AMCHAM ROMANIA
AMERICAN CHAMBER OF COMMERCE IN ROMANIA

# Macroeconomic Insights

January 2026

**Welcome to the second edition of AmCham's Macroeconomic Insights, our internal assessment of Romania's macroeconomic and fiscal developments. The present edition covers Q1, Q2, Q3 of 2025, and provides an overview of the main projections anticipated for the full year. It examines economic growth and sectoral trends from both demand and supply-side perspectives, and analyzes labor market conditions, financial markets` evolutions, as well as dynamics of the twin deficits.**

## Data

The analysis is based on data released by the following official sources:

- The National Institute of Statistics (INS) – for information on economic growth, sectoral developments (construction, industry, services, final consumption, gross fixed capital formation, and net exports of goods), labor market indicators (employment, unemployment, and wage dynamics), inflation, and other key macroeconomic variables.
- The National Bank of Romania (BNR) – for data on credit and deposit developments, interest rates, as well as current account balance and foreign direct investment (FDI) flows.
- The Ministry of Finance – for data on budget execution.
- The Ministry of Investments and European Projects - for data on European funds` absorption
- National Commission for Strategy and Prognosis (NCSP) – Autumn Forecast 2025, for projections of relevant macroeconomic indicators.
- European Commission – Autumn Economic Forecast for Romania, for macroeconomic projections.
- Eurostat – for comparative European statistics (HICP, unemployment rate, ESA fiscal deficit, etc.)

## Time Frame

The analysis mainly examines developments during the first nine months of 2025, with selective extensions into October and November 2025, as well as references to earlier data where useful for contextualization or comparison. It also adopts a forward-looking approach by incorporating projections for the full year 2025 and, where relevant, for 2026, to outline anticipated trends and developments.

## Methodological aspects

The analysis is both quantitative and qualitative, based on the processing and interpretation of statistical data on the volume and dynamics of key macroeconomic indicators, as well as on the analysis of factors and implications, where relevant.

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## Legend:

**YoY** – year over year
**rha** – right hand axis
**lha** - left hand axis
**SA** – seasonally adjusted
**CPI** – Consumer Price Index
**HICP** – Harmonised Index of Consumer Prices

# Key Takeaways

- **Fiscal consolidation and inflation weighed on Romania's economic growth in 2025**, adding pressure on both private and public consumption. However, the **surge in investment projects financed through the NRRP**, alongside private investment that is projected to gradually recover, will be the **main drivers of economic growth in 2025 and 2026.**

- Romania's economy showed some degree of resilience and grew modestly by 0.9% in the first nine months of 2025 compared to the same period of 2024, supported by a rebound in the third quarter, when real GDP increased by **1.7% year on year**, following weak growth of just **0.3%** in the first half of the year.

- **On the supply side**, growth was driven mainly by **construction**, alongside **agriculture** and **information and communication**, while **industry** and **professional services** weighed on performance. Construction remains one of the main beneficiaries of public investment and projects financed through the NRRP. Activity volume in agriculture increased by 6.8%, a strong result following several difficult years marked by drought. As regards the **demand side**, **investment** was the key growth driver, partly offset by a drag from **net exports,** although external trade made a positive contribution in the third quarter after a prolonged period of negative impact. Household consumption provided a modest boost to growth, while government consumption had a slight negative impact.

- **Employment dynamics turned negative in September** after several months of marginal gains, driven by **declines in industry, agriculture, IT&C, and notably the public sector**, which recorded its first year-on-year contraction after a prolonged period of growth. Only **construction and services continued to add jobs**. The unemployment rate edged down slightly to 5.9% in October and is expected to remain around 6% in 2025, before easing to 5.8% in 2026. **Nominal average wage rose by 7% in the first nine months of 2025, but real wages declined from July onward, reflecting persistently high inflation and eroding purchasing power.**

- Annual inflation remained high, at around **9.8% between August and November 2025**, driven by the removal of the energy price cap and higher indirect taxes. While food prices rose more moderately, non-food goods and services recorded stronger increases, with particularly sharp rises in electricity prices and selected services. Inflation is projected at **9.6% by end-2025**, followed by **gradual disinflation supported by fiscal consolidation**. However, risks persist, notably from the planned removal of the natural gas price cap.

- **Weaker domestic demand contributed to a slower nominal increase in the current account deficit**, which is expected to decline to around 8% of GDP for 2025 and further to 6% of GDP by 2027, on the backdrop of the fiscal consolidation, as well as supported by stable export performance. By October, the current account deficit had reached €24.6 billion, only 4% higher year-on-year. The trade deficit rose marginally, while the services surplus expanded, supported by strong growth in transport and IT&C services. **Net FDI inflows increased by 41% in the first 10 months, to EUR 6.8 billion**, and, together with higher capital transfers, financed over half of the current account deficit.

- The **budget deficit reached 6.4% of GDP in the first eleven months of 2025**, reflecting a moderate fiscal adjustment compared with the same period of 2024, supported by stronger revenue growth outpacing expenditure increases. Revenues increased primarily due to **higher collections of personal income taxes, social security contributions, and corporate taxes, as well as stronger VAT receipts following the August rate hike**. On the expenditure side, **personnel costs and subsidies declined as a share of GDP**, indicating some restraint in current spending. However, this was partly offset by **higher social assistance spending**, driven by pension recalculations, and a **sharp increase in interest payments**, reflecting higher borrowing costs and debt rollovers.

- Overall, fiscal consolidation remains gradual, with **persistent structural pressures on the expenditure side**, reflecting a high share of permanent spending and **limited fiscal room for manoeuvre**. Therefore, **improving the efficiency of fiscal revenue collection is critical**.

- In 2025, Romania's **financial markets showed strong equity performance alongside persistent structural constraints**. The Bucharest Stock Exchange delivered the **best performance in recent history (BET index up by 46%), ranking among Europe's top performers**, though market capitalization and trading volumes remain limited compared with regional peers. Government bond trading surged, reflecting high issuance to finance the budget deficit. However, the Government's improved fiscal position supported lower long-term bond yields, towards the end of the year.

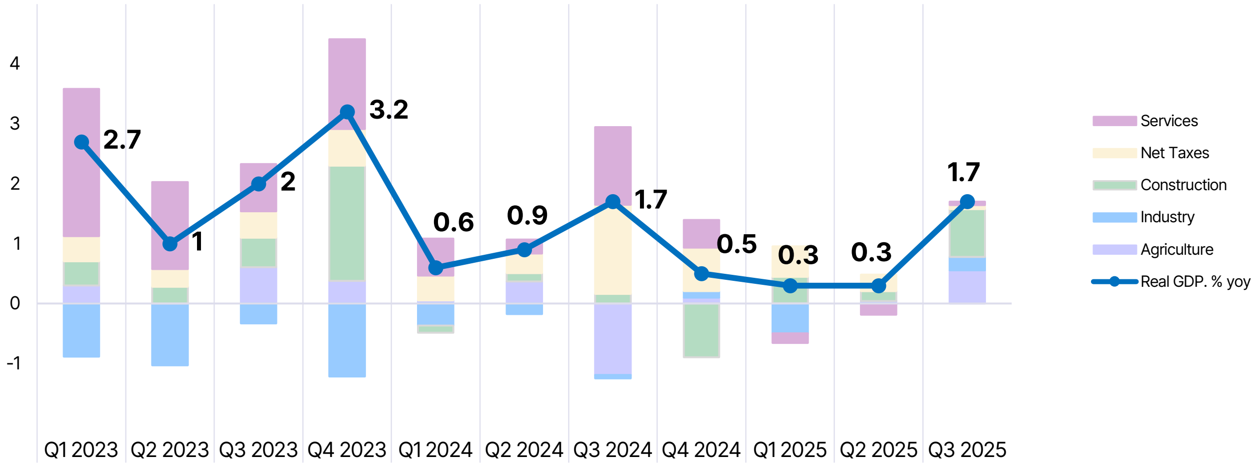
- As regards the money market, between January and November, **new RON-denominated credit increased moderately** (by almost 8% year on year), driven by **stronger growth in household lending** (+13%), while credit to businesses declined (–2.6%) amid higher and more volatile interest rates, as well as uncertain macroeconomic prospects. Over the same period, new RON **deposits rose by 6%, supported mainly by robust household savings**, while corporate deposits displayed mixed dynamics, reflecting differing responses to evolving monetary and macroeconomic conditions.

- As of November 2025, Romania had absorbed **45% of the approved allocation under the NRRP**, with total payments amounting to **€9.67 billion and a near-even split between loans and grants**. Absorption was highly concentrated in the transport sector (over one-third of total payments), followed by components such as Education and Renovation Wave (15% and 11% respectively). In parallel, absorption under Cohesion Policy funds for the 2021–2027 period remains particularly low, at 19%, highlighting broader implementation challenges across EU-funded investment programs.

# GDP and Main Sectoral Dynamics

## Macroeconomic Insights
January 2026

## Contributions to Real GDP growth: Supply (pp)

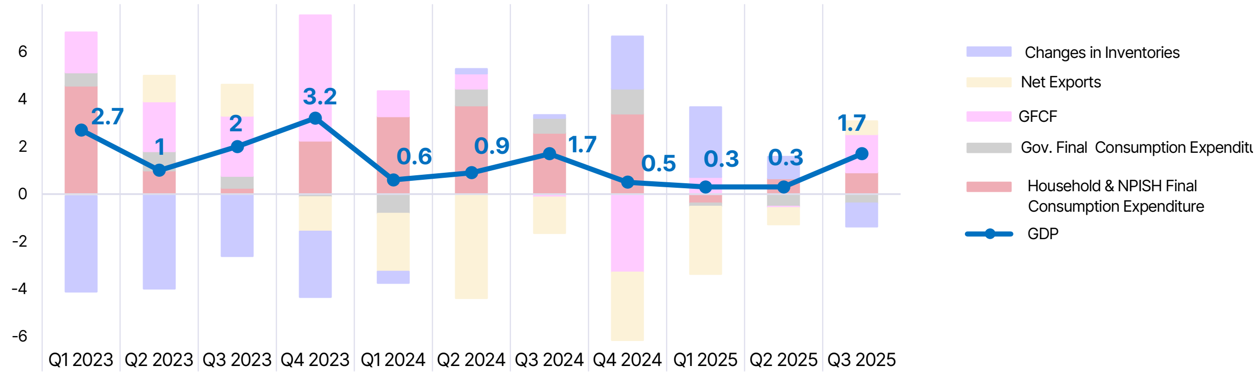



*Source: National Institute of Statistics, own calculations*

Romania's economy recorded a **modest growth of 0.9% in the first nine months of 2025** compared with the same period in 2024, supported by an **acceleration in the third quarter, when real GDP expanded by 1.7% year-on-year**. The upturn in Q3 helped stabilise overall performance in an otherwise subdued economic environment, after a timid growth of only 0.3% for the first half of the year.

**On the supply side**, growth was primarily driven by the **construction** sector, which contributed 0.5 percentage points, followed by **agriculture** and **information & communication**, each adding around 0.2 percentage points. Net taxes also contributed an additional 0.3 percentage points to real GDP growth. In contrast, professional and administrative services and industry weighed negatively on the overall economic performance, with contributions of –0.3 and –0.1 percentage points, respectively, while the remaining sectors had a broadly neutral impact.

## Contributions to Real GDP growth: Demand (pp)



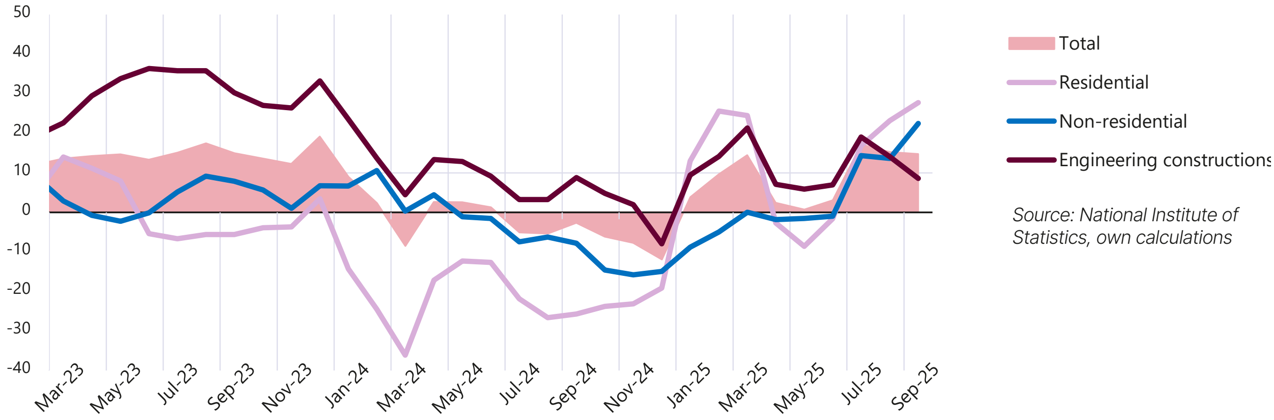

*Source: National Institute of Statistics, own calculations*

**On the demand side**, the main driver of GDP growth between January and September was investment activity, with **gross fixed capital formation (GFCF)** contributing **1.2 percentage points**, complemented by an additional **0.3 percentage points from changes in inventories. Household consumption** supported growth marginally, adding **0.2 percentage points**, while **government consumption** had a slightly negative impact of **–0.1 percentage points**. As expected, **net exports** exerted a significant drag of **–0.8 percentage points** on GDP growth, reflecting a **2.2 percentage-point** negative contribution from imports, which outpaced the **1.4 percentage-poin**t positive contribution from exports of goods and services, for the first nine months. However, **for the third quarter, we can see a positive influence from the net exports**, after a long period of negative contributions.

| Sector | Contribution to GDP formation (%GDP) | Dynamics H1 2025/H1 2024 | Contribution to GDP Growth (%) | Employees (end of September 2025) | |
|---|---|---|---|---|---|
| | | | | thou. persons | % of total no. of employees |
| Agriculture | 3.5 | 6.8 | 0.2 | 121.4 | 2.4% |
| Industry | 16.8 | -0.4 | -0.1 | 1251.9 | 24.3% |
| Construction | 6.3 | 8.5 | 0.5 | 460.7 | 8.9% |
| Wholesale and retail trade; repair of motor vehicles and motorcycles, transport and storage, HoReCa | 20.6 | 0.1 | 0.0 | 1350 | 26.2% |
| Information and communications | 7.3 | 2.9 | 0.2 | 237.6 | 4.6% |
| Financial intermediation and insurance | 3.5 | -0.6 | 0.0 | 81,5 | 1.6% |
| Real estate transactions | 7.2 | 0 | 0.0 | 16,7 | 0.3% |
| Professional/ scientific / technical activities; administrative and support service activities | 8.2 | -3.7 | -0.3 | 485.9 | 9.4% |
| Public administration/defense/ social insurance/ education/ health | 13.1 | -0.1 | 0.0 | 1021.2 | 19.8% |
| Arts, entertainment and recreation activities and other services | 3.4 | 0.8 | 0.0 | 122.9 | 2.4% |
| Gross value added – total | 89.9 | 0.6 | 0.5 | 5149.8 | 100.0% |
| Net taxes on products | 10.1 | 2.9 | 0.3 | - | - |
| GDP | 100 | | 0.9 | - | - |

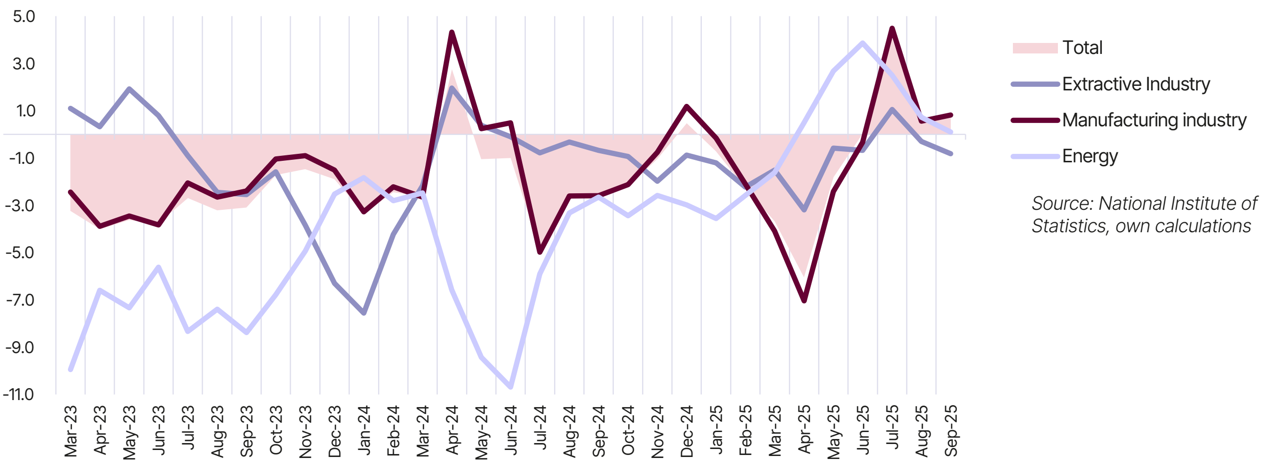
*Source: NIS, note: for GDP estimates, the preliminary data (first estimates) were used*

## Construction dynamics (%YoY), 3M Rolling Average




**The construction sector** was the main driver of economic growth in the first nine months of 2025, with the volume of construction works rising by 9.3% compared with the same period in 2024. Notable monthly surges were recorded in January and July 2025. Overall, activity in the first three quarters was driven by a **9.3% increase in engineering works** – reflecting the strong pace of **major national infrastructure projects** – alongside robust growth in **residential construction** (+11.3%) and **non-residential construction** (+8.1%). According to the NCSP Autumn Forecast, the sector is expected to achieve an **annual increase of 7.6% in 2025**, reversing the 2.8% decline recorded in 2024.

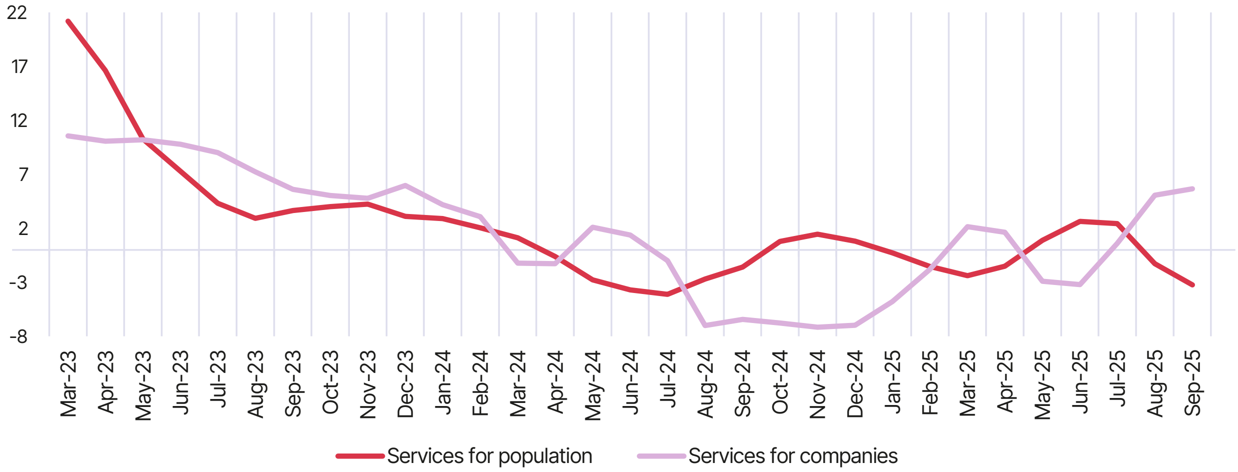
## Industrial production (%, YoY), 3M Rolling Average




**Industrial production decreased by 1% in the first nine months** of 2025, driven by d**eclines in both the manufacturing industry (-1.3%) and the extractive industry (-1.0%)**. In contrast, the **production of energy products rose by 0.5%**. Romania's industrial performance has been weighed down in recent years by **weak external demand**, particularly from key export markets such as Germany. Despite Germany's more positive economic developments in 2025, it has faced significant challenges over the past two years.

In addition to elevated international competition (especially from non-EU trade partners), **domestic competitiveness has eroded on the backdrop of rising production costs**, which continue to strain industrial output. After nearly uniform negative dynamics across industrial sectors (extractive, manufacturing and energy) between January and April 2025, production saw increases in the subsequent months, except for August. Overall, the industrial sector is projected to contract by 0.1% in 2025, a milder decline than in 2024, according to the Autumn Forecast of NCSP, which means that improvements are expected in the last months of this year.

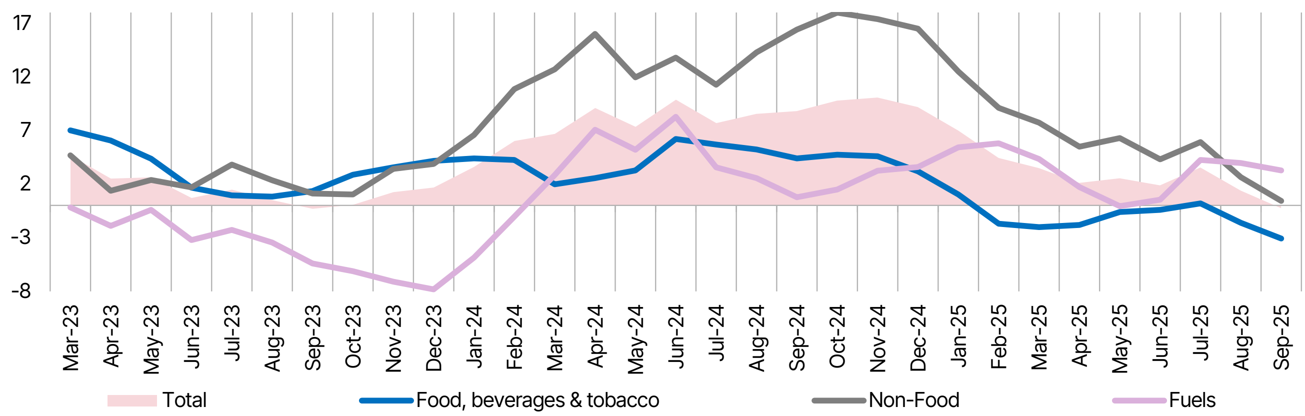
## Services Dynamics (%, YoY), 3M Rolling Average




*Source: National Institute of Statistics, own calculations*

**The turnover of market services provided to enterprises increased by 1.3%** in the first 3 quarters of 2025, compared to the same period of 2024, by higher activity in communications (+4.1%), other services primarily provided to enterprises (+2.0%), information technology and computer services (+1.5%), and transport services (+0.1%). In contrast, activities related to film, video, and television production, broadcasting and transmission recorded a decline of 18.1%.
On the other hand, **the volume of market services provided for population decreased by 1.1%** between January and September, driven by lower turnover in travel agency and tour operator activities (-15.0%), gambling and other recreational activities (-3.4%), laundry and dry-cleaning services (-1.1%), and hotel and restaurant activities (-0.4%). In contrast, hairdressing and other beauty services recorded an increase of 11.1%.
For the whole 2025, the **NCSP forecasts an overall decrease of 0.1% for the services sector**.

## Retail Dynamics (%YoY), 3M Rolling Average




*Source: National Institute of Statistics, own calculations*

The **volume of retail trade turnover** (excluding motor vehicles and motorcycles), **increased by 1%** in the period January–October 2025, compared with the same interval in 2024. This growth was supported by **higher sales of non-food products** (+3.2%) and **automotive fuels** (+1.9%). On the other hand, s**ales of food, beverages, and tobacco declined by 2.4%** in the first the months of 2025, YoY.

# Labor Market Evolutions

## Macroeconomic Insights
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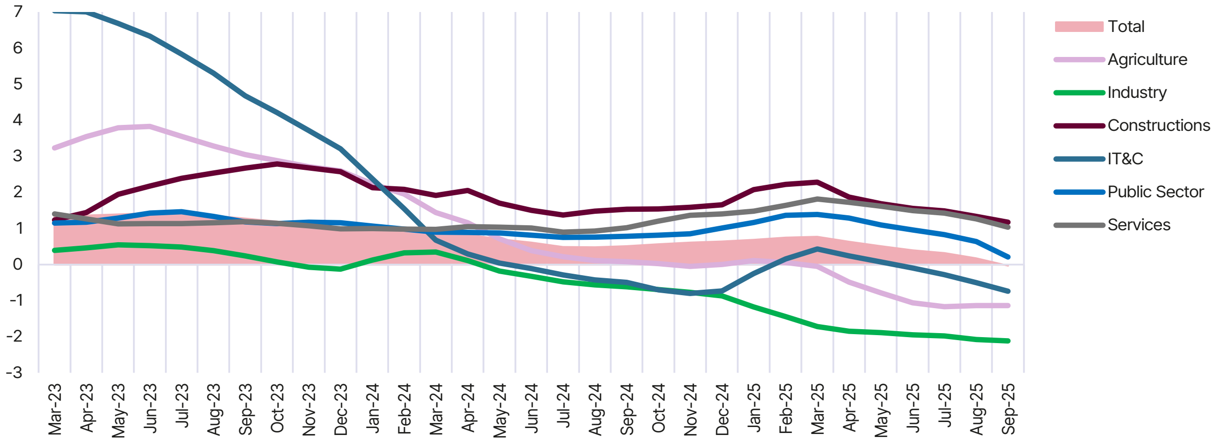
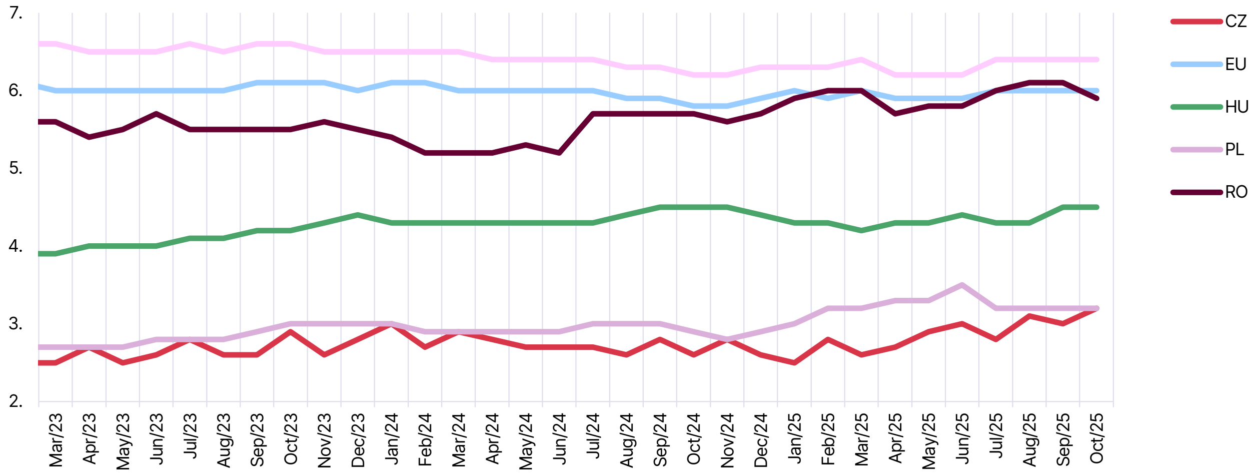
## No. of employees (% YoY), 3M Rolling Average




*Source: National Institute of Statistics, own calculations*

In September, the dynamics in the **total number of employees turned negative** after several months of slight marginal increases, reflecting declines in industry (-2%), agriculture (-1%), IT&C (-0.8%), and even the public sector (-0.4%) compared with September 2024. Notably, the public sector workforce posted a negative annual change in September after a long period of year-on-year growth. The only sectors that recorded an **increase in employment were construction and services, up by 1% and 0.8%** respectively in September 2025 versus September 2024.

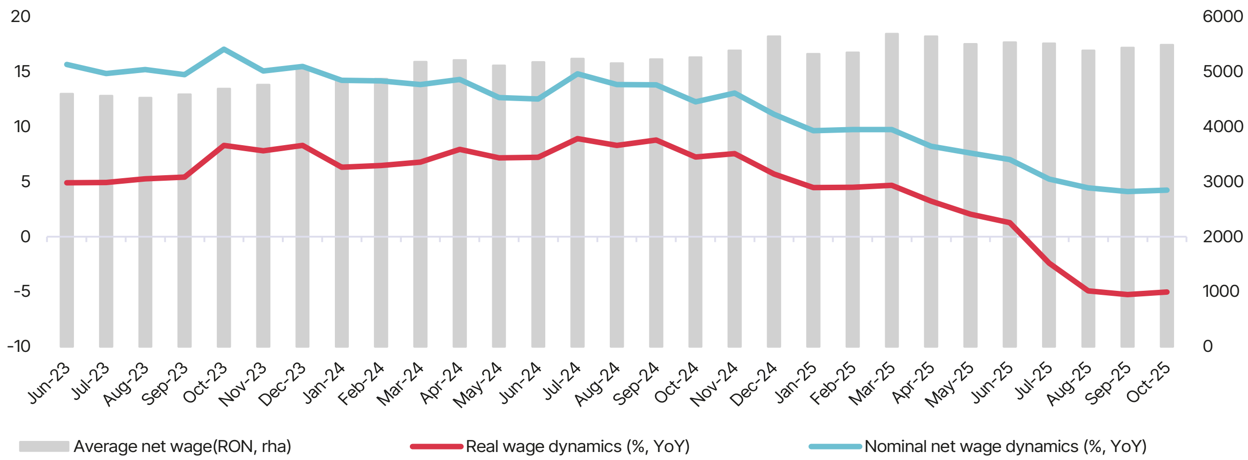
## Unemployment rate - EU, RO and peers (%, SA)




*Source: National Institute of Statistics, own calculations*

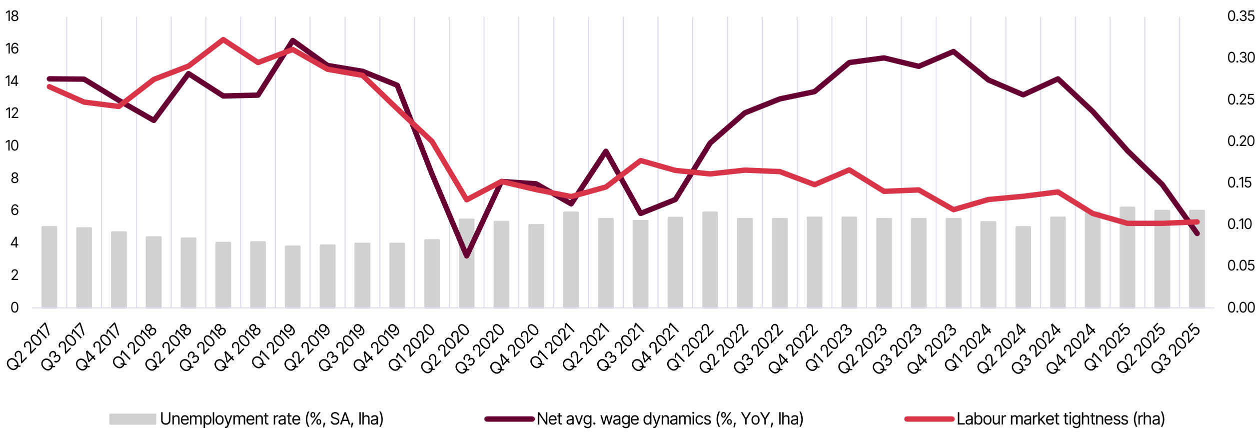
After a slight increase of over 6% in August and September, the **unemployment rate recorded a marginal decrease to 5.9% in October**. According to the European Commission Autumn Forecast for Romania, the unemployment rate should remain around 6% for this year and  decrease to 5,8% in 2026.
Romania continues to register the highest unemployment rate in the region, yet it remains slightly below the EU and Euro Area averages. It is worth noting, however, that youth unemployment (15-24 years) is among the highest in the EU, increased to almost 27% in Q3, according to NIS data - significantly above the EU average of roughly 15%.

## Wage dynamics




*Source: National Institute of Statistics, own calculations*

## Wage dynamics and Labour Market Tightness




*Source: National Institute of Statistics, own calculations*

The **overall average nominal wage in the economy increased by 7%** in the first nine months of the year, as compared to the similar interval of 2024, with a minimum of 5328 RON in January and a maximum of 5691 RON in March.

The **dynamic of the real wage has been on a declining trajectory and entered the negative territory in July**, reflecting the decrease in the purchasing power, on the backdrop of larger increases of prices compared to the dynamics of the nominal wages. In the interval August – October, the average real wage in the economy recorded monthly decreases of around 5%, given increases in the nominal wage around 4% and the inflation rate, that stood at around 10%.

Since the beginning of the year, the **labor market tightness stood at the lowest level after the Covid pandemic**, given that the job vacancy rate declined to around 0.6% in the first three quarters, while the **unemployment rate recorded marginal fluctuations around 6%**.

# Inflation and Main Price Dynamics

**Macroeconomic Insights**

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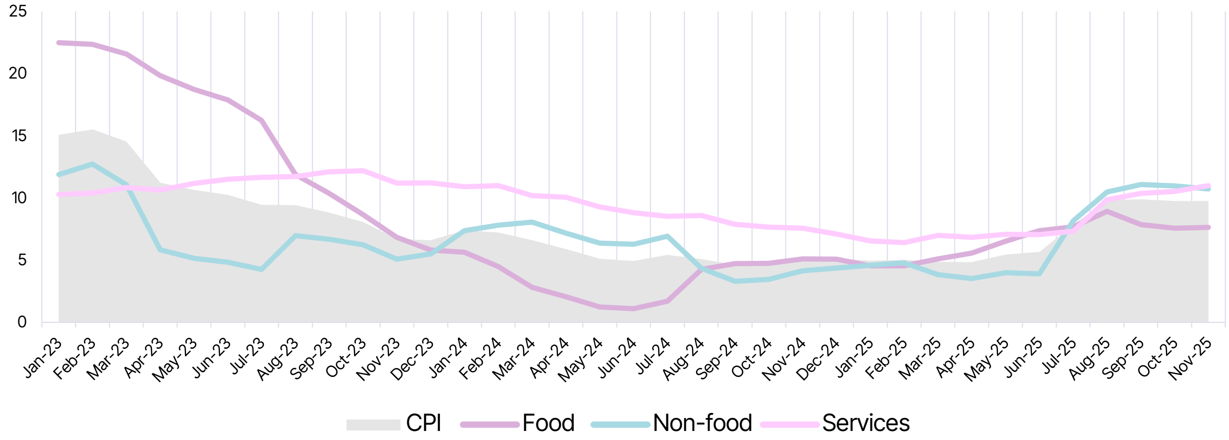
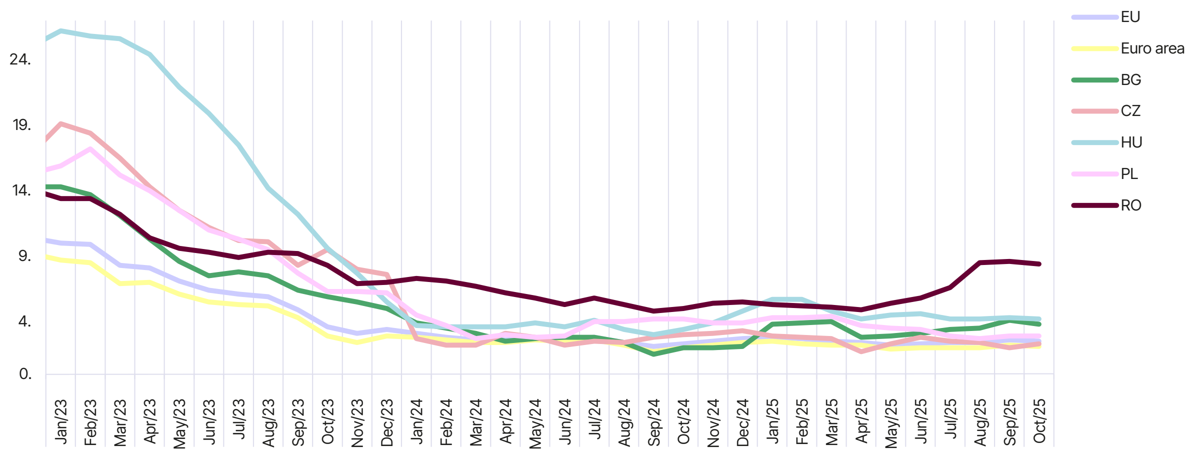
## Inflation dynamics (%)




*Source: National Institute of Statistics, own calculations*

The annual inflation rate stood around 9.8% between August and November 2025, following spikes due to the **removal of the energy price cap** effective July 1st, as well as the **increase in indirect taxation** as of August 1st (increase of excise duties and the standard VAT rate from 19% to 21%, as well as the narrowing of the applicability of reduced VAT rates). Food prices increased less than the overall inflation rate, while prices for non-food products and services have reported a slightly higher dynamic. The price of electricity increased by more than 60-70% in the last months (YoY, compared to the same months in 2024), while other important price increases have been reported for rail transport, fruits, coffee, and medical and aesthetic services.

## HICP Inflation rate - %, y/y




*Source: National Institute of Statistics, own calculations*

The Central Bank projects the inflation rate to reach 9.6% by the end of this year. In the following year, disinflationary effects from fiscal consolidation are expected to help reduce inflation, although challenges remain related to the planned removal of the natural gas price cap. According to NBR projections, the inflation rate is anticipated to decline to 3.7% by the end of 2027 and to enter the target range in Q1 2027. **Romania continues to record the highest inflation in the EU (8.4% compared to 2.5% the EU average).** This gap can be attributed not only to one-off factors, such as the removal of the energy price cap, but also to persistently strong domestic demand driven by substantial fiscal deficits. In this environment, fiscal dominance limits or restricts the central bank's capacity to implement effective monetary policy.

# Twin Deficits

## Macroeconomic Insights
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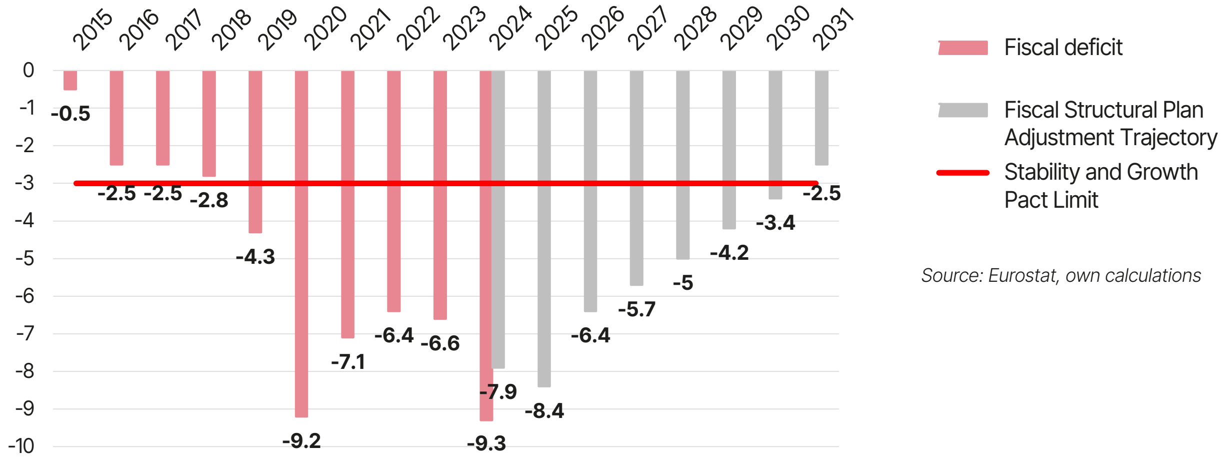
Under the combined impact of fiscal consolidation measures and inflationary pressures, **weaker domestic demand contributed to a moderation in the growth of the current account deficit during the first ten months of 2025.** These factors are expected to continue to weigh on both private and public consumption in 2026, thereby helping to contain import growth, while exports are projected to remain resilient. As a result, **the positive contribution of net exports to economic growth observed in the third quarter of 2025 is expected to persist.**

## Fiscal deficit (%GDP)



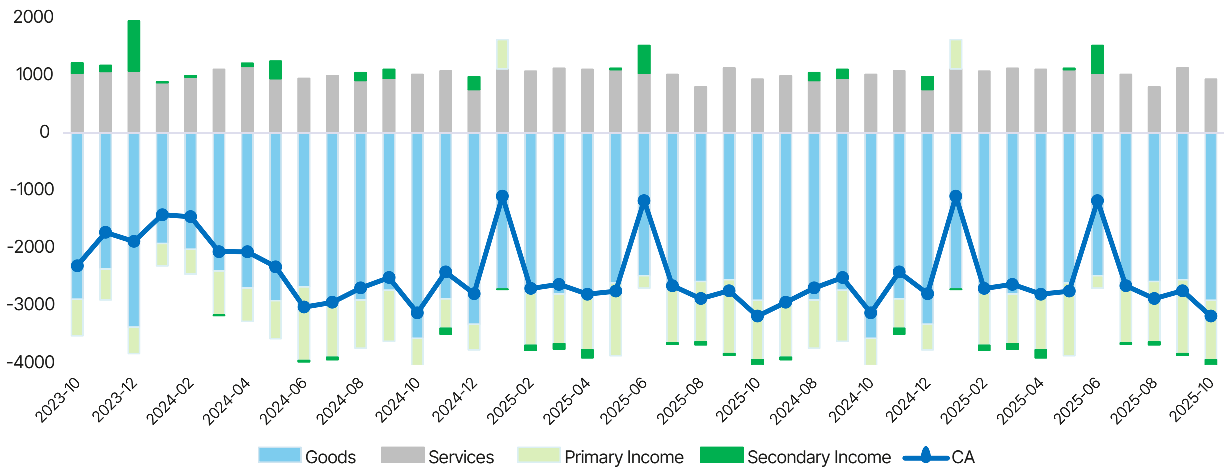

*Source: Eurostat, own calculations*

The **budget deficit reached 6.4% of GDP in the first eleven months of 2025** (RON 121.7 billion, cash basis), reflecting a **fiscal adjustment of 0.7 percentage points of GDP compared with the same period in 2024**.
In nominal terms, the deficit declined by 3.1%, as **budget revenues increased by 13%** to nearly RON 592 billion (a gain of 1.4 percentage points of GDP), while **expenditure rose by 9.8%** to RON 713 billion (an increase of 0.7 percentage points of GDP).

On the **revenue** side, **the main drivers of growth were personal income taxes and social security contributions**, which added 0.27 percentage points and 0.21 percentage points of GDP, respectively. Corporate income taxes also contributed positively, generating additional revenues of 0.12 percentage points of GDP. The increase in personal income tax revenues was supported by a **sharp rise in revenues from dividend taxation (+72%)**, as well as by the **removal of tax exemptions for employees in certain sectors – namely construction, agriculture, the food industry, and IT&C** – which is also reflected in higher social security contributions.
Moreover, against the backdrop of the VAT increase that came into effect on August 1, VAT revenues contributed an additional 0.19 percentage points of GDP to total revenues. However, it remains to be seen whether the measures implemented by the Ministry of Finance and ANAF to curb tax evasion have been effective, or the increase comes solely from the increase in the VAT rate from 19% to 21%, and the narrowing of the scope of reduced VAT rates.
Another important aspect worth noting is that the European funds received by Romania between January and November contributed 0.76 percentage points to the increase in total revenues (being offset by corresponding expenditures).

On the **expenditure** side, developments regarding personnel expenditures and subsidies point to an **adjustment in spending dynamics. Personnel expenditures amounted to 8.1% of GDP, 0.3 percentage points of GDP lower than in the same period of 2024**, reflecting reductions in certain allowances for specific categories of public-sector employees, as well as the implementation of measures aimed at containing wage spending in 2025. Moreover, **subsidies[1] declined by 31% (-0.33 pp of GDP)**.
On the other hand, we also see a nominal **increase of 11.7% in social assistance spending, driven mainly by pension recalculations** in line with the new legislation, which added 0.42 percentage points of GDP to total expenditures. Another notable development was the sharp rise in **interest payments, which increased by 38%** YoY. This translated into a 0.56 percentage point increase as a share of GDP, from 2.0% in the same period last year to 2.56%, reflecting both public debt rollovers and higher borrowing costs. Also, expenditures on goods and services rose by 4.7% in nominal terms; however, their share of GDP declined by 0.14 percentage points.

## Monthly Dynamics of the Current Account: Structure (mil. euro)

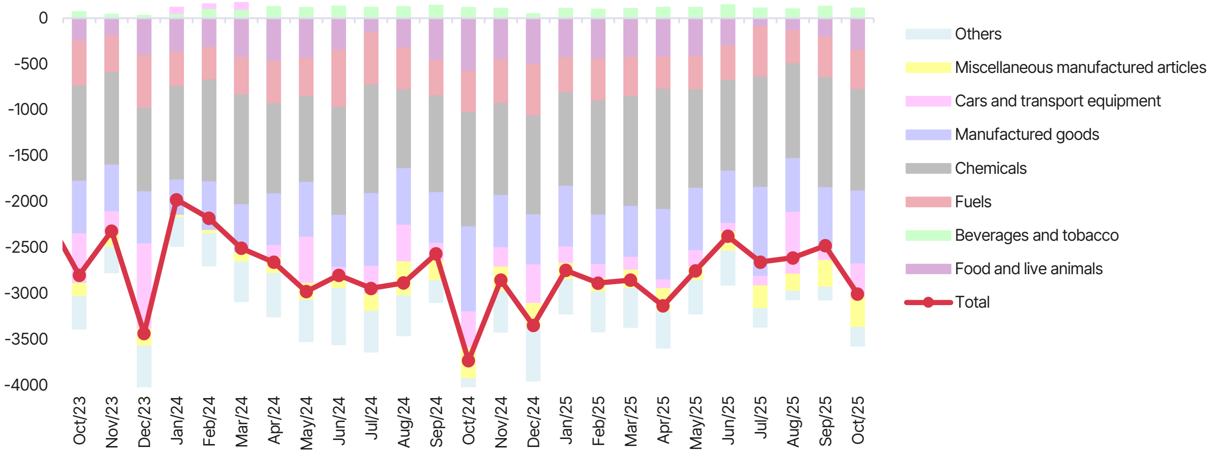



*Source: Eurostat, own calculations*

By the end of October, the **current account deficit amounted to €24.6 billion, representing a 4% increase compared with the same period in 2024** (following a year-on-year rise of 19% at mid-year). The trade deficit recorded only a marginal increase, while the surplus in the services sector expanded by 5.7%. By contrast, negative contributions came from primary income, whose deficit widened by 11%, mainly due to higher outflows of investment income, as well as from secondary income, which shifted to a slight deficit after posting a surplus in the first ten months of 2024, against the backdrop of significantly lower inflows from other sectors' operations. The European Commission has forecasted a current account deficit of 7.9% of GDP for the whole 2025, followed by an adjustment to 6.4% in 2026.
**Net foreign direct investment (FDI) inflows rose by 41% year over year,** reaching EUR 6.8 billion in the first 10 months of 2025. Slightly over 50% of the **current account deficit is financed through stable, non-debt-generating sources (FDIs and capital transfers)**, also supported by a **84% surge in capital transfers** compared to the same period last year.

[1] for transport, agriculture and compensation scheme for electricity and natural gas consumption by non-household consumers

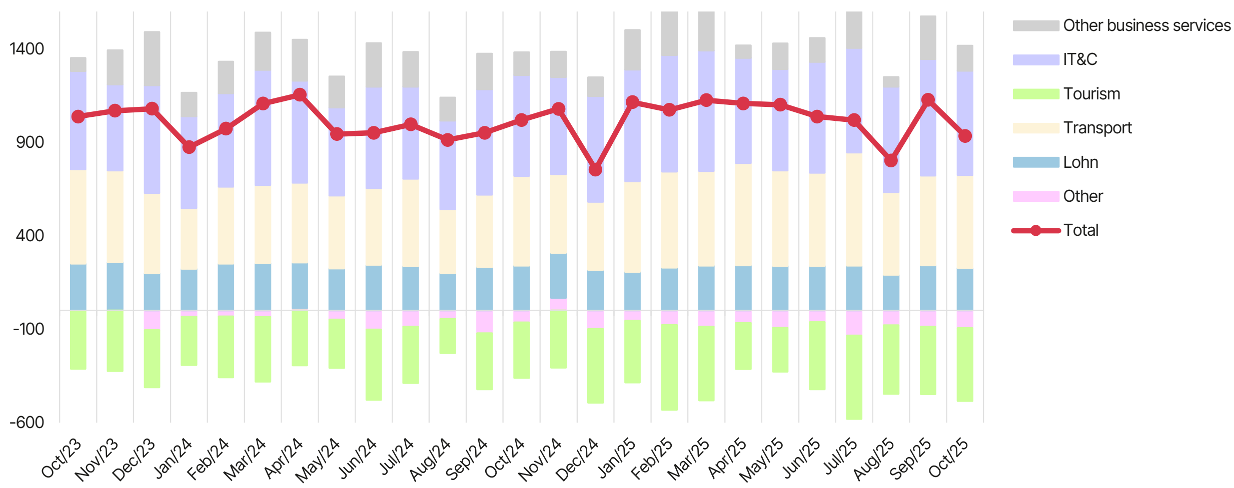
## Goods: Structure (mil. euro)




*Source: National Institute of Statistics, own calculations*

**The trade deficit increased by only 1% in the first ten months of 2025 compared with the same period in 2024**, in nominal terms (according to NIS data). Favorable developments were recorded in the trade with **food and live animals, where the deficit narrowed by 16.5%**, as well as in **fuels (–8.5%)**, while the **surplus in crude materials tripled. By contrast, widening deficits were observed in manufactured goods (+12%)** and **miscellaneous manufactured articles (+22%).** Taken together, these categories accounted for around one third of the total trade deficit. Additional pressures stemmed from **larger negative balances in trade in machinery and transport equipment (+14%) and chemicals (+5.7%).**

## Services: Structure (mil. euro)




*Source: National Bank of Romania, own calculations*

The **services sector surplus continued to record positive nominal growth (+5.7% compared with January–October 2024)**, driven mainly by **transport services (+25%)** and **IT&C services (+12%)**. By contrast, the surplus generated by lohn production–related services declined by 2.3% year on year in nominal terms.
**Tourism services continued to post a negative contribution, with the deficit widening by 22% YoY.** Additionally, the surplus of other business services contracted by 7.4%, while the deficit in financial services increased sharply—more than quadrupling to EUR 403 million.

# Financial Markets

## Macroeconomic Insights
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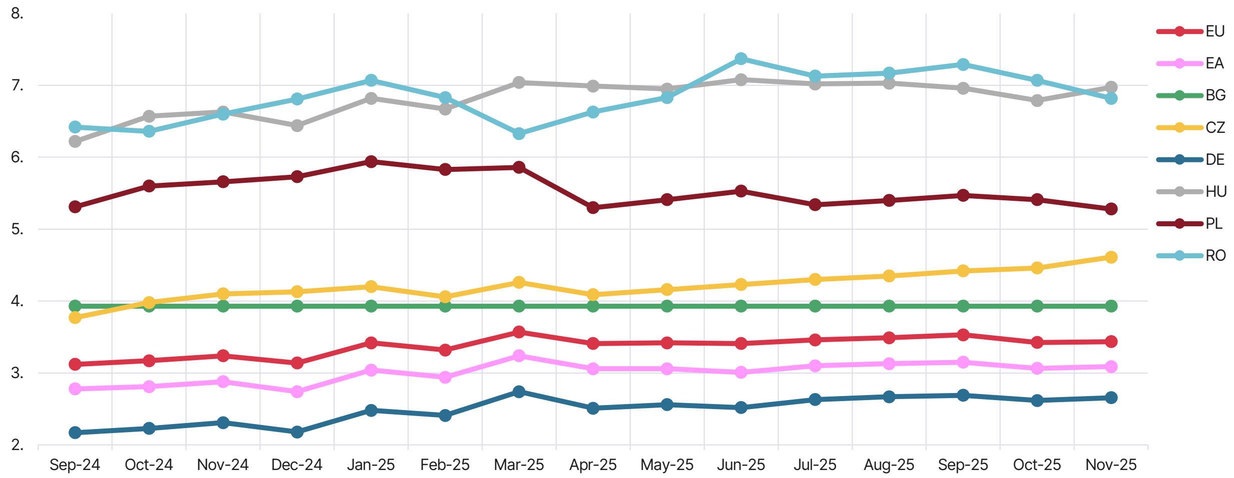
In 2025 Romania's financial markets demonstrated resilience and growth amid a challenging economic backdrop. Improved fiscal discipline and stronger public revenues helped ease risk perceptions and government borrowing costs, while bank credit and deposits continued expanding, supported largely by household activity. On the capital markets, the Bucharest Stock Exchange delivered a standout performance, emerging as one of Europe's best performing exchanges. Despite this strong equity rally, overall liquidity and market depth remained constrained relative to larger regional peers, highlighting ongoing structural limitations derived from a limited supply.

## Long term Gvt Bond Yields (%, monthly average)

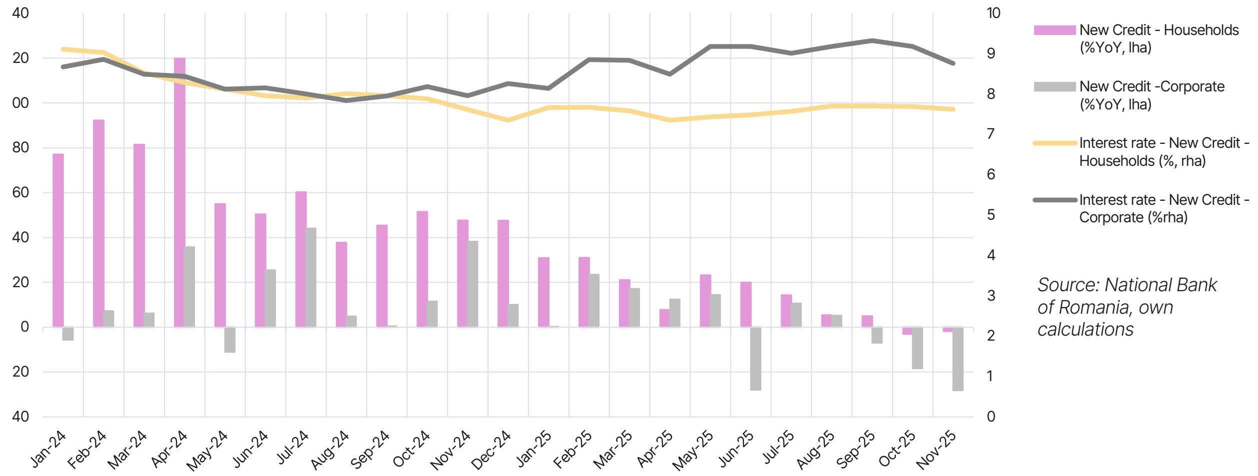



*Source: National Bank of Romania, own calculations*

Given the relatively favorable developments in the budget deficit, supported by the measures implemented and higher tax revenues, **Romania's risk profile has improved**. This improvement has been reflected in **lower interest rates paid by the Government** on long-term government bonds. Long term Government bonds yields decreased for two consecutive months and reached 6.8% in November, a level similar to that recorded at the end of 2024.

However, these yields remain significantly higher than those of peers such as Poland and Bulgaria, and Romania will need to s**ustain fiscal consolidation in the coming years** to align the deficit with the targets set out in the Medium - Term Fiscal Structural Plan, which envisages a deficit below the 3% target only late in 2031.

## New Credit in RON: Monthly Dynamics and Interest Rates

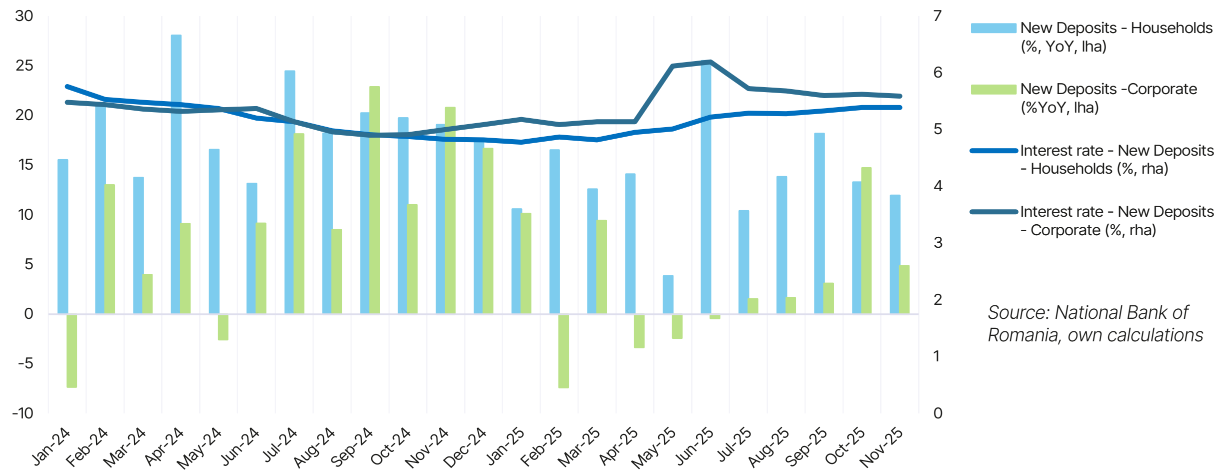



*Source: National Bank of Romania, own calculations*

**New RON credit** rose by nearly **8%** in January–November 2025 compared with the same period in 2024, showing mixed trends across households and businesses. New credit to households increased by almost **13% year-on-year**, while credit to businesses declined by **2.6%**, largely due to sharp reductions in June (–28%) and between September and November (–7%, –18%, and –28%, respectively).

**Interest rates** on new household loans remained relatively stable in 2025, around **7.6%**, with a slight dip in **April and May (≈7.4%)**. In contrast, rates on business loans were more volatile, starting at **8.1% in January**, rising to 9.3% in September, and then declining to 8.76% in November.

## New Deposits in RON: Monthly Dynamics and Interest Rates

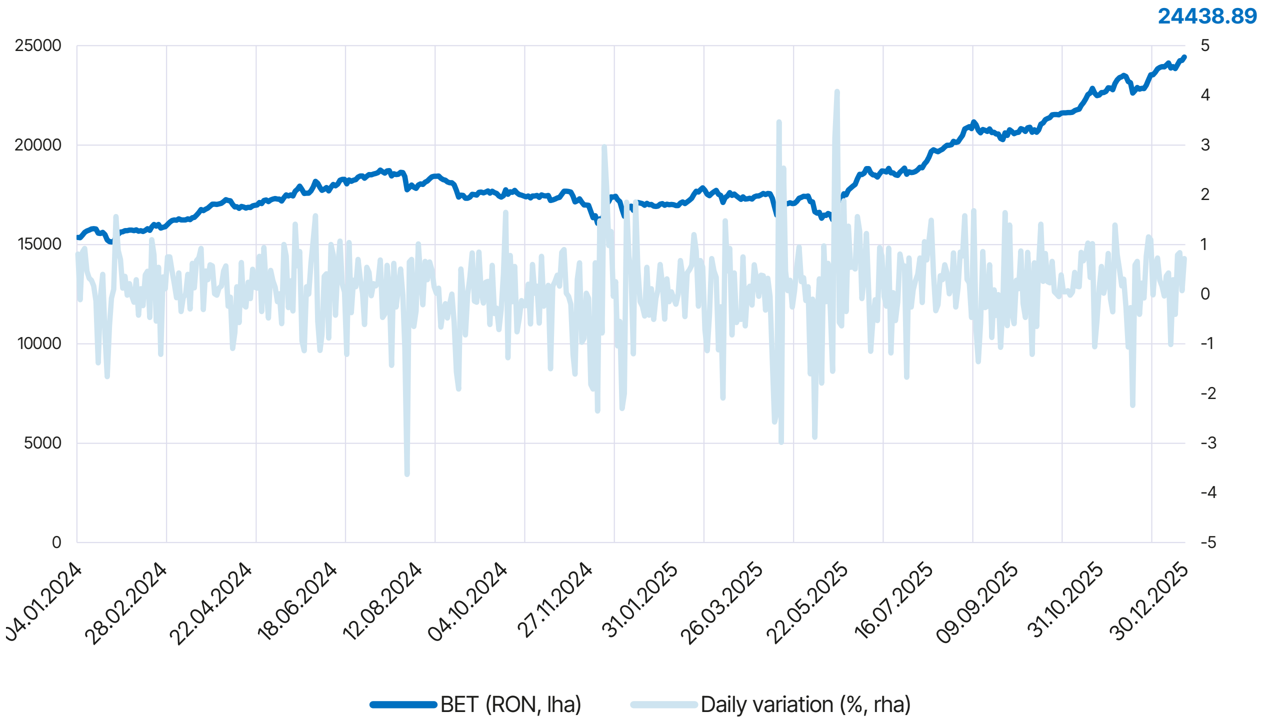



*Source: National Bank of Romania, own calculations*

**New RON deposits** recorded an overall **6% year-on-year increase** in the first eleven months of 2025. Growth was stronger in the household segment, which rose **13.5%**, generally posting **double-digit monthly gains** compared with the same periods in 2024. Corporate deposits showed negative dynamics in several months, but these were offset by strong growth in **March (+9.4%)** and **October (+14.7%).**

**Interest rates** on new household deposits gradually increased from below **5%** in the early months of 2025 to nearly 5.4% in October and November. **For businesses, deposit interest rates rose from around 5.1%** at the start of the year to **6.1–6.2%** by mid-2025, before gradually declining to **5.6% in November.**

## Dynamics of BET Index




*Source: Bucharest Stock Exchange, own calculations*

**In 2025, the Bucharest Stock Exchange (BSE) posted one of its best annual performances in recent history.** The BET index closed 2025 at 24438.89 points, **up 46% compared to the value at the end of 2024**, while the BET-TR total-return index rose 55%, reflecting strong gains including dividends. This performance placed Bucharest **fourth among European markets**[2], slightly ahead of Vienna and Warsaw stock exchanges (which increased by around 45%), and well above major Western European markets such as London Stock Exchange (FTSE 100 up by 25%), Frankfurt Stock Exchange (DAX increased by 23%), or Paris (CAC 40 grew by 11%).

Despite these impressive returns, Romania's standing among regional capital markets remains limited due to its relatively small market capitalization, which at the end of 2025 amounted to **523.1 billion lei** (approximately **€104.6 billion**). Trading activity also remains modest compared with regional peers. In 2025, the **average daily turnover on the BVB** was around **68 million RON (≈€13.5 million)**, increasing by 3.3% compared to the previous year. For comparison, the Warsaw Stock Exchange recorded daily trades between €400 - 500 million.

However, 2025 saw significant spikes in government bond trading, reflecting elevated issuance volumes to finance the budget deficit. **The average daily turnover for bonds** increased by nearly **40% compared to 2024**, reaching **103 million RON** (approximately €20 million).

[2] The top 3 best performing markets were Czech Republic (Prague Stock Exchange up by 52%), Slovenia (Ljubljana Stock Exchange grew by 50%) and Spain (Spanish IBEX 35 increased by 49%).

# Structural Funds

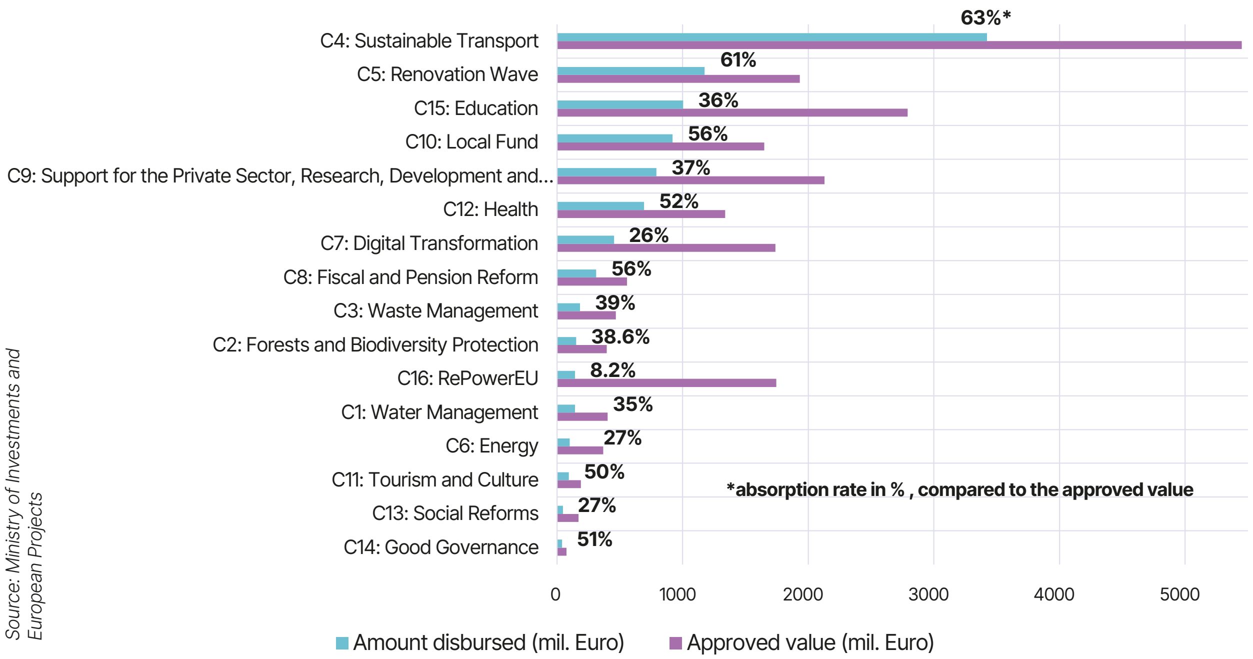
## Macroeconomic Insights
January 2026

## Absorption Status and Challenges

**As of November 2025, total payments made by Romania for the implementation of the National Recovery and Resilience Plan (NRRP) amounted to €9.67 billion, representing 45% of the total approved NRRP funding. Slightly more than half of this amount (€4.97 billion) corresponds to loans, while the remaining €4.7 billion represents grants. Overall, Romania has received a total of €10.7 billion from the European Union under the NRRP framework, comprising both pre-financing and disbursements related to the first three payment requests.**

Given the low absorption rate just nine months before the NRRP deadline of 31 August 2026, Romania faces significant challenges in fully implementing its NRRP projects. To address these challenges and streamline fund absorption, the Government renegotiated and submitted a revised version of the NRRP to the European Commission in September 2025. As part of this renegotiation, several projects originally planned under the loan component were shifted to the grant component to maximize non-reimbursable funding and ensure timely implementation by the 2026 deadline. Key transfers include €2.15 billion for five sections of the Moldova A7 Motorway, funding for three additional hospitals (€260 million) alongside existing hospital projects, and allocations for water and sewer networks (€400 million), among other investments. These adjustments secure full utilization of the plan's grant envelope while reducing reliance on loans.

## NRRP Payments by Component




Regarding the structure of funds absorbed under the NRRP on Components, **Component 4 - Sustainable Transport** accounts for the largest share, representing **35.4% of the total amount**, with an absorption rate of **63%**. This is followed by the **Renovation Wave**, which represents **12%** of total absorbed funds, and by **Education and the Local Fund,** each accounting for approximately **10%. Support for the Private Sector, Research, Development and Innovation and Health** represent **8.2%** and **7.2%**, respectively. The remaining components each account for less than 5% of the total value of NRRP payments.

Concerning the absorption of European Union funds under the **Cohesion Policy** for the **2021–2027 programming period**, an even lower absorption rate is reported, of only **19%**. Romania has attracted **€6.9 billion** out of the total €30.9 billion available for this period, while actual payments received from the European Union are even lower, amounting to only €5.9 billion.

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