



Romania's path towards euro: the role of competitiveness

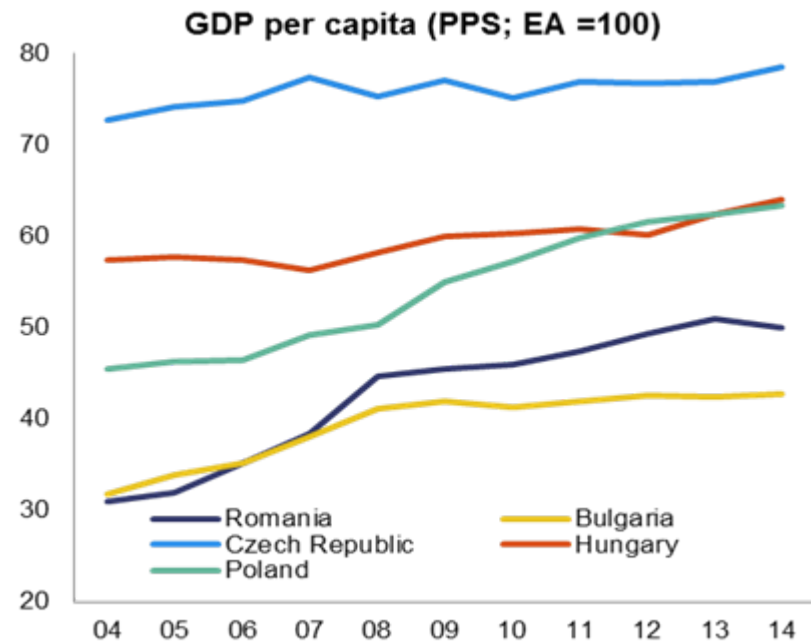
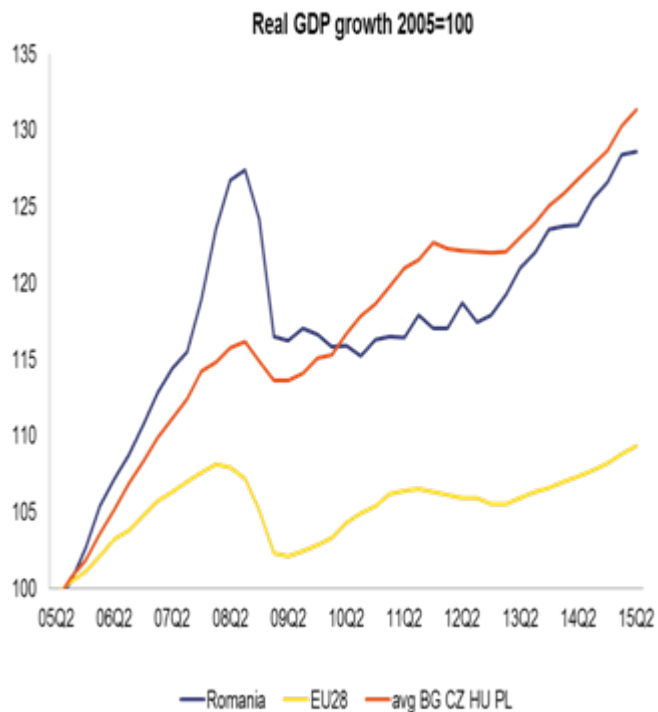
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*European Institute of Romania
Bucharest, 9 December 2015*

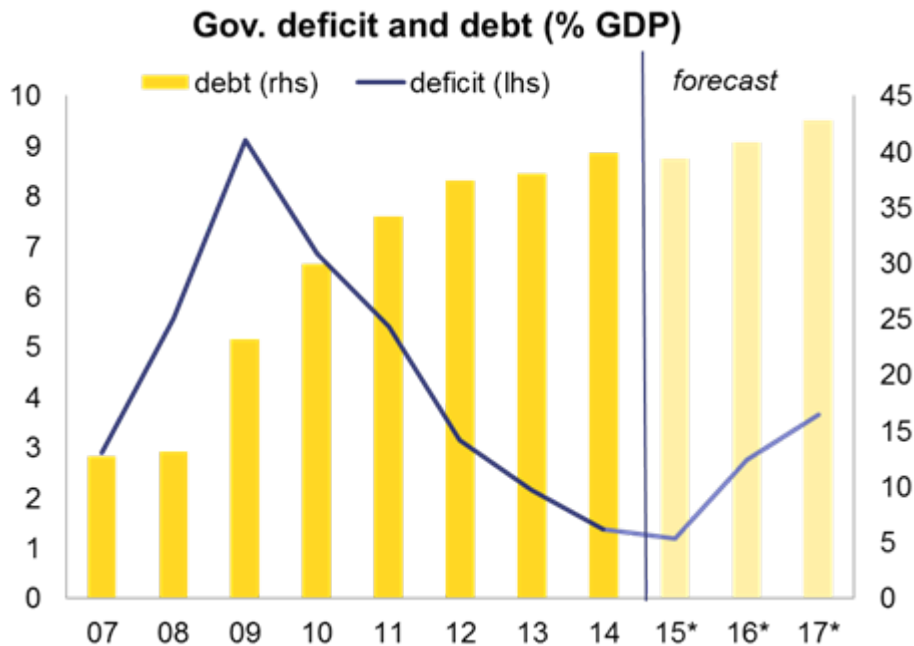


Higher rates of economic growth compared to other EU countries, but lower GDP per capita



Source: European Commission

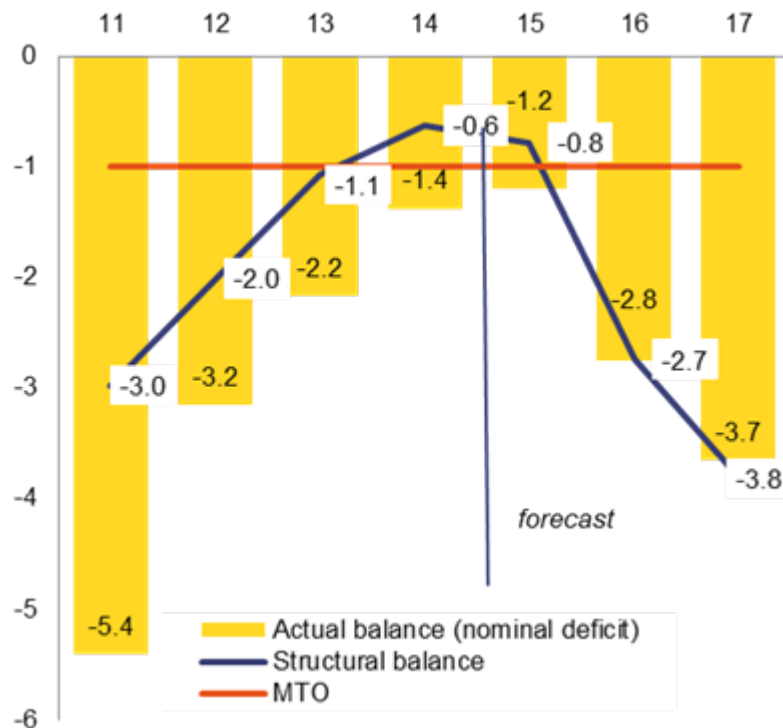
Budget (1/2)



*Under the programme, the **budget deficit** gradually decreased*

Beyond 2015, with policy now in place the budget deficit is expected to increase substantially

Budget (2/2)



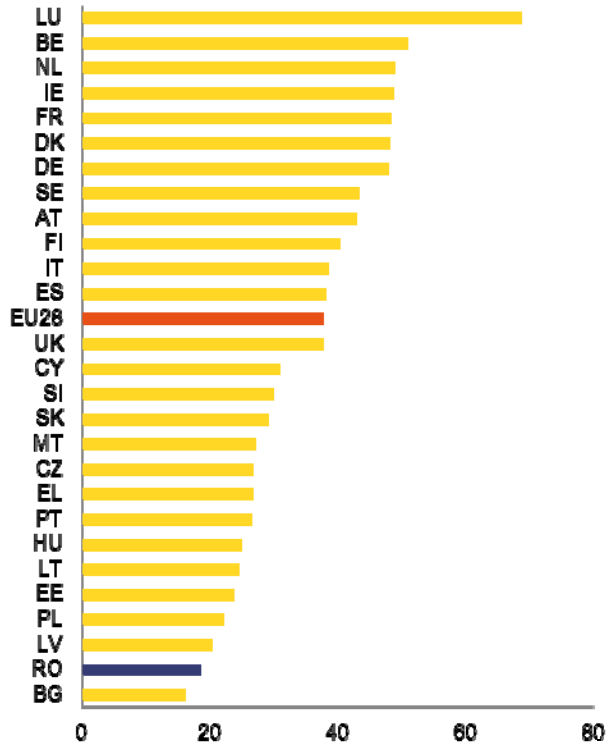
*The **cyclically adjusted structural balance** achieved the medium-term objective one year earlier than initially envisaged*

*A significant **deviation from fiscal targets** expected as from 2016*

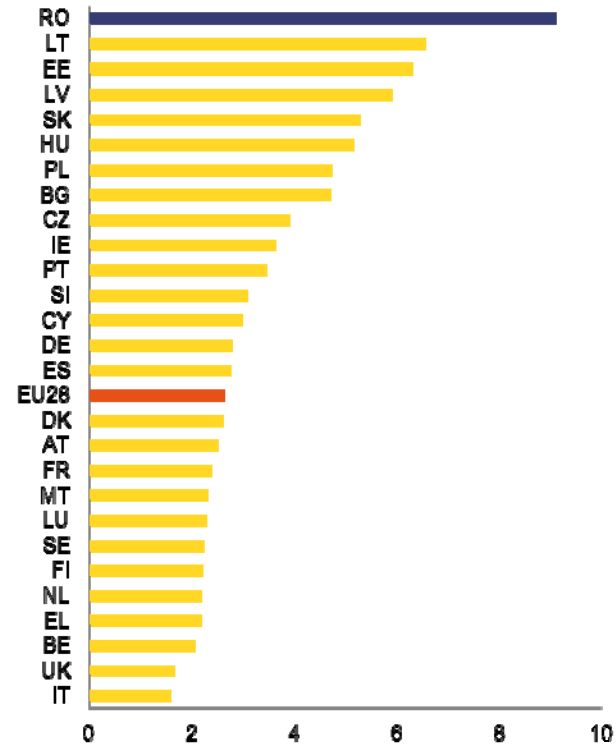


Labour productivity

Labour productivity 2014 (GDP current prices in PPS/ hours worked)

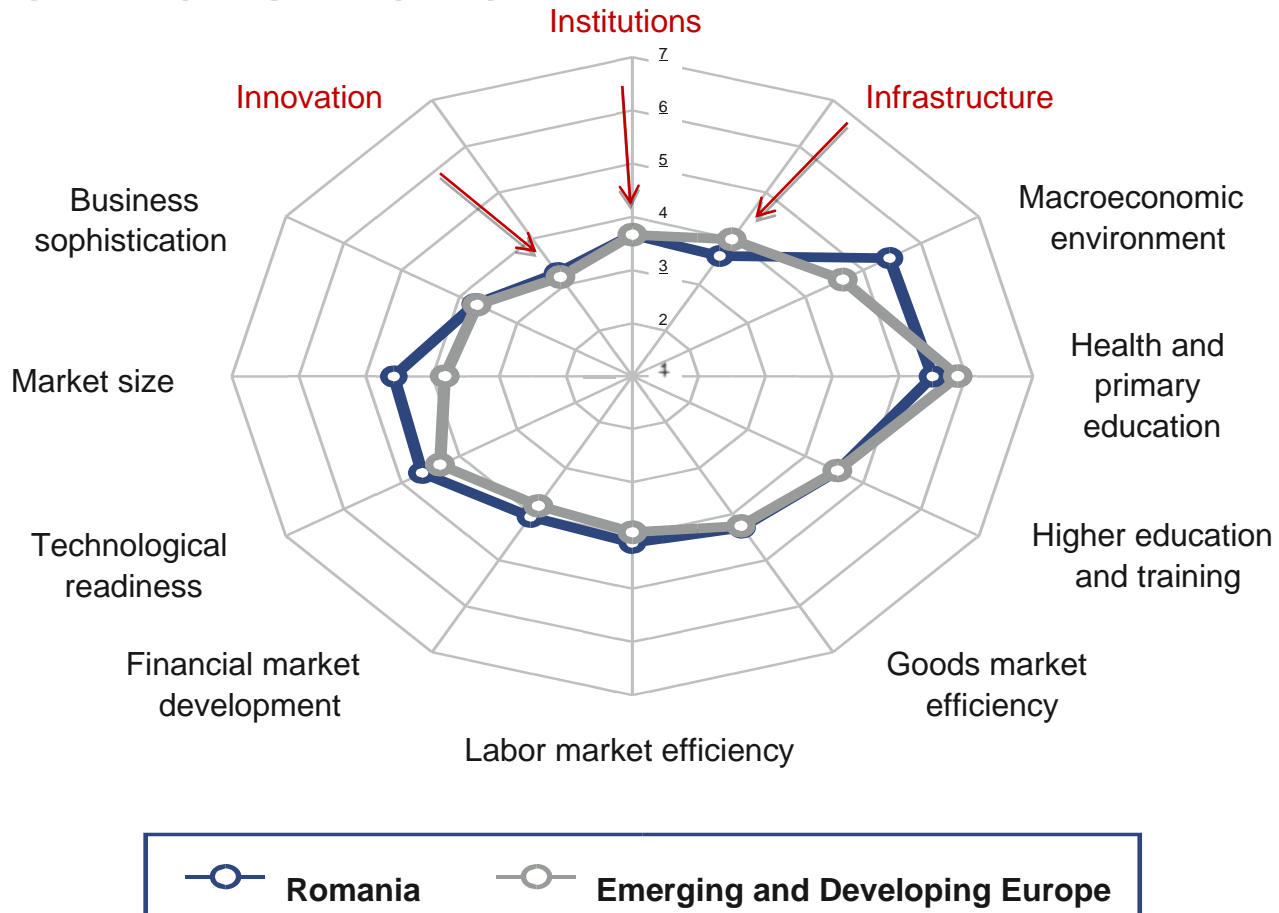


Labour productivity (GDP per hour worked; average %ch. 2000-2014)

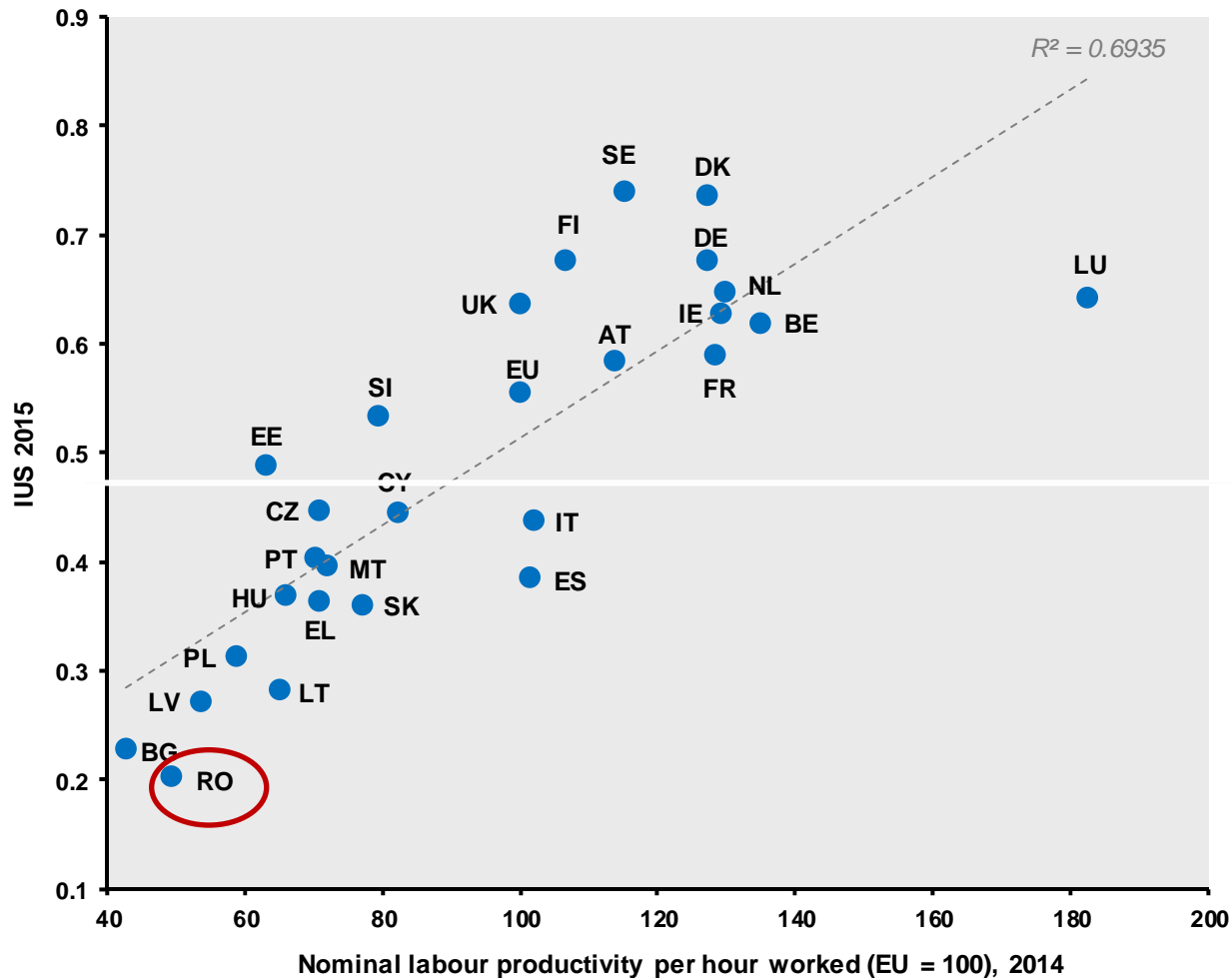


Source: European Commission

Romania in the Global Competitiveness Index 2015-2016

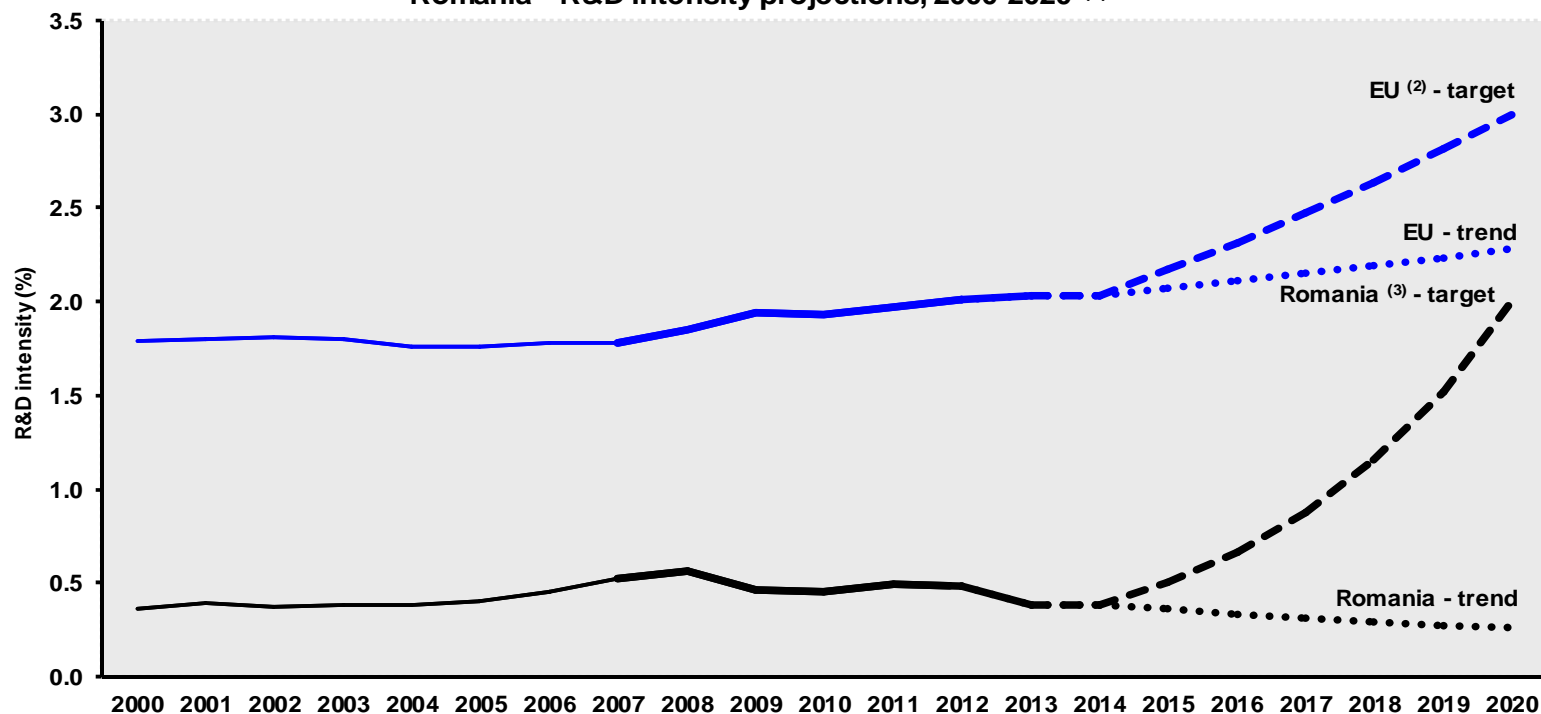


Innovation performance and productivity



R&D expenditures as % of GDP

Romania - R&D intensity projections, 2000-2020 ⁽¹⁾



Source: DG Research and Innovation - Unit for the Analysis and Monitoring of National Research Policies

Data: DG Research and Innovation, Eurostat, Member State

Notes: (1) The R&D intensity projections based on trends are derived from compound annual growth in R&D intensity 2007-2014.

(2) EU: The projection is based on the R&D intensity target of 3.0% for 2020.

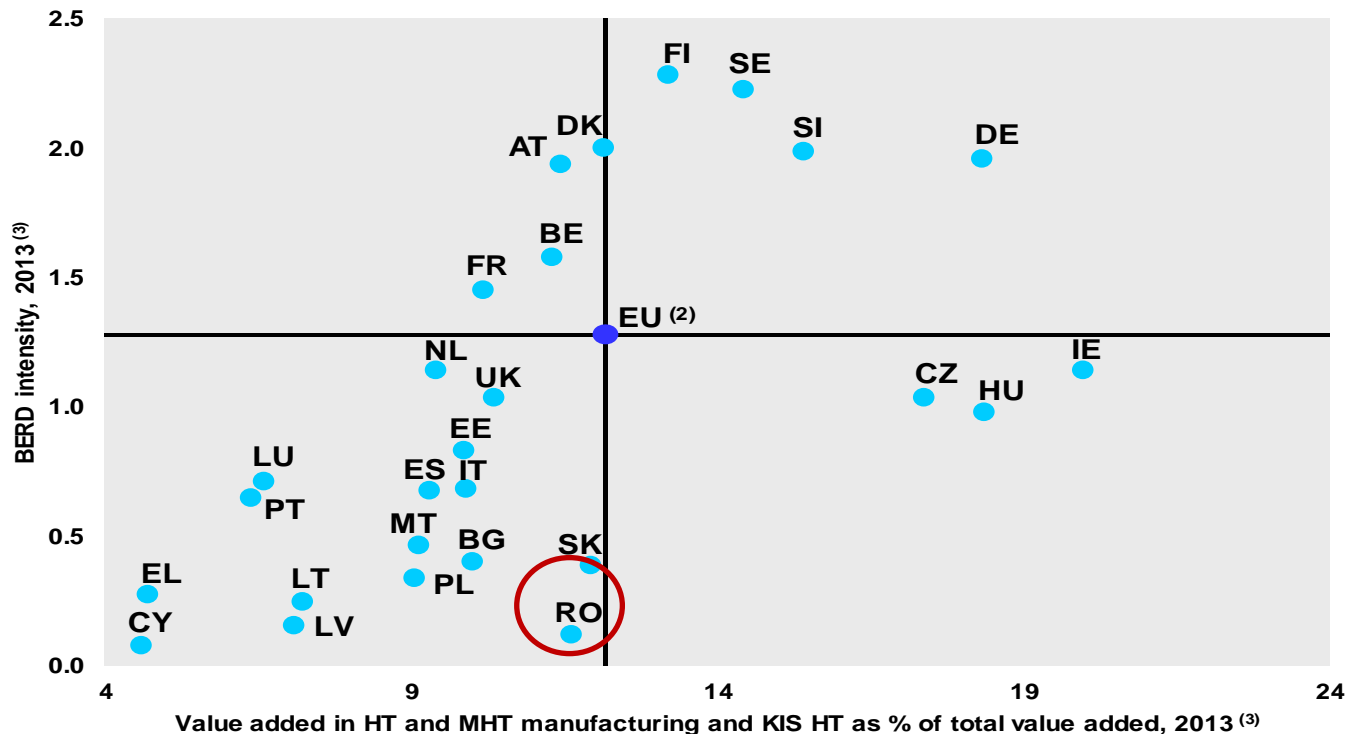
(3) RO: The projection is based on a tentative R&D intensity target of 2.0% for 2020.

(4) RO: There is a break in series between 2011 and the previous years.



Value-added of HT and MHT sectors vs. business enterprise R&D expenditures

BERD intensity (business enterprise expenditure on R&D as % of GDP) versus value added in high-tech and medium-high-tech manufacturing and high-tech knowledge-intensive services ⁽¹⁾ as % of total value added



Source: DG Research and Innovation - Unit for the Analysis and Monitoring of National Research Policies

Data: Eurostat

Notes: (1) The Eurostat NACE Rev.2, 2-digit level definition was used.

(2) EU: Croatia is not included due to unavailability of data.

(3) DE, IE, ES, LV, PL, SE, UK, EU: 2012.



Policies coordinated in the European Semester



Financial Assistance Programme, European Semester and path towards Euro

Programme	Semester	Path towards euro
<p>MoU conditions compulsory to be fulfilled</p>	<p>Ownership of reforms at national level, peer pressure, agenda-setting, best practices.</p> <p>Corrective measures as part of the macro-economic surveillance</p>	<p>Ownership of reforms at national level</p> <p>Articulated constant presence in Council Committees, especially EPC, EFC and ECOFIN</p>
<p>Focus: reaching macro-economic stability and critical short-term structural reforms</p>	<p>A broader range of structural reforms, as key factor for sustainable macroeconomic environment and for fostering economic growth</p>	<p>Structural reforms - key for real convergence</p> <p>Sustainable macro-economic environment</p>



THANK YOU

