

Romania

1. Covid-19 Pandemic and National Recovery and Resilience Plans

Question 1	Based on early indications, how satisfied or dissatisfied are you with the way your country has started implementing the national recovery and resilience plan?	Dissatisfied
Question 2	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Dissatisfied
Question 3	How confident are you that the European Commission will enforce strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident
Question 4	How do you judge the overall economic policy response in your country over the past 24 months to the COVID-19 recession? (e.g. furlough schemes, tax deferrals, state aid schemes)	Fair
Question 5	How do you judge the overall economic policy response from the European Union over the past 24 months to the COVID-19 recession? (e.g. SURE, Recovery and Resilience Facility, single market)	Very Good
Question 6	To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to your national economy?	To some extent
Question 7	To what extent has the COVID-19 pandemic and recession led to scarring i.e. permanent structural damage to the EU27 economy?	To a small Extent
Question 8	More specifically, how much lower do you expect GDP in your country to be in 2025 than would have been the case without the crisis?	GDP in 2025 expected to be 8% lower than what would have been the case without the pandemic

2. Assessment of Country Specific recommendations 2020-2021 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue fiscal policies in line with the Council’s recommendation of 3 April 2020 ¹ , while taking all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. Avoid the implementation of permanent measures that would endanger fiscal sustainability. Strengthen the resilience of the health system, including in the areas of health workers and medical products, and improve access to health services.	Extremely important	Unsatisfactory	The Government is not taking the necessary steps for reaching fiscal sustainability in the mid-term. Romania continues to have one of the biggest VAT gaps in the EU, an important amount of workers are remunerated in the grey and black areas of the economy. The resilience of the healthcare sector has not improved.
CSR 2	Provide adequate income replacement and extend social protection measures and access to essential services for all. Mitigate the employment impact of the crisis by developing flexible working arrangements and activation measures. Strengthen skills and digital learning and ensure equal access to education.	Extremely important	Satisfactory	

¹ OJ C 116, 8.4.2020, p. 1–3.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Ensure liquidity support to the economy benefitting businesses and households, particularly small and medium-sized enterprises and the self-employed. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on sustainable transport, digital service infrastructure, clean and efficient production and use of energy and environmental infrastructure, including in the coal regions.	Extremely important	Unsatisfactory	
CSR 4	Improve the quality and effectiveness of public administration and the predictability of decision-making, including through an adequate involvement of social partners.	Extremely important	No progress	The quality of public administration is actually decreasing and digitalization efforts are too slow. There is no predictability in the decision making process and the speed of decisions and the high use of emergency ordinances makes it very difficult to have a meaningful conversation with the government. The fragmented nature of the Romanian business community is also a problem.

3. Reform Progress in your Member State in 2020 & 2021

How would you assess reform progress in 2020 & 2021, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	No progress
Access to finance and Financial stability	Unsatisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2022 Reform Barometer?

Romania must quickly take steps to increase the added value of its economy and move higher in the global value chain. We have too many industries that are low value which means both low salaries and low tax revenues.

4. Reform priorities for 2022

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Quality of fiscal institutions and budgetary framework	Romania needs to improve tax collection and digitalize its fiscal administration	Yes
Priority 2	Active labour market policies	Romania needs to drastically increase its supply of labour as we are facing a growing deficit	Yes
Priority 3	Public sector efficiency	The Romanian public administration is not digitalized and does not make proper use of digital tools	Yes
Priority 4	Public investment	Romania needs to improve the quality of public investment. Too much money is wasted due to corruption and allocation without prioritization.	No
Priority 5	ICT	The sector is facing a huge deficit in skilled people. If it is not addressed in the next 2-3 years it will completely stall the development of the sector which will lose competitiveness	No