

Analysis of the evolution of the net investments and constructions carried out in Romania at the end of 2023

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Abstract. *The investments, for any country, represent the important source of economic growth. Investments are made in all fields of activity, in all branches of the national economy, but also in the development of the housing stock, i.e. in construction. From this point of view, in this article, the authors aim to highlight how the realization of net investments and constructions in Romania evolved at the end of 2023. In this sense, the (provisional) data recorded at the end of last year will be compared, compared with the quarterly evolution in the year 2023, the achievements of 2023 compared to 2022 and even other previous years. From this point of view, recent data were used, published by the National Institute of Statistics through press releases no. 56 and 57 of March 12, 2024. The analysis carried out starts from the concrete data recorded, with two directions. On the one hand, the evolution of activity in these two sectors of activity, that of total investments in the national economy and that of investments in housing construction. In the analysis carried out, it was aimed that the data be successively compared by quarter, in order to determine the trend of these total investments in the national economy. It is very important to emphasize that investments play an important role in ensuring macro-stability and registering an upward course. The establishment of investments made in several fields of activity, such as in new constructions, machinery including means of transport, other expenses that were made within the national economy, was considered. Regarding the results recorded by Romania in the field of housing construction, we performed an analysis based on comparative data, between the year 2023 and the year 2022, between the 4th quarter of 2023 and the 4th quarter of 2022, as well as the trend of the evolution of these investments in new housing constructions. In carrying out the study, we used a series of statistical-econometric methods, among which we mention the structure indicators, the data being suggestively presented through tables and graphic representations. This article is meant to highlight that progress has been*

made in the area of net investment compared to 2022 and previous years. It should be noted that these past three years, 2021 - 2023, were years in which overlapping crises had an effect (pandemic crisis, economic-financial crisis, energy and food crisis), all taking place simultaneously, with effects from the most harmful for the evolution of the national economy in all fields of activity, as well as for the maintenance of macrostability. There is an improvement in net investments in all fields of activity, as a result of own sources, community sources, foreign direct investments. In terms of the new housing stock made through investment, it has decreased as the prices of raw materials and labor have increased due to high inflation, as well as the increase in the price of new housing, which is becoming increasingly difficult to afford to those interested in purchasing their own home. This is actually a paradox, in the sense that the need for housing is still high enough, but the possibility of procurement is decreasing more and more. Another aspect we mentioned in this article is that in the field of construction, Romania faces a labor shortage. This is because salaries and some facilities granted until now have decreased and the labor force from abroad, especially from Asian countries, has decreased and will continue to decrease as a result of Romania's status as a Schengen member in the air environment. In this article, we have used graphical, tabular and other statistical representations to clearly highlight the developments that have taken place in these areas of activity.

Keywords: national economy, investments, housing construction, territorial distribution, GDP.

JEL Classification: L74, E20.

Introduction

In this article, we started by presenting some important aspects facing Romania's national economy. We know that the realized gross domestic product has two destinations: accumulation (investments) to ensure the positive evolution of the economy in the future and total consumption. We can specify that the gross domestic product increases from one time period to another as a result, first of all, of inflation which ensures an increase in nominal terms of the gross domestic product.

Regarding the net investments made by Romania, we have successively presented aspects related to the evolution of the fund of net investments made in the national economy in the year 2023 compared to the year 2022, as well as the result from the last quarter of each of the two years.

The data are presented in a synthetic table that also includes the structure of these investments, which were carried out in new construction works, machinery including means of transport, the rest of the expenses that were carried out.

We sought to graphically present these developments in the two years, in 2023 and 2022, to highlight the increase in expenses in the field of new construction works, machinery, means of transport. The data on the basis of which these analyzes were made were expressed in current prices of the two years, there being of course the need to adjust them through deflation, which would bring the data from the two periods subject to comparison, in real terms.

Regarding the structure of net investments by elements in the years 2022 and 2023, we note that there is an increase in new construction works, while other expenses have decreased and in terms of machinery, including means of transport, they remain at the same level.

We also continued the study with a structural analysis of net investments by activities of the national economy comparing, of course, the data recorded for the two years. We find that in the field of construction, industry we have increases in 2023, while in trade, services and agriculture there is a decrease compared to 2022. As for the other branches of the national economy, an approximately equal rate of allocation is maintained.

In 2023 we have an important decrease compared to the previous year, a situation that improved in the 4th quarter when there was a revival.

We did the analysis on the two environments, urban and rural, appreciating how it evolved in each of the two areas. Also, on private funds or public funds in which, naturally, the weight, close to 97%, is held by private funds, public funds being only 3.4%. We performed an analysis by development region in the last quarter of each of the two years, finding that some decreases were recorded in the Bucharest-Ilfov, Central Region, South-Muntenia Region, and South-East regions. The largest decrease was recorded in the North-West Region, as the need for housing was less. The finished houses by residence environments and financing sources revealed that in 2023 the funds allocated to housing construction decreased compared to 2022.

Regarding residential environments, the decrease in the share of finished houses in the rural environment and an increase in the urban environment is highlighted. This is primarily due to the increase of the population in the urban environment and, on the other hand, to the

lack of funds in the rural environment. For the finished houses, we record almost the same situation, the data being presented tabularly and graphically. In the final part of this article, we presented the finished houses by development region between 2014 and 2023. The analysis was done on a quarterly structural basis and finally, on the total economy during a year.

As a corollary to the analysis carried out in the field of net investments and housing construction, it follows that, despite some progress towards the end of 2023, the funds allocated for investments are reduced, most of them coming from the Development and Resilience Fund and the needs of the national economy are much higher but they cannot be satisfied due to the results recorded in the national economy and highlighted by the size of the gross domestic product.

Literature review

Sveikauskas, L., Rowe, S., & Mildenerger, J.D. (2018) present new productivity measures for single-family residential construction, multifamily residential construction, highway, road and bridge construction, and industrial construction, respectively. Grogan, L. (2016) finds what were the effects of household electrification and presents the arguments that suggest the correlation between this phenomenon and the increase in schooling of young children, the decrease in fertility, but he could not observe an effect on employees who work independently or for a salary. Tykkä, S. et al. (2010) analyzed whether the European Union's construction innovation policy influenced innovation at the enterprise level. Testa, F., Iraldo, F. and Frey, M. (2011) analyze how European Union environmental regulations affect companies and competitiveness in construction. Pheng, L.S. and Chuan, Q.T. (2006) study the performance of project managers and how this performance can be improved by identifying work environment variables that impact performance. Anghel, M.G., Anghelache, C., Dumbravă, Ș.G., Mirea, M., Stoica, R. (2018) presented through a complex analysis the economic situation of the two most important economic sectors in Romania, the industry, respectively the constructions. Love, P. and Irani, Z. (2004) published a paper that presented the results of a survey and attempted to analyze how 126 construction organizations evaluated and justified their investments in information and communication technology. Pacheco-Torgal, F. (2014) produced a paper examining the impact that the development of the concept of eco-efficient buildings has on the European construction industry. Ma, X., Zhao, K., Li, Y. and Zhu, H. (2019) examine the impact of infrastructure investment on China's inland and coastal economy using qualitative analysis and empirical analysis to illustrate the relationship between investment in infrastructure and regional economic development in China. Chakraborty, A., Knaap, G.-J., Nguyen, D. and Shin, J. H. (2010) present an empirical analysis of the effects of high-density zoning on multifamily housing construction in the suburbs of six metropolitan areas in the United States of America in the period 1990-2000. Morris, S. (2001) describes how housing companies were able to provide a solution by profitably providing accommodation. Voith, R. P. and Wachter, S. M. (2009) address the possible conflict that may exist between urban growth and access to housing.

Methodology, data, discussions, results

The evolution of net investments in 2023 totaled 189,346.1 million lei, an increase of 16.6% compared to 2022. This increase was achieved through the efficient allocation of budget funds, but also through better access to community funds.

The quarterly analysis reveals that in the fourth quarter of 2023, the net investments made in the national economy accumulated 71,792.8 million lei, increasing by 22.1% compared to the similar quarter of 2022.

Table no. 1. *The evolution of net investments made in the Romanian economy (Q4 2023 compared to Q4 2022)*

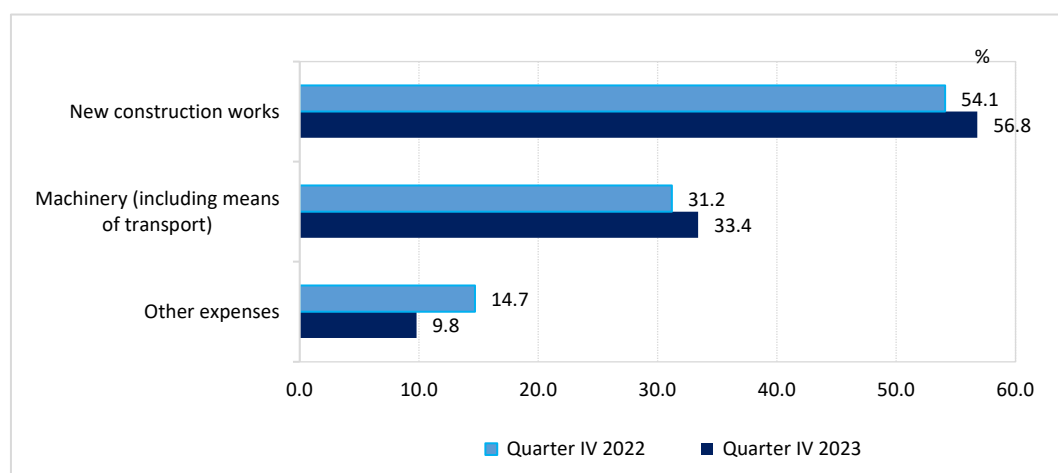
	Quarter IV 2022 - million lei, current prices -	Quarter IV 2023 - million lei, current prices -	Price indices in % compared to Quarter IV 2022	Volume indices in % compared to Quarter IV 2022	Structure (%)	
					Quarter IV 2022	Quarter IV 2023
TOTAL	54166,3	71792,8	108,6	122,1	100,0	100,0
New construction works	29307,2	40794,5	112,4	123,8	54,1	56,8
Machinery (including means of transport)	16896,4	23954,3	103,4	137,1	31,2	33,4
Other expenses	7962,7	7044,0	105,8	83,6	14,7	9,8

Source: Press release of the National Institute of Statistics no. 56/2024.

From the table above, a series of conclusions can be drawn regarding the evolution of net investments made in the national economy, in the analysis of what is done when analyzing the fourth quarter of 2023 compared to the fourth quarter of 2022. If we were talking earlier that a 22.1% increase was recorded at the level of total evolution, the main structural elements that led to this result are represented by machines (means of transport) with a 37.1% higher contribution than the previous year and new construction works, which recorded an evolution of 23.8% compared to the previous year.

The evolution could have been even greater if we had not registered a 16.4% decrease in the structural element other expenses compared to the previous year.

Figure no. 1. *The structure of net investments by structural elements (Q4 2023 versus Q4 2022)*



Source: Press release of the National Institute of Statistics no. 56/2024.

In figure no. 1 compares the structure of these investments in the fourth quarter of 2023 compared to the fourth quarter of 2022. The data show that the importance of new construction works increased by 2.7 percentage points in the structure of net investments in the national economy, while machinery (including means of transport) had an evolution that gathered an increase of 2.2 percentage points compared to the IV quarter of 2022. At the end of the IV quarter of 2023, the main element of the structure of other expenses represented 9.8% of the total net investments made in the national economy, recording a loss of 4.9 percentage points compared to the value recorded in the fourth quarter of 2022.

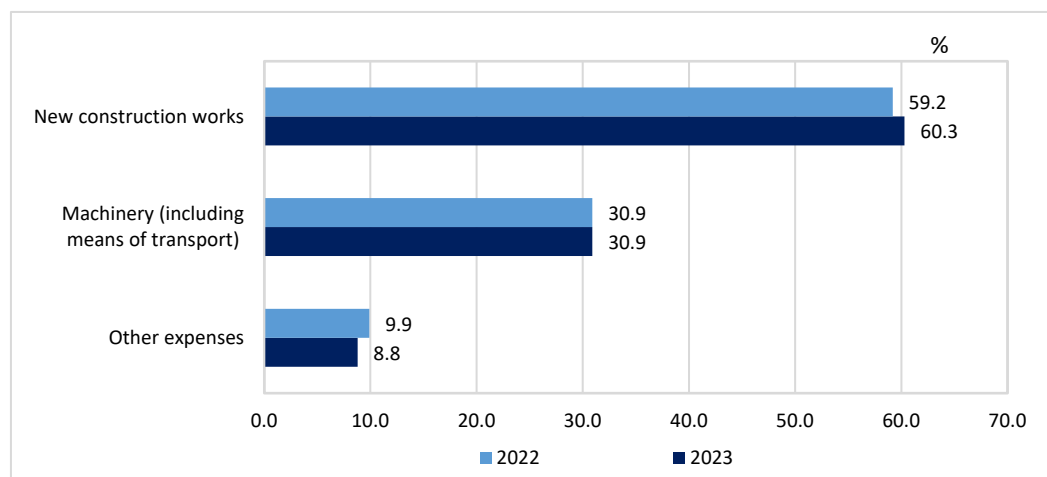
Table no. 2. *The evolution of net investments made in the national economy (year 2023 compared to year 2022)*

	2022 - million lei, current prices -	2023 - million lei, current prices -	Price indices in % compared to 2022	Volume indices in % compared to 2022	Structure (%)	
					2022	2023
TOTAL	150098,8	189346,1	108,2	116,6	100,0	100,0
New construction works	88825,3	114220,4	110,1	116,8	59,2	60,3
Machinery (including means of transport)	46415,7	58560,4	104,6	120,6	30,9	30,9
Other expenses	14857,8	16565,3	107,2	104,0	9,9	8,8

Source: Press release of the National Institute of Statistics no. 56/2024.

It can be seen that investments in new constructions, machinery (including means of transport) and other expenses increased in 2023 compared to 2022. Net investments in the Romanian economy increased by 16.6% overall, the main structural element that driving the growth were machinery (including means of transport) with an increase of 20.6%, respectively new construction works with an increase of 16.8% in 2023, compared to 2022. The dynamics at the level of the structural element other expenses, although positive, 4% higher in 2023 compared to 2022, at the structural level we will observe a decrease.

Figure no. 2. *The structure of net investments by structural elements (year 2023 compared to year 2022)*



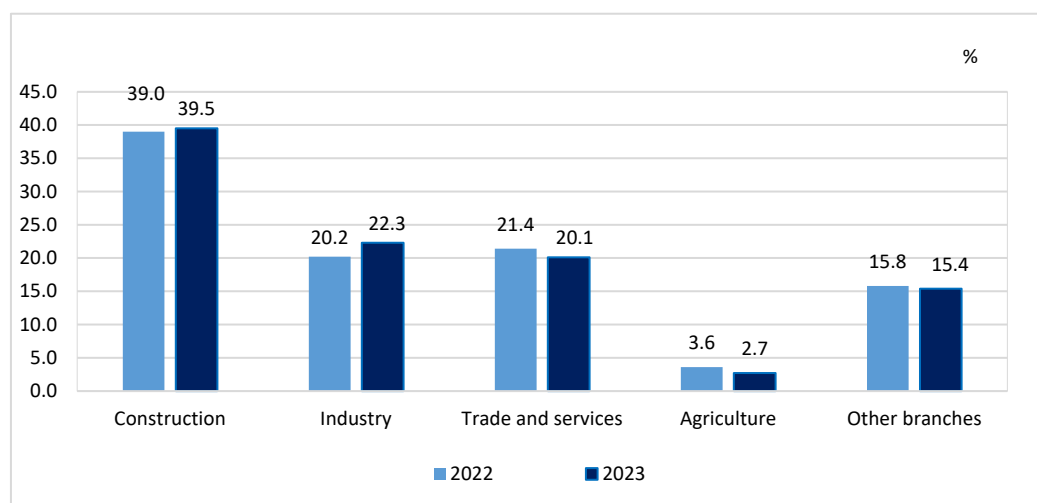
Source: Press release of the National Institute of Statistics no. 56/2024.

In figure no. 2 shows the structure of these investments in 2023, compared to 2022. The data show that the importance of new construction works increased by 1.1 percentage

points in the structure of net investments in the national economy, while machinery (including means of transport) did not registered a positive evolution, at the level of structure in 2023 compared to 2022.

In 2023, the main element of the structure of other expenses represented 8.8% of the total net investments made in the national economy, registering a loss of 1.1 points percentage compared to the value recorded in 2022.

Figure no. 3. *Structure of net investments by activities of the national economy (year 2023 compared to year 2022)*



Source: Press release of the National Institute of Statistics no. 56/2024.

Figure no. 3 presents us which were the main destinations chosen by investors to invest in the Romanian economy and how these destinations evolved in 2023 compared to 2022.

We note that the construction sector attracted 39.5% of the total net investments made in the national economy, registering an increase of 0.5 percentage points in 2023 compared to 2022.

Positive developments in 2023 compared to 2022 were also recorded in industry, 22.3% of the total net investments made in the national economy, registering an increase of 2.1 percentage points.

In 2023, decreases were recorded at the level of the structure of net investments by activities of the national economy, compared to 2022. Agriculture lost 0.9 percentage points in 2023 compared to 2022, trade and services recorded a decrease of 1.3 percentage points, while at the level of other branches there was a contraction of 0.4 percentage points.

Considering the importance given to constructions, it is necessary to deepen the analysis of housing constructions in the fourth quarter of 2023 compared to the fourth quarter of 2022 and in the year 2023 compared to the year 2022.

The analysis of the housing construction situation in the fourth quarter of 2023 compared to the fourth quarter of 2022 reveals that in the last quarter of 2023, 21,461 houses were put into use, registering an increase of 923 houses, compared to the similar quarter of 2022. In the whole of 2023, 71,454 houses were completed, with 1,878 houses less than in 2022.

Table no. 3. *The evolution of the number of finished houses by residence environment and financing sources (Q4 2023 versus Q4 2022)*

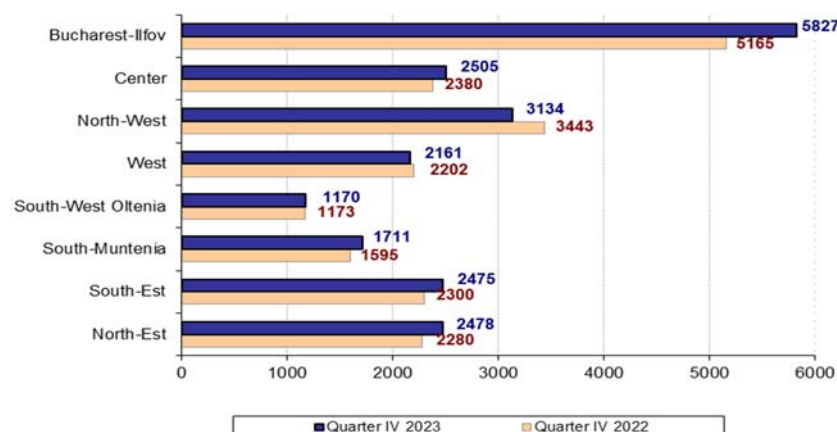
	Finished house -number-			Structure (%)	
	Quarter IV 2022	Quarter IV 2023	Quarter IV 2023 compared to Quarter IV 2022 (+/-)	Quarter IV 2022	Quarter IV 2023
TOTAL	20538	21461	+923	100,0	100,0
Urban area	10372	12724	+2352	50,5	59,3
Rural area	10166	8737	-1429	49,5	40,7
Private funds	20102	20726	+624	98,4	96,6
Public funds	436	735	+299	1,6	3,4

Source: Press release of the National Institute of Statistics no. 57/2024.

If about the total number of finished houses in the fourth quarter of 2023 compared to the fourth quarter of 2022, we spoke a little earlier, emphasizing that 923 more houses were completed.

Regarding residential environments, we note that in the fourth quarter of 2023 most houses were built in the urban environment 59.3%, the increase compared to the fourth quarter of 2022 being 8.8 percentage points. The number of finished houses in rural areas decreased by 14% in the fourth quarter of 2023 compared to the fourth quarter of 2022, with 1429 fewer houses being completed. The distribution according to financing funds of completed housing shows that the number of housing completed with private funds increased by 624 houses in the fourth quarter of 2023, compared to the fourth quarter of 2022, while the increase in the number of housing completed with public funds was 299 smaller housing. At the same time, we note that 96.6% of finished houses were built with private funds compared to 3.4% with public funds.

Figure no. 4. *The evolution of the number of finished houses by development region (Q4 2023 versus Q4 2022)*



Source: Press release of the National Institute of Statistics no. 57/2024.

Figure no. 4 shows us the territorial distribution of the number of houses completed in the fourth quarter of 2023, compared to the fourth quarter of 2022. In the development regions in the area of Moldova and Dobrogea, the following increases were recorded, the North-East region (+198) and the South-East region (+175). The Bucharest-Ilfov region registered an increase of 662 dwellings, holding 27.2% of the total of completed dwellings in the fourth quarter of 2023. The other two regions in the Wallachian area registered an increase of 116 completed dwellings in the South-Muntenia region, respectively a decrease with 3 houses in the South-West Oltenia region. The three development regions in the Transylvania area, the North-West region and the West region recorded decreases in the number of finished houses in the fourth quarter of 2023, compared to the fourth quarter of 2022, with 309 houses and 41 houses respectively. The Center development region registers an increase in the number of houses (+125), the difference between the Northwest region and the Center region being 2.9 percentage points in the fourth quarter of 2023, compared to 5.2 percentage points in the fourth quarter of 2022.

If one wants to carry out an analysis of the structure of the number of finished houses in the fourth quarter of 2023, through the lens of the historical provinces, in the region of Moldova and Dobrogea 23% of the total number of finished houses were completed. In the Transylvania region, 36.4% of the total number of finished houses in the IV quarter of 2023 were completed. In the Wallachian region, 40.6% of the total finished houses in the IV quarter of 2023 were completed, 67% of which were completed in the development region Bucharest-Ilfov.

Table no. 4. Evolution of completed housing by development region (Q4 2023 versus Q4 2022)

	Finished houses -number-			Structure (%)	
	Quarter IV 2022	Quarter IV 2023	Quarter 2023 compared to Quarter IV 2022 (+/-)	Quarter IV 2022	Quarter IV 2023
TOTAL	20538	21461	+923	100,0	100,0
North-East	2280	2478	+198	11,1	11,5
South-East	2300	2475	+175	11,2	11,5
South-Muntenia	1595	1711	+116	7,8	8,0
South-West Oltenia	1173	1170	-3	5,7	5,4
West	2202	2161	-41	10,7	10,1
North-West	3443	3134	-309	16,8	14,6
Center	2380	2505	+125	11,6	11,7
Bucharest-Ilfov	5165	5827	+662	25,1	27,2

Source: Press release of the National Institute of Statistics no. 57/2024.

Table no. 4 presents the data used to create figure no. 4 and highlights the evolution of the number and share of finished houses in the fourth quarter of 2023, compared to the fourth quarter of 2022, representing the basis of the analysis carried out at the regional level and signaling the completion of the analysis at the quarterly level.

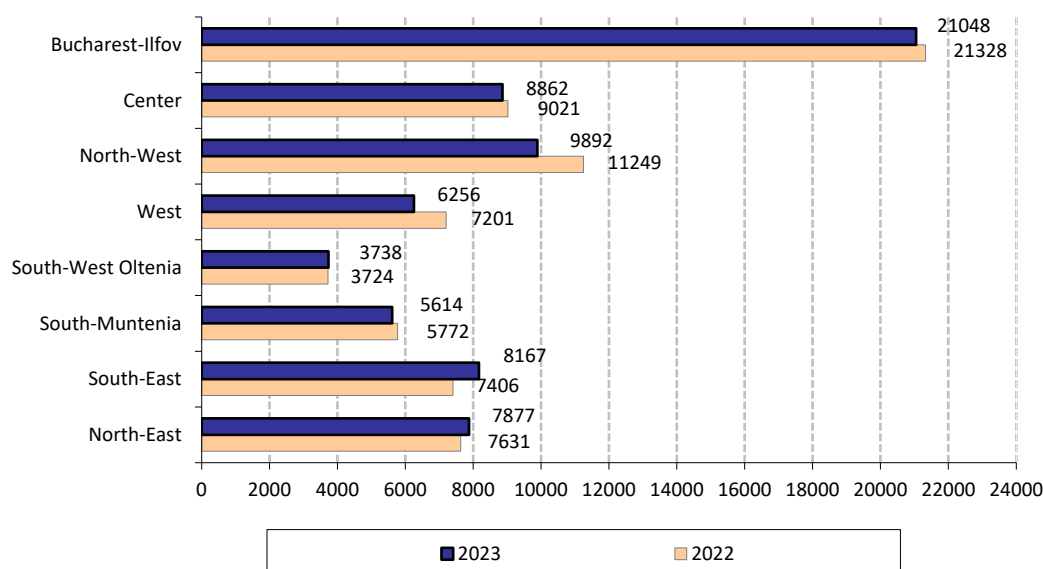
Table no. 5. The evolution of finished houses by residence environment and financing forms (year 2023 compared to year 2022)

	Finished houses (number)			Structure (%)	
	2022	2023	2023 compared to 2022 (+/-)	2022	2023
TOTAL	73332	71454	-1878	100,0	100,0
Urban area	40077	43587	+3510	54,7	61,0
Rural area	33255	27867	-5388	45,3	39,0
out of total:					
Private funds	71937	69471	-2466	98,1	97,2
Public funds	1395	1983	+588	1,9	2,8

Source: Press release of the National Institute of Statistics no. 57/2024.

After completing the quarterly analysis, table no. 5 shows that in 2023 a number of 71,454 houses were completed, the decrease compared to 2022 being 1,878 houses. We note that the decrease is due to the decrease in the number of houses put into use, in the rural area, where there were 5388 fewer finished houses in 2023, compared to 2022. The structure by residential area shows us a decrease in finished houses in the rural area from 45.3% to 39%, while the urban environment increased by 54.7% in 2022, to 61% of finished houses in 2023. The distribution by financing funds shows an increase in the number of houses built with public funds. If in 2022 the houses built from public funds represented 1.9% of all finished houses, in 2023 with an increase of 588 houses, the threshold of 2.8% of all houses built in 2023 was reached. The houses built in 2023 from private funds decreased by 2466 houses, reaching 97.2% of the total finished houses in 2023, down 0.9 percentage points compared to 2022.

Figure no. 5. The evolution of the number of finished houses by development region (year 2023 compared to year 2022)



Source: Press release of the National Institute of Statistics no. 57/2024.

Figure no. 5 expresses the regional distribution of finished houses in 2023, compared to 2022, the most important decreases were in the development regions of the historical area of Transylvania, the North-West development region registering a decrease of 1357 houses, in that the West development region decreased the number of finished houses by 945 houses. In the Bucharest-Ilfov development region, 280 fewer houses were completed in 2023, compared to 2022, while the Center development region completed 159 fewer houses, and the Sud-Muntenia development region with 158 fewer houses. The three development regions with growth in 2023 are the South-East development region, the North-East development region and the South-West Oltenia development region, registering increases in completed housing by 761 houses, by 246 houses, respectively by 14 houses.

Table no. 6. *The evolution of the finished houses by development region (year 2023 compared to year 2022)*

	Finished houses -number-			Structure (%)	
	2022	2023	2023 compared to the 2022 (+/-)	2022	2023
TOTAL	73332	71454	-1878	100,0	100,0
North-East	7631	7877	+246	10,4	11,0
South East	7406	8167	+761	10,1	11,4
South-Muntenia	5772	5614	-158	7,9	7,9
South-West Oltenia	3724	3738	+14	5,1	5,2
West	7201	6256	-945	9,8	8,8
North-West	11249	9892	-1357	15,3	13,8
Center	9021	8862	-159	12,3	12,4
Bucharest-Ilfov	21328	21048	-280	29,1	29,5

Source: Press release of the National Institute of Statistics no. 57/2024.

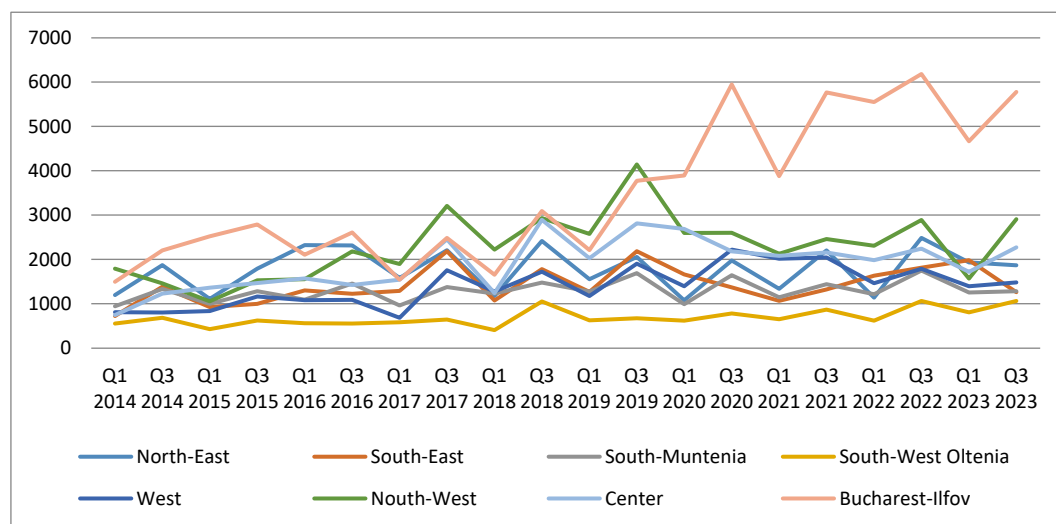
Table no. 6 presents the evolution of the number of finished houses in 2023, compared to 2022, and the distribution by development regions. If we insisted on the numerical evolution in figure no. 5, from table no. 6 we turn our attention to the structure of the number of finished houses in 2023, compared to 2022.

Thus, we observe that although the Bucharest-Ilfov development region and the Center development region have registered decreases in absolute values, as a share in the total structure of finished houses in 2023, it registers increases of 0.4 percentage points, respectively 0.1 percentage points, compared to the share in the total of finished houses in 2022.

The South-Muntenia development region, although it registered a decrease of 158 houses in 2023, as share in the total of finished houses during the year is maintained at the level of 2022, with a percentage of 7.9%.

The largest increase was recorded in the share of the South-East development region, which in 2023 had an increase of 1.3 percentage points compared to the result of the previous year. On the other hand, the highest decreases in the total structure of finished houses in 2023, compared to 2022, were recorded in two of the two development regions belonging to the historical Transylvania region, thus the North-West development region lost 1.5 percentage points, while the West development region lost 1 percentage point.

Figure no. 6. Quarterly evolution of the number of finished houses by development region, during the period 2014-2023



Source: Press release of the National Institute of Statistics no. 57/2024.

Table no. 7. Quarterly and annual evolution of the number of finished houses by development regions, in the period 2014-2023

Year	Quarter	North East	South East	South-Muntenia	South-West Oltenia	West	North-West	Center	Bucharest-Ilfov
2014	I	1197	725	946	553	811	1792	748	1498
	II	1653	857	1072	531	890	1731	624	1954
	III	1870	1385	1335	685	803	1461	1229	2205
	IV	2396	1973	1603	754	1045	2109	2096	4453
	Total	7116	4940	4956	2523	3549	7093	4697	10110
2015	I	1110	924	996	426	835	1057	1363	2521
	II	1492	1024	1159	686	985	1476	1224	2256
	III	1791	996	1284	621	1162	1529	1467	2787
	IV	3271	1992	1530	667	1130	2105	1600	3518
	Total	7664	4936	4969	2400	4112	6167	5654	11082
2016	I	2321	1302	1093	562	1079	1553	1573	2107
	II	1548	1461	1145	487	1275	2404	1402	2794
	III	2317	1225	1456	554	1087	2181	1422	2609
	IV	2740	1927	1654	739	1365	2520	1792	2512
	Total	8926	5915	5348	2342	4806	8658	6189	10022
2017	I	1584	1290	961	581	687	1897	1542	1542
	II	1842	1174	1293	466	1300	1888	1597	3413
	III	2208	2186	1378	643	1755	3208	2453	2484
	IV	2448	1433	1771	625	1411	2489	1704	2094
	Total	8082	6083	5403	2315	5153	9482	7296	9533
2018	I	1176	1074	1227	408	1275	2221	1239	1653
	II	1692	1767	1141	665	1012	2564	1607	2294
	III	2415	1780	1476	1052	1723	2933	2894	3090
	IV	2239	2787	1759	807	1455	3356	2697	4235
	Total	7522	7408	5603	2932	5465	11074	8437	11272
2019	I	1555	1270	1275	626	1174	2575	2028	2211
	II	1673	1450	1395	592	1402	2447	1967	3564
	III	2055	2186	1691	671	1902	4143	2812	3773
	IV	2667	2121	1847	1007	2359	3627	2139	5284
	Total	7950	7027	6208	2896	6837	12792	8946	14832

Year	Quarter	North East	South East	South-Muntenia	South-West Oltenia	West	North-West	Center	Bucharest-Ilfov
2020	I	1080	1662	989	617	1394	2597	2686	3894
	II	1470	1374	1023	630	1543	2172	2000	4634
	III	1976	1371	1645	780	2223	2600	2183	5947
	IV	2459	1600	1635	937	1932	2440	2025	6298
Total		6985	6007	5292	2964	7092	9809	8894	20773
2021	I	1338	1066	1146	650	2016	2127	2082	3877
	II	2201	2009	1245	659	1556	2643	1923	4817
	III	2204	1322	1440	869	2046	2460	2158	5767
	IV	2299	1774	1681	1082	2501	2630	2268	7549
Total		8042	6171	5512	3260	8119	9860	8431	22010
2022	I	1138	1633	1214	617	1465	2307	1982	5551
	II	1725	1659	1213	868	1747	2608	2416	4428
	III	2488	1814	1750	1066	1787	2891	2243	6184
	IV	2280	2300	1601	1173	2202	3443	2380	5165
Total		7631	7406	5778	3724	7201	11249	9021	21328
2023	I	1934	1984	1255	807	1396	1567	1720	4666
	II	1598	2446	1365	697	1218	2283	2364	4777
	III	1867	1262	1283	1064	1481	2908	2273	5778
	IV	2478	2475	1711	1170	2161	3134	2505	5827
Total		7877	8167	5614	3738	6256	9892	8862	21048

Source: Press release of the National Institute of Statistics no. 57/2024.

Table no. 7 and Figure no. 6 presents the evolution of the number of finished houses by development region in the period 2014-2023, the period in which the decrease in the total number of finished houses during a year had not been known at the level of the Romanian economy.

We note that, during this period, most houses were finished in the Bucharest-Ilfov development region (152,010 houses), the next region being the North-West development region (96,076 houses) and the North-East development region (77,795 houses).

Among the development regions with the highest number of finished houses, apart from the Bucharest-Ilfov region, only the North-West development region managed to complete, in 2018, 2019 and 2022, a number of houses greater than 10,000 in one year, the recorded values being 11,074, 12,792, respectively 11,249 finished houses, during one year.

It should be highlighted that the development region in which the fewest houses were completed, during the analyzed period, is the South-West Oltenia development region (29,094 houses), achieved the lowest annual values among all development regions.

Conclusions

From the study of the data presented in this article, comparing them with the needs of the national economy and its potential, a series of theoretical and practical conclusions are highlighted.

From a theoretical point of view, it is obvious that the need for investment at the level of the national economy is much greater than what can be achieved in each structural unit of time.

This is because the results are determined by the possibility of financing. The possibility of direct financing by the government is reduced compared to the needs of each branch of

the national economy. For example, in agriculture, the increase in fuel prices, the economic-financial crisis that does not leave the world economic environment leave their mark. Agriculture cannot work at its full capacity due to underfunding.

The same thing happens in the field of transport, where the needs of the national economy are mostly met by imports because the domestic industry practically does not exist or exists at some rather reduced levels.

The second conclusion is that community funds are not accessed in full and with greater efficiency in order to ensure their distribution to the structured areas on which the community budget is built.

It can be seen that in the last period of time foreign direct investments are increasingly reduced because most of the big companies in Romania are with foreign capital and they develop according to the interest of their shareholders and the needs of the national economy.

In the field of housing construction, the easily noticeable paradox is evident, namely that the need for housing has increased for a large percentage of the country's population, but the available incomes of those interested have greatly decreased. Against this background, we record a reduction in investments in the rural environment and in the urban environment they are carried out from a constructive point of view but not completed from the point of view of capitalization on the housing market.

A final conclusion would be that Romania needs to re-think its development and financing strategy more deeply. Against this background, the possibility of cooperation between large companies and the financial-banking system in our country is seriously affected due to the level that interest rates have reached.

In this context, there is also the quasi-permanent increase in the use of external loans, which are also affected by a high interest rate, Romania not benefiting from any facility in this field and which is reflected negatively both in the results obtained and from the point of view of building businesses based on financing through bank loans.

Calling on loans must be the last concern because Romania's external debt has increased enough in the last period of time that it is difficult to anticipate what the future effects will be, bearing in mind that the calculated interests are capitalized and lead to the increase, at every moment, of the size of the external debt.

A wider discussion and presence is required both in the external business environment, in which a lot of investors are attracted to open businesses in Romania, or to develop the ones they have already created.

At the same time, it is not without importance that attention must be paid to the development of domestic capital. It is the domestic capital that gives stability, that gives consistency to the future evolution in this area of investments.

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