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The major economic evolution of Romania by the middle of 2016

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Abstract. *The purpose of this study is to examine the effects of research-development expenditures and innovation on income using new generation panel data analysis for 11 EU countries. We found that that if research-development expenditures and innovation goes up by 1%, income, on average, raises by 0.19% and 4.05%, respectively.*

Keywords: Gross Domestic Product, investments, income, inflation, unemployment, population, expenditures.

JEL Classification: O1, O11.

Introduction

The indicator the most synthetic for Romania, concerning the outcomes recorded in 2010, is given by the Gross Domestic Product which counted for 513,640.8 million lei, expressed in the current prices of the year 2010. In 2011, the increase of GDP was some 1.1% as against 2010, which, adjusted at the level of 2011, reveals a value of 519,290.8 million lei.

In 2014, the evolution of GDP kept on increasing, if considering the current provisional, reaching a level of 103.1% as against 2013. In 2015, an increase of the Gross Domestic Product by 3.8% was recorded, and during the first six months of 2016 the increase was 5.2% as against the corresponding period of the previous year. The macroeconomic results indicators have recorded a negative evolution over the period January 2009 - January 2012 as a result of the effects of the economic and financial extended crisis, the lack of efficiency of the government activity and lack of a coherent anti-crisis program, based on pro-active steps.

Out of the data analysis we see, first of all, that for almost all the cases, the quarter to quarter evolution is a relatively positive one, both in respect of the comparison with the previous quarter and as against the corresponding quarter of the previous year, emphasizing an increase at the level of EU28. We notice that seven countries recorded slight, insignificant increases.

The rest of the countries, including Romania as well, are still facing in 2013 the effects of the crisis triggered by recession. If considering the European context, from the point of view of the recession phenomenon the situation is showing that there is only one country, i.e. Poland, managed to stay out of this condition, recording subsequent increases. Other 14 EU member countries, among which Germany (the engine of the European economy) with a noticeable increase in 2013-2015 too have recorded increases. Some of them, such as France, Holland, Slovakia, Denmark, have recorded consolidated increases during the two quarters, which forecasts a positive evolution expected at the level of the entire year 2016.

The situation occurring in this respect implies certain discussions, which, briefly, may resume to the following basic aspects:

- The imports decreased comparatively to the previous year. The imports kept on being profitable since, even if sometime an appreciation of the national currency against Euro and USD has been recorded, the wholesale and retail prices were not adjusted by cutting-off, the companies considering that they are a gained position which is not advisable to give up.
- On the other side, the exports increased during the period 2012-2015 and the first six months of the year 2016, because this fluctuation of the exchange rate against the two currencies of the foreign exchange panel of reference did stimulate the domestic production for export, this becoming much more profitable at export, the situation will maintain on the same trend in the following period.

- Normally, one country deficit, including the Romania one, is not alarming to the extent it makes part of a program of external loans, directed by projects, which do not harm the national wealth.
- In the context of the imports propensity towards the consumer goods, the situation can be evaluated as a negative one.

Literature review

Anghelache (2008), Dodge (2006), Heiberger and Holland (2014) are reference works in the field of statistics, statistical analyses and statistical instruments. Anghelache (2014, 2015), Anghelache, Manole and Diaconu (2016) thoroughly describe the macroeconomic evolution of Romania in the respective years, on multiple topics. Pagliacci et al. (2016) develop an econometric approach on the analysis of Romanian international trade. Anghelache, Manole and Anghel (2016) develops on the evolution of agriculture, Anghelache, Soare and Popovici (2015) cover the influence of final consumption on Romania's GDP. Anghelache, Marinescu and Soare study the Romanian labor force market and population. A top-level analysis of the Gross Domestic Product is presented by Anghelache, Anghel and Sacală (2014). Cruceru and Anghelache (2014) are preoccupied by the evolution of investments. Anghel, Anghelache and Manole (2016) analyze the trend of inflation evolution. A key aspect considered in this paper is the population consumer prices, the work of Anghelache, Anghelache, Dumitrescu, Dragomir and Soare (2015) includes a study on this topic. Benjamin et al. (2010) approach the usefulness of econometric model in forecasting activities; Ghysels and Osborn (2001) cover the econometric tools as instruments for time series analyses. Bosq (2012) develops on statistics of stochastic processes. Corbore et al. (2006) focus on theoretical and practical aspects on econometrics.

Methodology and data

- The GDP value in 2013 increased by 3.5%, reaching 617,565.4 million lei, in the context of the crisis, which, on both internal and international plan, continued to affect the economic evolution. Meantime, in 2014, the GDP reached a value of 668,143.6 million lei and in 2015 the level was 712,832.3 million lei. By 30.06.2016, the GDP value counted for 325,572.8 million lei.

Quarterly GDP evolution, over the period 2014-2016

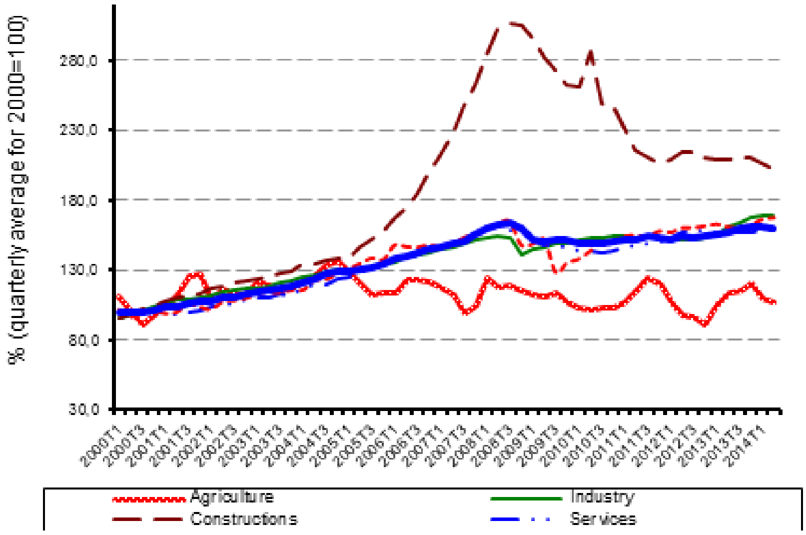
		1st quarter	2nd quarter	3rd quarter	4th quarter	Year
In % as against the corresponding period of the previous year						
Raw series	2014	104.3	101.7	103.2	102.8	103.0
	2015	104.3	103.4	103.6	103.8	103.8
	2016	104.3	106.0	-	-	-
In % as against the previous quarter						
Seasonally adjusted series	2014	100.1	100.1	101.6	100.9	-
	2015	101.2	99.9	101.6	101.2	-
	2016	101.5	101.5	-	-	-

Data source: National Institute of Statistics, press release no. 249/07.10.2015.

The analysis will get a more significant outline if we follow the way in which the GDP developed in 2015 and the first two quarters of 2016.

Thus, in Semester I 2016, GDP grew by 4.3% as gross series (3.8% adjusted series) and in the second trimester grew by 3.8% gross series (3,4% adjusted series) as against the corresponding quarter of the previous year.

The GDP evolution – seasonally adjusted



Data source: National Institute of Statistics, Press release no. 249/07.10.2016.

For the first semester of 2015, the total volume of GDP, in current prices, counted 351,181.2 million lei. In the same period of 2016, GDP in current prices was 325,572.9 million lei.

- In 2015, as well as during the first six months of 2016, the GDP has been achieved on the account of the activity carried out in the frame of the main branches of the national economy.

The contribution differed from the point of view of the gross added value recorded at the level of each branch.

The net taxes on product brought in the first semester of 2016 a positive contribution, representing some 11.7% out of the GDP, the constructions increased by 0.2%, while the industry recorded an increase of 0.25%.

In 2016, for the first six months, the same trends persisted, with the mention that agriculture marked a slight recoil.

For the first half of the year 2016, there is slight increase to be noted for the economy evolution.

The agriculture kept on maintaining within normal parameters of influence, recording a slim evolution.

- We find out that, from the point of view of the utilizations, the GDP formation has been achieved by the contribution of the following factors: gross forming of the fixed capital, final individual consumption of population with a decrease of -0.4%, which implies the following two conclusions:
  - From the point of view of utilizations, positive influences on the GDP achievement have been recorded by the final collective consumption of the public administration, stocks variation and net exports.
  - Negative influences on the GDP forming have been recorded by the by the final individual consumption of households, and the gross forming of fixed capital.

The survey on the economic evolution, considering the modifications of the GDP in the European Union countries, emphasizes the extremely critical situation existing on the European and, at a larger extent, international level.

What is really important is the fact that the weight of the private sector in the achievement of the gross added value by branches of the national economy and, eventually, to the GDP forming, kept on maintaining at a high level.

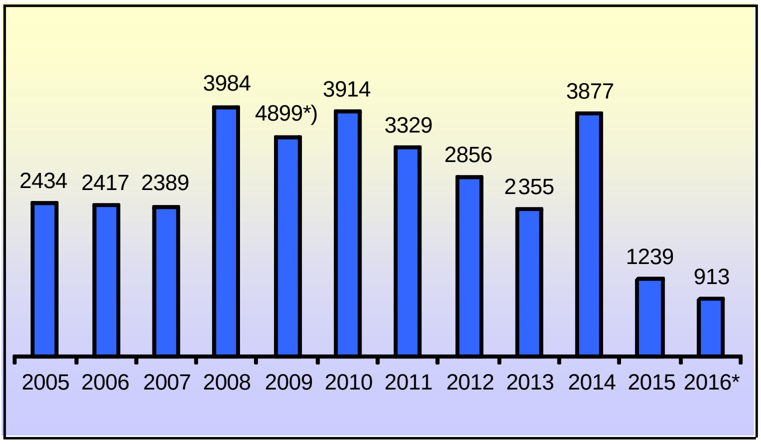
It is obvious that the privatization of other administrations or extending the privatization at the level of branches already privatized will have the targeted effect.

Here we have to underline the fact that such an analysis is not always pertinent since there will be and remain sectors of activity absolutely important for the national economy for which the state must keep its attributes of sole owner.

- The period 2015-June 2016 was one when a series of sectors of activity kept on getting privatized while those already privatized kept on increasing their patrimony (capitals) by attracting new autochthonous and foreign investments which, from the point of view of the effects on the national economy structure is an important aspect to consider.

Foreign direct investment in commercial companies

– million euro –



*) data on seven months.

Data source: National Institute of Statistics, Statistical Bulletin no. 7/2016.

By the end of 2010, the direct investment of the Romanian residents abroad counted for 1,675 million euro, the contribution reaching 1,937 million euro in 2013, this being the contribution evaluated by the documentary system available in the country. In 2014 the attracted amount was 3,877.2 million euro, while in 2016, eight months, 913,887 million euro.

- An important element to consider when evaluating the economic evolution of a country over a period of time consists of the way the consumer prices developed, both on an overall basis and by groups of goods and services, as well as of the dual comparison with the planned, forecasted target and the outcomes of the previous year.

In the context of the steady concern as regards the adjustment of the system of the income collecting, based on the unique quota of taxation, as well as bringing the Fiscal Code to the level of correlative terms, in line with the actual situation of the country, in 2010-2016 there are a number of events occurring and worth to be outlined.

The essential phenomenon of the years 2010-2016 is given by the divergent evolution between the consumer price index, as an overall and in structure, in comparison with the evolution and appreciation of the national currency, the new leu, against the two currencies which are forming the foreign exchange basket, respectively Euro and USD. Since a couple of years, as a consequence of the policy run by the National Bank of Romania, which undertook the responsibility of targeting and fixing the inflation at certain levels, the foreign exchange evolution of the national currency followed a trajectory which, from an economic and financial point of view, proved to be a positive one but, meantime, generated a negative effect on the Romanian exports, or for those working abroad and those living in the country, being meantime non-conform with the actual economic situation of the country.

On this back-ground, during the period 2010-2016, we register also time intervals of slight appreciation of the national currency, in contradiction with the increase of the inflation rate, both on an overall basis and in structure by goods and services.

After 2013, a reverse trend of inflation evolution begins, kept under control, or decreased, due to the reduction of the Value Added Tax. Among the non-foodstuffs recording a high average increase there are the natural gas, the thermal energy, tobacco and cigarettes, electric energy, water – sewage – sanitation, hygiene and cosmetics, postal services, inter-urban transport.

Price increase in July 2016

– percent –

Indicators	**Rise of consumer prices in July 2016, as against:**			**Monthly average rise of consumer prices during**	
	June 2016	December 2015	**July 2015**	1.I- 31.VII. 2015	1.I- 31.VII. 2016
Total	**-0,2**	**-1,2**	**-0,8**	**-0,2**	**-0,2**
Foodstuff *)	0.0	0,3	1,3	-1,0	0.0
Non-foodstuff	-0.5	-2,0	-2,2	0,3	-0,1
Services	-0,1	-2,0	-0,9	0,2	0,0

*) Including beverage.

Data source: National Institute of Statistics, Statistical Bulletin no. 7/2016.

At this point, there are a lot of other comments to be done but for a synthetic picture of the consumer price index we are holding present analysis only.

- On an overall basis, the industry kept on remaining on a positive position, meaning that it recorded a slight increase of the contribution to the GDP achievement during the period 2014-2016.

The privatization process could lead within the forthcoming periods to new decreases, both for the rhythm and the volume of the production of certain branches, but also of the total contribution which the industry might bring to the GDP achievement, by the obtained gross added value.

The labor productivity by an employee in the industrial field followed a slow increase trend over the period 2010-2016. In the first seven months of 2016, the resources of prime energy increased.

The evolution of the industrial production represents the sectors which have positively marked the evolution process during the period 2009-2016.

For 2014 and 2015, Romania recorded increases of the industrial production computed as seasonally adjusted series, a trend which was maintained in 2015 – June 2016 also.

If considering the distribution by large groups, the increase of the industrial production in Romania has been more marked for the group of the capital goods industry and significantly lower for the group of the current usage goods.

In 2012, 2013, 2014 and 2015 the industry followed a slightly growing trend.

However, these increases by groups have been counter-weighted the decreases recorded by the groups of current usage goods and durable goods.

The indices for the first half of 2016 have manifested increases in all months. The manufacturing industry, electric energy, gas and water, as major sections, on one side and the capital goods industry, the intermediary goods industry and the power industry on the other side, with important increases are responsible for the mentioned increases at the industry level.

The value indices of the new orders marked decreases in 2009, 2010, 2011 and 2012, and during the period 2013-2016 the trend reversed. In 2015 comparatively with 2014, the situation changed in respect of the new orders within the manufacturing industry from Romania, mainly in the situation of the manufacturing industry working on orders basis.

The labor productivity increased yearly over the period 2002 – July 2016, simultaneously with the decrease of the occupied population, so that during the first seven months of 2016, the productivity of labor grew by 2.3% (provisional data) per total industry.

- As well known, Romania is one of countries of the most pronounced agrarian profile from the European Union. Unfortunately, this character does not mean implicitly neither a corresponding contribution of the agriculture to the GDP forming, as already mentioned previously, nor a high level of efficiency as productivity level resulting both out of the comparison of this sector with other sectors of our economy and, mainly, with the yields for various cultures and animal species recorded by the other European countries.

The same situation, if not even more underlined, is stated out when considering the yields for potatoes and rape, as well as for sun-flower, although the last one is not a significant culture for the other EU member states. Extremely significant are the statistics regarding the agricultural potential of the greatest agricultural producers from the EU, among which Romania is placed as well, considered from the point of view of the place and weight held within the total EU, as cultivated surfaces and production.

Thus, for wheat, Romania is holding the 4th place from the point of view of the cultivated surface, with a weight of 8.5% in total, accounting together with France, Germany and Poland, almost 50% of the total cultivated surface of the total EU.

But as far as the wheat production is concerned, Romania is holding the 7th place only, by three places lower that in the case of the surface, respectively with a weight of 3.7% of the total production of wheat of the EU. Together with France, Germany, Great Britain, Poland, Italy and Denmark, the weight in the production counts for over 75%. The corn production is by far more interesting, as Romania holds as surface, the 1st place with a weight of over a quarter (27.4%) in the total surface cultivated by the EU member states.

From the point of view of the corn production, we are holding the 2nd place only, after France, with 13.8%, whereof a gap as against the weight of over 50% in the cultivated surface.

A similar situation is stated out in respect of the animal effectives. Contrary to the situation in the past, when Romania counted among the first countries from Europe from the point of view of the effectives of bovines, porcine, ovine and goats, presently, with its about 2 million five hundred thousand bovine heads, Romania is slightly outrun by Belgium and in a significant manner, by France, Germany, Great Britain, Italy, Spain, Ireland, Poland and Holland. As to the porcine effectives, Romania is holding the 9th place only, after Germany, Spain and France. We manage to maintain ourselves on the 4th position of the top for ovine and goats only, after Spain, Great Britain and Greece.

The evolution of the agricultural branch in 2016 comparatively with 2015, is showing a stagnation, as a result of the increase of the same value recorded by the vegetal production, a little lower increase of the animal production and an increase of 2.7% of the agricultural services which, however, are not holding a significant weight.

On the other hand, splitting the land into small parcels and lack of any crop rotation whatsoever, lack of a proper quality seed as a general feature, are the factors counting as determinants for both the poor crops and their poor quality.

For those who, maybe, are not familiar with, we recall that ESU represents a unit of stable economic size at European level, through a relatively complex process of estimating the value of different agricultural products (both vegetal and animal), namely an ESU equals to 1200 euro.

Counting for a very low number, of 0.1% only, the large agricultural exploitations of over 40 ESU per unit, generally agricultural exploitations with legal personality, are holding and utilizing over a quarter of the agricultural surface.

Another feature of the Romanian agricultural exploitations is given by carrying on combined activities of vegetal culture and animal breeding, their weight counting for about 20%.

- When analyzing the outcomes achieved by Romania in 2010 – June 2015, we find out that on an overall basis, the investment recorded a decrease as against the previous year, out of which the investment for equipment and conveyance means recorded the biggest reduction.

This means that through the imports the completion of the capital goods has been achieved, insuring thus the addition, by capitalization, of the companies' assets.

For all the three elements of the investments (works of new constructions, equipment and conveyance means and other expenditure) the trends are similar to that recorded for the overall picture, underlining however the fact that the construction works exceeded the trend recorded for equipment and conveyance means, for all the periods.

For the period 2014 – July 2016, the statistics are indicating a fluctuating evolution in respect of both the works categories (new constructions, capital repairs and current repairs), underlining the fact the overall dynamics is outrun by the new constructions, the types of constructions (residential buildings, non-residential, engineering constructions) where, similar to the previous years, a single type of constructions, i.e., residential buildings, is prevalently giving the production dimension.

The most significant decrease by semester has been recorded for the new construction works, as well as for the equipment and conveyance means. This development had repercussion on certain shifting which took place as regards the structure of the investments by branches.

A significant decrease of the weight has been recorded mainly as to the other branches of the national economy, excepting those already mentioned which, by its dimension, has annihilated the increase, some of them quite surprising, such as: construction branch.

- Comparatively to the year 2008, during the period 2009-2016, the indices of the market services supplied to the population, as well as the indices of the retail trade have recorded a decrease.

This decrease is generated by the domestic demand (an element of the GDP utilization), which recorded an underlined decrease generated by the income reduction.

Meantime, the services reached a significant weight in the GDP, out of which the retail trade only recorded a slow rhythm.

The services contribution to the GDP achievement by the gross added value achieved in the frame of this sector means a positive development which, at this stage of the integration, means a lot for Romania.

Out of the analysis of the structure of the carried out services activities, we note the fact that the retail trade recorded diminished rhythm of increase.

But, as from 2012 on, the services production showed a significant increase.

The dynamics of the services carried out to the population has been supported mainly by the activity of hotels and restaurants, which recorded no increase.

Briefly, 2015 is a significant year as far as the production of services is concerned, by the following major guide marks: the increase of the weight services hold as for the GDP achievement; the structural balancing of the services carried out to the population; differentiated decreases, for certain fields as already mentioned, quite significant, of the production of services spread on various zones, reflecting in fact the cynical effects of the economic crisis; the employment of a large number of persons in activities of carried out services, which tendency should mark a similar evolution during the forthcoming period; maintaining the quality of the services carried out to the population; diminishing of the hotel activity; exceeding a high weight of the contribution which the production of services brings to the GDP achievement; there has been a development of the financial and banking services as well as of capital market service, including thus a series of employees.

Another aspect concerning the analysis in the field of the production of services in our country is given by the volume of the turnover figure achieved by the wholesale and retail trade of auto-vehicles, the retail trade with fuel etc.

Generally speaking, the turnover figure decreased for all sectors of activity, as a consequence of the alarming cut off of the population income. In 2013, a slight upward trend is noticed, which becomes more stressed during 2014-2015 and the first six months of 2016.

The negative rhythm of departures has accentuated in 2011, 2012 and 2013, with a slight increasing rate in 2014, 2015 and the first six months of 2016.

The index of the net utilization of the accommodation places in July 2016 counted for 42.5% of the total structures of touristic accommodation, increasing by 4.1 percentage points as against the month of July 2015.

Out of the total number of benighted, the benighted of the Romanian tourists in the structures of touristic reception with accommodation functions represented, during the period 1.01-31.07.2016, 79.9% while the foreign tourists benighted represented 20.1%.

As far as the benighted of the foreign tourists in the structures of touristic reception, the bigger weight has been held by those originating in Europe (72.8% of the total foreign tourists), out of which 83.5% were coming from European Union countries.

The average duration of the sojourn during the period 1.01-31.07.2016 was of 2.4 days for the Romanian tourists and 2.0 days for the foreign tourists.

Higher indices of utilization for the accommodation places during the period 1.01-31.07.2016 have been recorded by hotels (33.6%), accommodation facilities on ships board (22.6%), touristic villas (20.1%) and hostels (19.6%).

The departures of the Romanian visitors abroad, registered at the *border points*, during the period 1.01-31.07.2016, counted for 8458.8 thousand, increasing comparatively with the period 1.01-31.07.2015.

- From the point of view of the weight of the main groups of goods out of the combined Classified List, in the overall export operations for active processing, the main weights went to: clothes articles made out of knitted and crocheted, textile materials, mechanical equipment and machinery, electric apparatus for recording and reproducing sound and images, shoes and similar items, conveyance means and materials, metallurgical products.

The commercial balance deficit (FOB/CIF) during the period 1.I – 31.VII.2016 counted for 4467.4 million lei, by 561.0 million euro bigger that the one recorded for the period 1.I – 31.VII.2014.

On an overall basis, we can appreciate that the foreign trade activity did develop negatively from the point of view of the volume but negatively as well as considering the two components, import and export.

Along with the effects of the economic and financial crisis, another element which generated a slower rhythm of evolution of the exports and imports, consists of the fact that the process of privatization and restructuring involved the closing-up of a number of companies or autonomous State supervised administrations, as well as of the fact that the quality of the manufactured products was not in the position to meet the foreign customers requirements.

The evolution of the number of exporters and importers during the period 2006-2015, a period which grasps the effect of the adhesion of Romania to the European Union, since January 2007 on, consisting of a significant increase of their number.

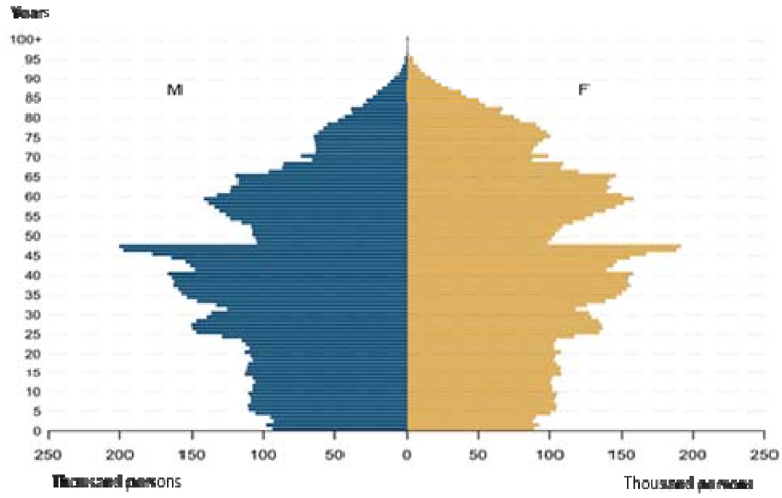
To note that the weight of the exports and imports of agro-alimentary products (including beverage and tobacco) in the total exports, respectively imports, has decreased during the first six months of 2016 by about 0.9% in the exports case and by about 2.0% in the case of imports.

In the case of the agro-alimentary products imports, beverage and tobacco the main commercial partners from the European Union are the following: Hungary, Germany, Bulgaria, Holland, Italy and Poland.

- The occupied population includes all persons – both employees and freelancers – who develop a productive activity within the production limits of the European Accounts System, and counted 8.53 millions of people by the end of 2015.

By January 1st, 2015, the resident population counted for 19,861 thousand persons, by 85.9 thousand persons less as against January 1st, 2014. The main cause of this decrease consists of the negative natural growth (- 69,522 persons).

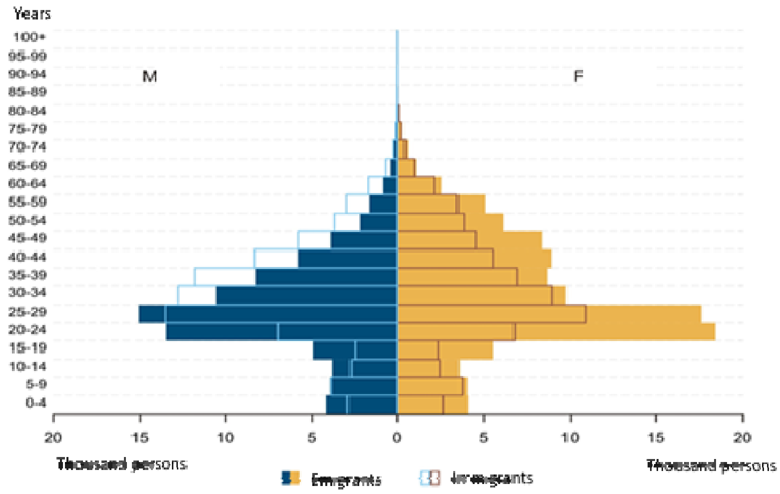
The resident population by sex and age, January 1st, 2015



Data source: National Institute of Statistics, Press release no. 249/07.10.2015.

Romania keeps on being a country of emigration. The sold of the international migration for the year 2014 was negative, the number of emigrants exceeding the number of immigrants with 42 thousand persons. During the year 2014, as well as in 2013, the female population emigrated at a higher proportion in comparison with the male population (56.8%). As to the immigrants, the male incomers were in a majority (55.1%).

The international temporary migration of long duration, by sexes and age groups, in the year 2015



Data source: National Institute of Statistics, Press release no. 249/07.10.2015.

This number differs significantly form the one of employees that is currently operated with. It includes the number of employees determined in compliance with the accounts, that take into consideration, both data sources used to determine the cost of labor force occupation, such as the Survey on labor force in households (AMIGO); the Inquiry regarding the cost of labor force (S3); Annual structural survey in enterprises (ASA); and also administrative data sources (information provided by the Ministry of Foreign Affairs, Ministry of Labor, Family and Equality of Chances, Ministry of Interior and Administrative Reform etc.); accounting situations of commercial companies. We state that the number of employees includes those working in the hidden economy, established according the computation methodology.

Another category is represented by the independent workers (freelancers), they being the sole owners or co-owners of the entities without judicial personality they work in. In this category, can also be included: family workers, non-paid and home workers that manufacture for market; workers that exert, both individually and collectively, productive activities regarding exclusively the final consumption or formation of capital on their own account.

The occupied population, according to the SEC methodology, is the sole indicator that indicates the human potential of the occupied labor force that can be used to determine the social productivity of labor as a ratio between the GDP and the occupied population.

Real hourly productivity marks, in principle, the same evolution as the real productivity per occupied person.

In the analysis of the occupied population, it can be observed the percent evolution of the structure occupied regarding the great employees categories and individual entrepreneurs.

In this context, according to the European Account System edition 1995 also, the employees hold a weight of some 70% out of the occupied population.

The indicator occupied population of Romania compared to other countries proves a concerning discrepancy in negative way and where we think the attention of decisional factors must be focused. These statistics do not take into account the financing form, their purpose being to provide information on economic activities, according to CAEN Rev.2.

During the period 2010-2015 the number of employees decreased.

Also, declines in the effective of employees recorded in the public administration units can be found in the secondary activities developed by these entities: cultural, sport, and recreational activities, landscape design and services for buildings, agriculture, water supply, sanitation, waste management, de-contamination, constructions, transport and storage, production and supply of electrical and thermal energy, gases, hot water and air conditioning, lease and sub-lease of real estate goods etc.

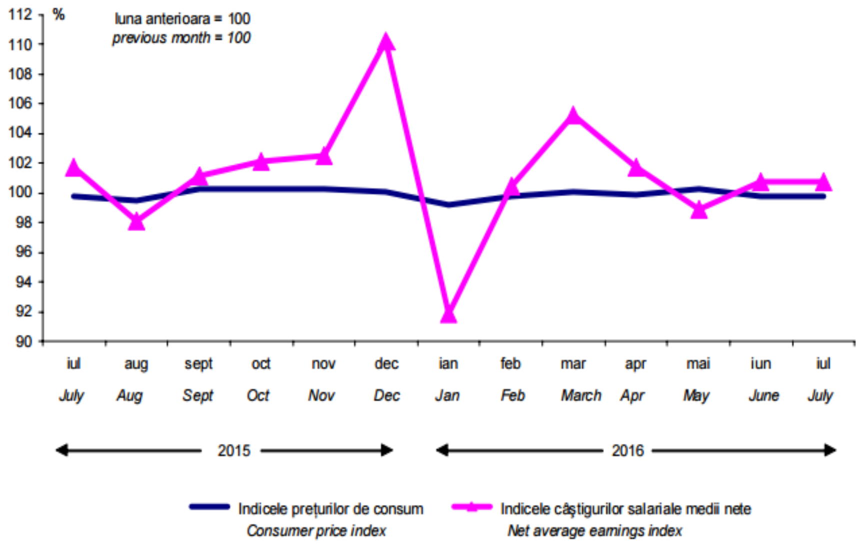
As for the evolution of average monthly net salary gains during the period 2009-2016, they were characterized, mainly, by declines from one month to another, excepting the months when annual and occasional premiums were granted, according to the national law, sums from other funds.

After October 2013, all the activities of the budgetary sector recorded wage increases due to the payment of the occasional premiums (inclusive the vacation bonuses), of the sums of other funds (inclusive for the previous periods), of the holding of a plurality of offices connected to the didactic personnel, as well as to the payment of the additional working time registered in some of the sanitary units.

Meantime, the increase of the wage gain has been influenced also by the dismissal of the personnel with low salaries from this sector.

Comparatively with October 1990, the index of the real salary gain counted for 140.1%, by 2.6 percent points higher than the one recorded for June 2016.

The evolution of the consumer prices indices and of the indices of the average net salary gains, during the period July 2015 – July 2016

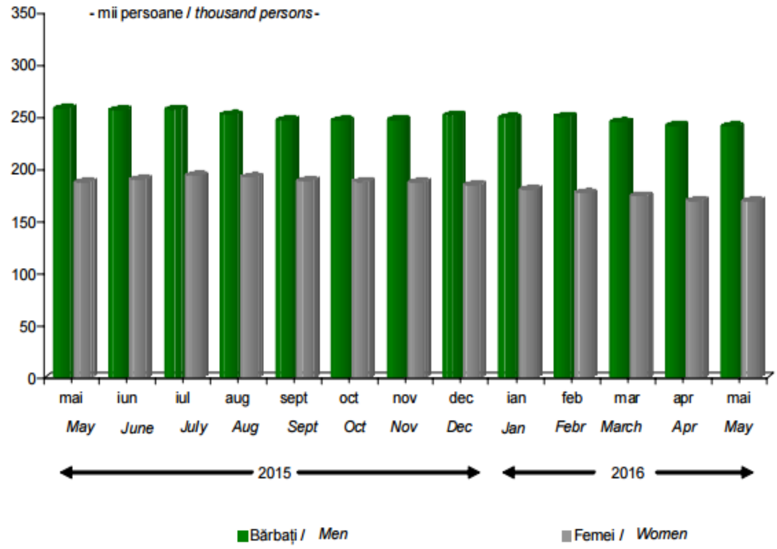


Data source: National Institute of Statistics, Statistical Bulletin no. 7/2016.

In July 2016, for the majority of the activities of the economic sector, the level of the average net salary gain was higher than the one recorded for the previous month, as a consequence of the enforcement of the legal provisions as regards the setting up of the minimum basic gross salary, guaranteed for payment, of the granting of occasional premiums (inclusive bonuses for holydays and particular performances), of sums out of the net profit and other funds (inclusive meal tickets and gift tickets), but also a result of the production achievements or bigger receipts (depending on contracts).

In July 2016, the unemployment rate in its seasonally adjusted form counted for 4.1%. The unemployment rate in July 2015 kept the same level as that recorded for the previous month. The unemployment rate for men is exceeding by 1.2 percent points the one recorded for women.

Registered unemployment during May 2015 – May 2016



R – revised data, P – provisional data.
Data source: National Institute of Statistics, Statistical Bulletin no. 7/2016.

By sexes, the unemployment ratio for men is by 2.2 percentage points higher than the one for women (the values being 7.8% for men and 5.6% for women).

Unemployment rate by sexes

– % –

	2014						2015						
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
Total													
15-74 yrs	6.8	6.8	6.7	6.7	6.7	6.6	6.9	6.9	6.8	6.8	6.8	6.8	6.8
25-74 yrs	5.5	5.4	5.4	5.3	5.4	5.2	5.5	5.5	5.4	5.6	5.6	5.6	5.6
Men													
15-74 yrs	7.3	7.3	7.1	7.1	7.1	6.9	7.5	7.5	7.4	7.6	7.6	7.6	7.8
25-74 yrs	6.0	5.9	5.8	5.8	5.8	5.7	6.1	6.1	6.1	6.4	6.4	6.4	6.5
Women													
15-74 yrs	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.0	6.0	5.8	5.8	5.7	5.6
25-74 yrs	4.8	4.8	4.8	4.7	4.8	4.7	4.7	4.7	4.6	4.6	4.5	4.4	4.4

Data source: National Institute of Statistics, Statistical Bulletin no. 7/2015.

For adult persons (25-74 years), the unemployment rate was estimated as 5.6% for July 2015 (6.5% in the case of the men and 4.4% for women), out of the total number of unemployed estimated for July 2015.

The social security pensioners hold the majority (99.9%) of the total number of pensioners. The social security pensioners represent 88.2% of the total number of those of social security pension. By categories of pension, the number of the pensioners of age limit was preponderant (73.8%) in the frame of the category of the social security pensioners. The pensioners included in the categories – anticipated pension and partially anticipated – represented 2.1% only.

Conclusions

In this paper, the authors have outlined the major evolutions recorded by the economy of Romania. The research followed the macroeconomic fields: Gross Domestic Product, investments, inflation and prices, foreign trade, evolutions in industry, agriculture, services, the population and labor force.

In the first semester of 2016, the main indicator of the Romanian economy has recorded increase on both gross and adjusted series. The upward trend was observed on the both trimesters of the semester. A significant and favorable contribution on the evolution of the Gross Domestic Product corresponds to the net taxes, while less major, but still positive influences were recorded for constructions and industry.

The weight of the private sector is still as an elevated level, even if the state, by virtue of its functions must maintain ownership on some economic branches and companies. From the viewpoint of foreign direct investments, the data on seven month published by the National Institute of Statistics of Romania present favorable ground to make optimistic forecasts for the entire year, as there can be expected a visible increase of this indicator.

The consumer prices were affected by the increase of the inflation main measurement indicator, which is the inflation rate, both as total indicator and calculated by goods and services, even if the Romanian leu has appreciated across the last years.

It is also a positive conclusion the fact that the industry has recorded increases in the recent years, together with the likewise positive influence of this branch on the Gross Domestic Product. The decline of occupied population was compensated by the increase in productivity.

The Romanian economy has a significant agricultural component, but this does not reflect in the contribution of the agriculture on the national GDP. The place our country holds from the viewpoint of resources is not matched by the positions occupied in the results-based hierarchies. The vegetal production was constant, but the agricultural services had a slight increase.

The share of services in the Gross Domestic Products emphasizes the importance of this sector on the economy of Romania and offers good perspectives for future evolutions. However, a less positive dynamic was recorded in the case of services-related turnover, with decreases both on aggregated level and by sectors, in correlation with the decrease of population incomes.

The foreign trade activities recorded negative indicators for the analyzed period, outlined at first by the deficit of commercial balance, greater than the level reach for the previous period. In the last ten years, the number of exporters and importers increased.

As mentioned before, the labor force indicator that measures the occupied population decreased. A phenomenon that is found among the causes of this negative trend is the international migration of Romanian workers. A significant share of occupied population is represented by freelancers. During the first half of 2016, the net average earnings index experienced an oscillatory trend, with a major peak in March and a sizable decrease in May (without considering the comparison between January and December 2015).

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