydrogen deployment and energy transition acceleration.

This transition brings significant socio-economic implications for Romania, requiring careful management to ensure equity and stability. Energy poverty and unemployment disproportionately affect rural and economically vulnerable areas.

Energy grids are crucial for achieving the European Green Deal's goals, enabling renewable energy integration, industrial electrification, and accessibility. Modernizing electricity and gas grids is vital for decarbonization, energy security, and economic growth, requiring EU member states to embed these infrastructures into national strategies. By advancing its grids, Romania can secure its energy future and align with EU climate objectives.

The energy transition requires a fundamental shift in how energy is produced and consumed, moving from a unidirectional model to an interdependent system where consumers also act as producers—prosumers. Prosumers contribute to grid stability, reduce energy poverty, and support regional economic growth. Their integration into the energy system is essential for balancing grids, lowering peak loads, and advancing Romania's climate goals.

EU directives and regulations have largely driven Romania's environmental and energy policy developments. Ensuring timely and accurate transposition of these directives (yet considering RO's specifics) into domestic legislation is critical for pursuing climate neutrality and achieving the 2030 sustainability agenda.

COMPETITION AND CONSUMERS

Consumer protection continues to be a top priority for the European Commission across the EU's Single Market. The European Commission has announced further reforms to consumer protection legislation for the 2024–2029 legislative cycle. As a result, some companies will need to strengthen their compliance with consumer protection requirements.

At the same time, a hot topic in the past year for competition has been the inclusion of the Romanian investors / investments in the notion of EU investors and investments. Therefore, a thorough analysis of the investment's conditions should be conducted, even in the case of an apparently national investment or investor.

Find out more at
wb2025.fic.ro/en/competition-and-consumers

CONSUMERS

Consumer protection remains a priority for the European Commission, with reforms planned for the 2024–2029 legislative cycle. The EU's Consumer Protection Cooperation (CPC) Regulation is under review to address challenges in digital markets, resource disparities, and enforcement gaps. The aim is to modernize policies, enhance enforcement, and promote fair competition. Romania has aligned with EU directives on unfair trading practices and collective consumer interests. The focus is on combating misleading advertisements and unfair commercial practices. Key issues include misleading marketing, ambiguous contracts, and substandard goods. To address these issues, FIC recommends to strengthen monitoring and mediation mechanisms, implement automated monitoring tools, enhance consumer education, require pre-approval of contracts, simplify cancellation procedures, enhance border control and inspections, and promote local production to reduce reliance on low-quality imports.

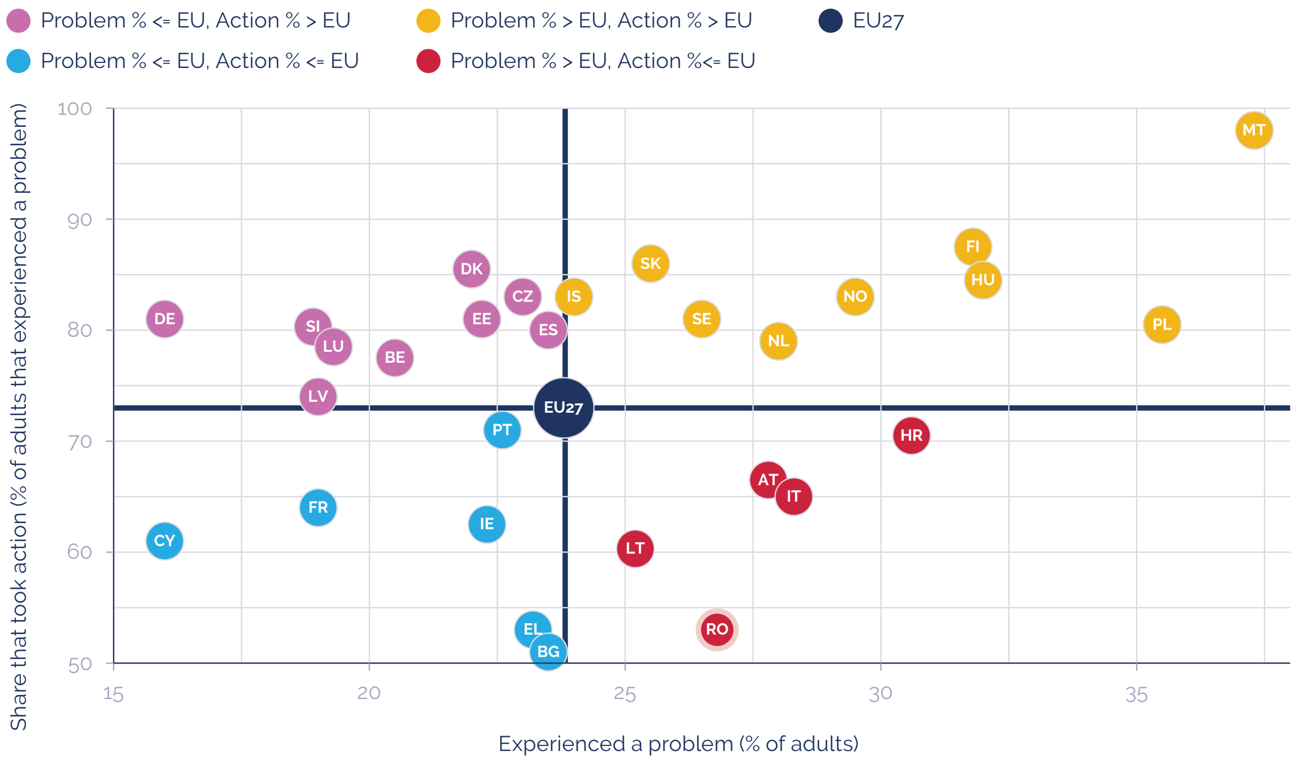
Unfair trading practices (UTPs) in Romania are regulated under Law No. 363/2007, focusing on misleading practices. Common issues include inflated prices, ambiguous contracts, and substandard goods. FIC recommends establishing fair rules for discounts and promotions, using AI tools for monitoring, launching public awareness campaigns, and simplifying legal processes for consumers.

Romania faces challenges in enforcing consumer protection due to multiple authorities and overlapping legislation. The National Authority for Consumer Protection (ANPC) lacks independence and resources. To enhance consumer rights protection, FIC considers that is important to increase resources and training for regulatory bodies, adopt digital monitoring tools, launch public awareness campaigns, simplify complaint procedures, establish independent mediation bodies, and foster cross-sector collaboration.

In 2024, 24% of EU consumers responding to the European Commission's Consumer Conditions Survey[2] reported that they had encountered a problem in the last 12 months when buying goods or services from a trader in their own country, for which they considered they had a legitimate reason to make a complaint. Even though at European level almost three quarters took action to resolve the problem encountered (73%), Romania, along with Bulgaria and Greece, has the lowest shares of consumers who have resorted to action to resolve their problems.

FIGURE 10

Share of consumers who experienced a problem and took action to resolve it (2024)



Source: European Commission, Consumer Conditions Scoreboard

2 Consumer Conditions Scoreboard 2025 Edition

COMPETITION

Romania adopted new competition legislation in 2022 that introduces a new anti-competitive practice, namely the exploitation of a superior bargaining position. This practice is similar to the "abuse of economic dependence", which has also been regulated by other EU Member States. Problems related to unfair competition can be prevented and resolved by strengthening collaboration with other EU Member States to effectively address and resolve cross-border unfair competition practices. Romania could facilitate and establish mechanisms to more easily exchange information and good practices with other EU Member States and their competition authorities in order to improve enforcement and regulatory approaches.

Direct investments by both non-EU and EU investors (including Romanians), covering certain areas and exceeding EUR 2 million, are subject to mandatory national security screening and authorisation under the Romanian FDI regime. This has added another layer of complexity to transaction planning, which now has to consider notifications from multiple angles, such as FDI screening or investigations under the EU Foreign Subsidies Regulation, in addition to traditional ones (e.g. merger control).

The need to review potentially problematic transactions, especially in the current geopolitical context, is undeniable. However, both the examination framework and the authority's practice should be carefully balanced so that Romania remains an investor-friendly country.

According to the IMD World Competitiveness Ranking 2024, Romania ranks 47th in terms of Economic performance (with a score of 44.4), 48th in Government efficiency (a score of 37.0), and 54th in Business efficiency (a score of 29.5). These rankings indicate that Romania has moderate economic performance compared to other global economies, but faces significant challenges in terms of government efficiency and the business environment, and in the segment of attracting international investment, the position is below average, 53rd out of a total of 67 countries.

FIGURE 11

Positions occupied by Romania in the Competitiveness Landscape (2024)

Economic Performance	Government Efficiency	Businesses Efficiency	Infrastructure
28 Domestic economy	45 Public finance	34 Productivity and efficiency	41 Basic infrastructure
41 International trade	38 Fiscal policy	61 Labor market	36 Technological infrastructure
53 International investments	50 Institutional framework	61 Finances	44 Scientific infrastructure
60 Occupancy	48 Business legislation	62 Management practices	52 Health and environment
21 Prices	52 Social framework	52 Attitudes and values	53 Education

Source: IMD World Competitiveness Ranking 2024

SUSTAINABILITY

The outlook for economic development is changing, with many companies showing a growing commitment to society and the environment. Companies are increasingly integrating sustainability principles into their operations, with a focus on creating systems that protect nature, support social welfare, combat inequality and promote lifelong learning.

Romania continues to be involved in as many initiatives at the legislative level as possible and is taking important steps in their transposition (Romania's National Strategy for Sustainable Development 2030, National Action Plan, National Strategy on Circular Economy, Sustainability Code, New Corporate Governance Code of the Bucharest Stock Exchange).

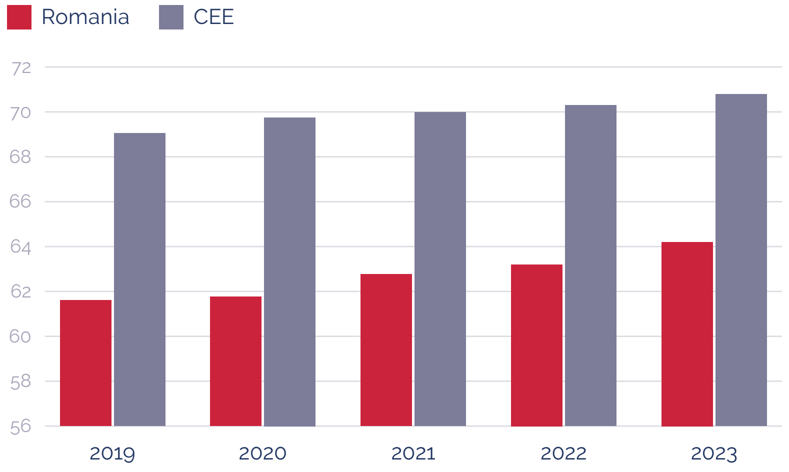
Find out more at
wb2025.fic.ro/en/sustainability

The business environment is involved in the sustainable development of the Romanian economy through active cooperation with public authorities. Identifying legislative gaps and addressing them is a priority in establishing solid foundations to accelerate efforts to develop a high-performing economy based on principles of sustainability and transparency.

Romania supports the UN objectives and is working closely with other EU Member States and the international community in general to achieve them. The goals are part of Romania's National Strategy for Sustainable Development 2030 (NSDSDR 2030), which presents the local strategic vision for creating a sustainable society.

FIGURE 12

Ranking of the CEE countries' performance between 2019-2023



Source: Europe Sustainable Development Report 2025

The FIC appreciates the efforts made so far to establish an effective strategic and institutional framework and supports the application of an integrated and multidimensional approach in the implementation of the actions foreseen in the NRDDS 2030 and the National Action Plan for the implementation of the NRDDS.

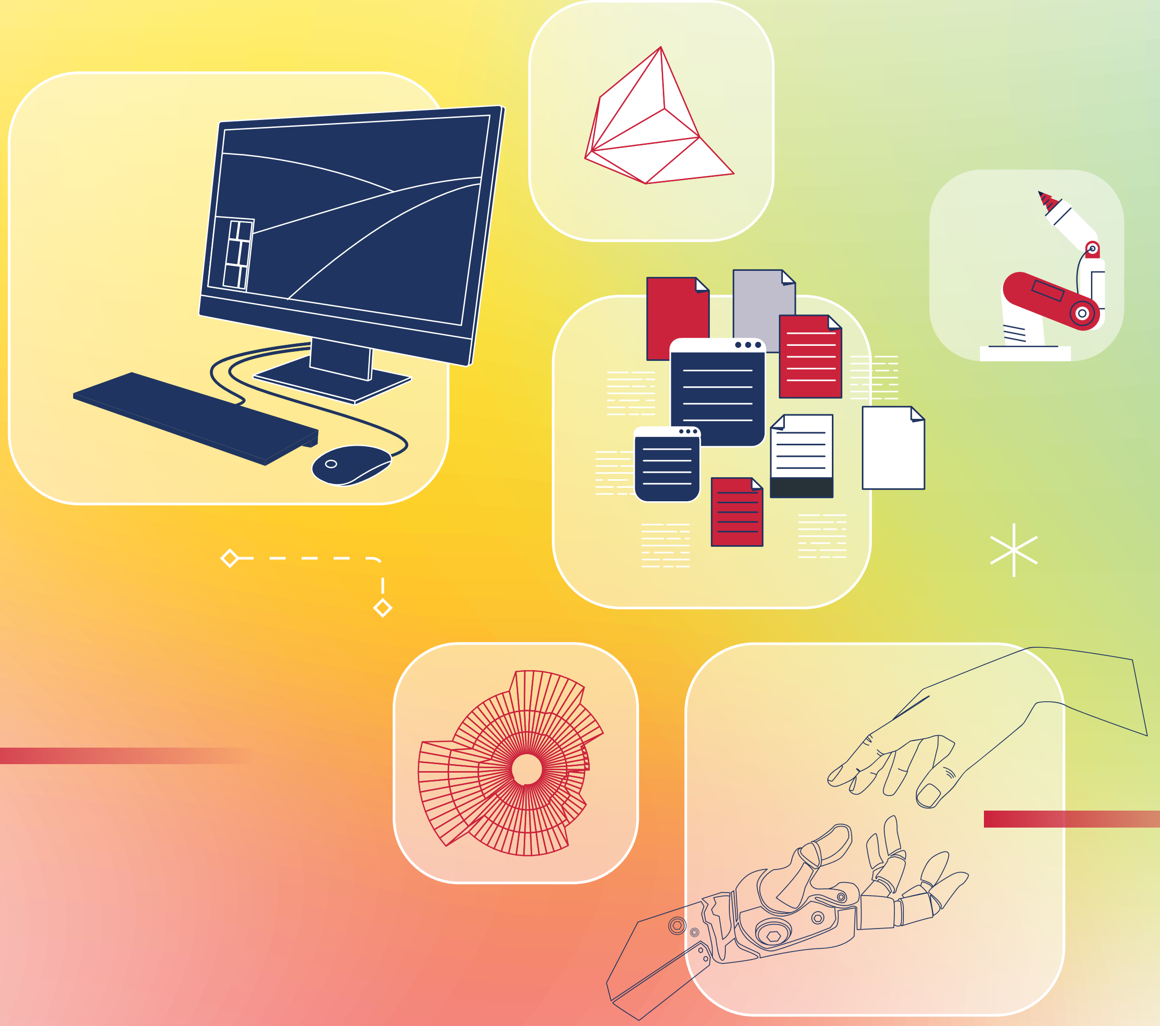
In 2022, the Romanian Government adopted the National Strategy on Circular Economy, elaborated under the coordination of the Department for Sustainable Development, the most important project is the implementation of the Guarantee-Return System (GRS), and the main objective is to support Romania's transition to a circular economic model, in line with the EU Action Plan on Circular Economy. FIC considers that the Action Plan for the implementation of the National Strategy on Circular Economy is necessary and provides an appropriate framework for cooperation between public authorities and relevant stakeholders, which should allow more ambitious specific targets to be achieved.

Another important initiative of the Department for Sustainable Development, was to launch in mid-2025, through the Sustainability Code, a platform to facilitate organizations' compliance with reporting obligations and at the same time access to this information by interested stakeholders, could have been a step in the right direction, it could also be an important step in the implementation of the European Single Entry Point at national level (ESAP).

At the end of 2022, the Council of the European Union issued its final approval of the Corporate Sustainability Reporting Directive (CSRD), endorsing the European Parliament's position. The new rules had to be implemented by Member States within 18 months of the directive's entry into force.

Compared to the general framework set by the CSRD, the implementation in Romania will be faster, with entities that meet at least two of the following three criteria to start publishing sustainability data from January 2026: assets of at least RON 25 million, net turnover of at least RON 50 million, average number of employees of at least 50.

The FIC considers that public authorities should consider a unified regulation for the transposition of EU legislation, including the CRD, given that there are currently several regulations for specific sectors - non-financial companies, non-listed companies, financial institutions and listed companies. This would help to avoid the current legislative parallelism which can create confusion, implementation difficulties and unnecessary efforts for companies.



TECHNOLOGY AND DIGITALIZATION

In 2023, Romania made significant progress in digitalizing public services and SMEs, with notable achievements in fiber to the premises (FTTP) coverage. However, challenges remain in improving basic digital skills and rolling out 5G networks. The National Action Plan for the Digital Decade, adopted in October 2024, outlines Romania's targets for 2030, including 50% of the population having basic digital skills, 4% TIC specialists, 62% 5G coverage, and 100% digital public services. Progress is monitored through annual reports by the European Commission.

Find out more at
wb2025.fic.ro/en/technology-and-digitalization

The R&D certification process in Romania is cumbersome and bureaucratic, discouraging companies from obtaining certification and applying for tax incentives. Companies have highlighted the need for clarity and predictability in the certification procedure. Simplifying the certification process, focusing on the nature of activities rather than extensive financial information, and allowing online evaluations could reduce administrative burdens and encourage more companies to undertake R&D projects.

Achieving the 2030 connectivity target requires major investments, and the FIC supports the EU's proposal for large digital platforms to share telecom network costs. Imposing obligations on the dominant operator, supporting EU initiatives, and ensuring compliance with legal provisions for telecom infrastructure are essential steps.

The digital society is undergoing major changes, with large volumes of data becoming available due to increased use of online services. Compliance with GDPR and newer EU regulations is essential. Implementing simple tools for users to manage their personal data, initiating wide consultations on regulatory impacts, increasing transparency of public authorities' practices, and issuing guidelines on minimum technical and organizational measures for data protection are crucial for adapting to these changes.

EU Regulation No. 910/2014 (eIDAS Regulation) and national legislation regulate electronic signatures in Romania. The law adopts a proportionate and risk-based approach, allowing stakeholders to select the appropriate type of signature. Establishing clear requirements for advanced signatures, creating validation mechanisms, and promoting the new legal provisions through education campaigns will facilitate the transition to the new e-signature framework.

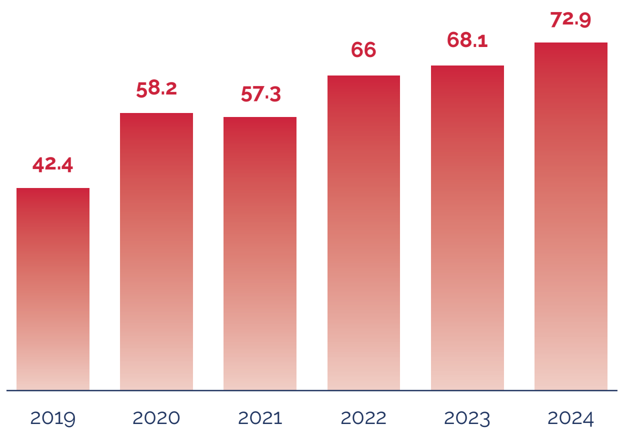
Romania is implementing electronic identity cards (eID) in line with the eIDAS Regulation, with significant investments approved for IT infrastructure modernization. Accelerating eID issuance, integrating electronic signatures into eID cards, developing online public services accessible through eID, and promoting the new ID cards to the public will enhance digital transformation efforts.

The European Regulation on electronic identification (eIDAS 2.0) requires all EU Member States to provide a digital identity wallet by November 2026. Ensuring compatibility between the Romanian eID card and the European Digital Identity Wallet, promoting cross-sectoral collaboration, and running public education campaigns will facilitate the adoption of this new digital identity solution.

Romania's e-commerce sector has grown rapidly, contributing significantly to the economy. However, challenges remain in fully digitalizing retail and supporting SMEs in cross-border sales. Adopting a coherent approach to digital transformation, aligning national regulations with EU standards, encouraging digital behavior, and implementing export support programs for SMEs will help address these challenges.

FIGURE 13

Persons having ordered/purchased goods over the internet (% of all persons aged 16-74 having used the internet in the last 12 months)



Source: NSI

Romania's national strategy for AI (2024-2027) focuses on ethical governance, education, and infrastructure development. Developing a national data lake for AI research, integrating AI literacy into education, adopting ethical guidelines for AI deployment, and raising public awareness about AI benefits and risks are key components of this strategy.

Romania has improved its cybersecurity posture but still faces challenges. Enhancing the national incident response network, launching public awareness campaigns, developing cybersecurity workforce training programs, and offering incentives for SMEs to adopt certified cybersecurity tools are necessary steps to strengthen cybersecurity infrastructure.

HUMAN CAPITAL AND HEALTHCARE

First, human resources are each country's strategic pillar of economic growth. The decrease in the active population and demographic aging represent significant challenges to the prospects for long-term prosperity. Emerging technologies, demographic shifts, and economic shocks are reshaping labour market priorities, requiring proactive strategies to maintain Romania's long-term competitiveness. Digitalisation, automation, artificial intelligence (AI), and environmental concerns represent key opportunities for modernisation, highlighting the need for sustained investments in education and infrastructure.

Second, health is the foundation of human capital and crucial for innovation, productivity, and Romania's sustainable economic growth. As a developed country, Romania's national income grows because of a fair economy, better-paid jobs, and a workforce capable of innovation. A healthy population and an efficient, accessible health system are vital for this progress.

Find out more at
wb2025.fic.ro/en/human-capital-and-healthcare

LABOUR

Labour demand is a key macroeconomic indicator reflecting market activity and employer confidence. In early 2024, labour market tension decreased compared to the previous year, signalling slower labour demand amid economic changes. To meet the demand for labour and attract the inactive population, Romania should make labour legislation more flexible, adopting new forms of employment adapted to modern economic realities.

Romania's ability to harness talent and train its workforce is crucial for economic growth and global competitiveness. However, a significant skills gap challenges its development, as education and vocational training lag market demands. The European Centre for the Development of Vocational Training (Cedefop) reports that 80% of EU employers struggle to find suitably skilled workers, with 25% hiring underqualified employees due to limited options. Additionally, 1 in 3 EU employees is either overqualified or underqualified.

Although Romania's job vacancy rate is below the EU average, skill mismatches persist, with only 17.9% of the population completing tertiary education in 2023, compared to 33.7% in the EU. Projections suggest job polarisation, with 70% of future opportunities requiring mid-level skills. At the same time, demand for high-skilled workers will remain below the EU average, while demand for low-skilled workers is expected to remain negligible.

HEALTHCARE

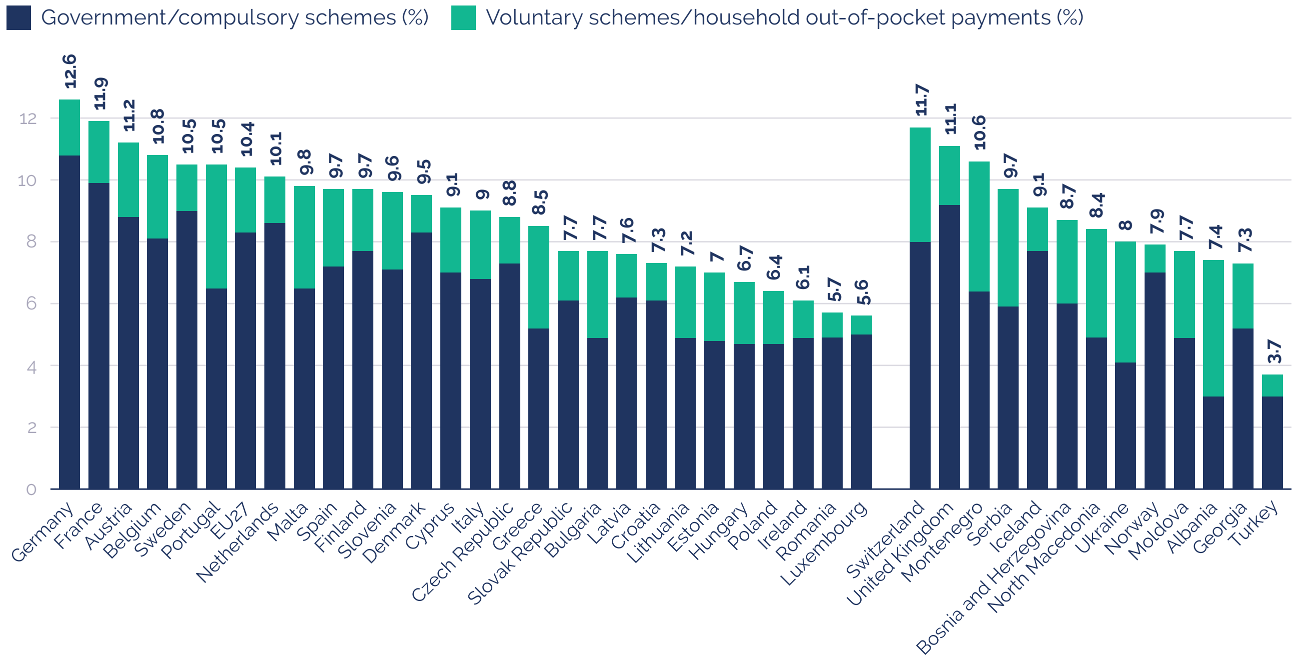
Health is the foundation of human capital and is crucial for innovation, productivity, and Romania's sustainable economic growth. As a developed country, Romania's national income grows because of a fair economy, better-paid jobs, and a workforce capable of innovation.

Romania's healthcare system could greatly benefit from prioritising prevention and health promotion to reduce the disease burden. Despite the crucial role of prevention, Romania continues to experience high mortality from preventable causes due to decades of underfunding and poor access to preventative services. Systemic challenges include financial barriers, insufficient infrastructure, staff shortages, and inadequate public health policies.

Romania should gradually increase its healthcare funding to reach the EU average of 8.4% of GDP, up from the current level of approximately 5.2% (2025). This requires merging public and private funding effectively. Despite Romania's strong economic growth in recent years, it remains last in the EU for healthcare spending.

FIGURE 14

OECD Statistics for 2024: Health Expenditure



Source: OECD Health Statistics 2024, Eurostat, WHO Global Health Expenditure Database, https://stat.link/eyd8n9

FIC considers that the reimbursed medicines budget should be readjusted to cover the real needs of the Romanian healthcare system, considering that after more than 13 years, the pharmaceutical industry continues to cover this deficit with the clawback tax. This tax has generated and continues to create adverse effects on the availability of medicines on the market. Adequate and sustainable funding of the medicines budget must be ensured to improve patients' access to the medicines they need.

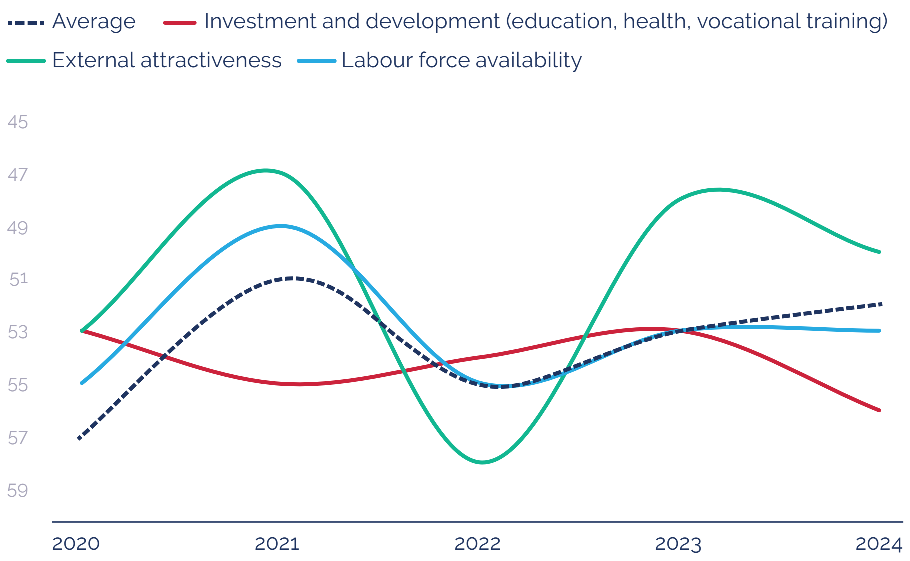
Robotic surgery is a groundbreaking innovation in modern medicine, offering unmatched precision, reduced invasiveness, and improved patient outcomes, especially in oncology, where precision is crucial. It sets a new standard in healthcare by minimising post-operative risks, reducing recovery times, and improving survival rates.

Europe is at a critical juncture in developing its healthcare systems and is facing rapidly changing health challenges. Governments and healthcare providers must prioritise disease prevention to promote healthy longevity, as the cost of inaction is high. The country's healthcare workforce shortage, particularly in rural areas, and the lack of leadership contribute to these problems. Furthermore, Romania conducts far fewer clinical trials than other European countries, limiting research opportunities and access to innovative treatments. Despite these challenges, there is potential for growth in areas like clinical trials, which could see significant expansion in the coming years.

The table below represents Romania's position in the World Talent Ranking for the period 2020–2024, out of a total of 67 economies, based on the report published by IMD. The data shows that Romania remains in the lower half of the ranking, in 52nd place, but with a slightly positive trend after a negative peak in 2022. Even though, according to the indices, investments in human capital seem to have intensified in the last year, which is a positive signal from the perspective of contributing to subsequent economic growth, Romania has constant difficulties in attracting international talent, which suggests deficiencies related to several structural factors: attracting and retaining talent in the country, management remuneration, infrastructure, general living conditions and cost of living, exposure to pollution, justice, etc. At the same time, even if the workforce is available, problems with the quality of human capital or skills mismatch persist.

FIGURE 15

Romania's position in the World Talent Ranking 2020-2024 regarding competitiveness



Source: FIC, based on World Talent Ranking 2024 data

MEMBERS

ALINSO
Alliance Healthcare
Allianz Țiriac
ALPHA BANK
ALRO
APTIV
ATTRIUS
Auchan
Beko
Bergenbier
BNP PARIBAS
BRD
Bristol Myers Squibb
British American Tobacco
Bucharest Stock Exchange
CAMERON
Can-Pack Romania
Carrefour
Celestica
citi
CLEAN TECH SARIA Group
CMS law-tax-future
Coca-Cola HBC Romania
CRH
DELGAZ grid
Deloitte.
DP WORLD
e.on
eMAG
endava
ENGIE
<epam>
ERICSSON
ERSTE
EVIDEN
EY
FARMAVET
FORD OTOSAN
FRANKLIN TEMPLETON INVESTMENTS
globalworth
GRAWE
Groupama Asigurări
Heidelberg Materials
HEINEKEN
HUAWEI
ING
Johnson&Johnson
JTI
rompetrol
KPMG
KUEHNE+NAGEL
L'ORÉAL ROMANIA
LEROY ȘI ASOCIAȚII
LIBERTY
LINCOLN ELECTRIC
HOLCIM
PAPAPOSTOLOU HEALTHCARE TECHNOLOGIES ROMANIA
SOFMEDICA
LOWE GROUP ROMANIA
Marsh
MASPEX ROMANIA
Mastercard
mazars
McKinsey & Company
Medicover / Medicaplus
MEGA IMAGE
MSD
MET
METRO Cash & Carry Romania
MOL
NEPI ROCKCASTLE
Nestlé
NNDKP Legal & Tax
NN
orange
PEPCO
PEPSICO
OMV Petrom
PHILIP MORRIS INTERNATIONAL
PIRELLI
pluxee
ppc
Provident
pwc
ROCKWOOL
SAINT-GOBAIN
SELGROS cash & carry
SIEMENS energy
SIEMENS
HELLENIC CABLES ICME ECAB SA
Sika
soufflet malt romania
STC
SYNERGY
Telekom
TEXCYCLE TEXTILE RECOVERY SOLUTIONS
TIMKEN
TotalEnergies
UCB
UniCredit Bank
UniCredit Leasing
UNIQA Asigurări
URSUS Breweries
VALVIS HOLDING
VIENNA ENERGY
vodafone

White Book 2025

A Roadmap to Economic Growth and Competitiveness

Foreign Investors Council

May 2025,
Bucharest, Romania

11 Ion Câmpineanu St., 010031 Bucharest, Romania
Telephone: + 40-21-222-1931 | Website: www.fic.ro