Romania

1. EU Competitiveness

Question 1	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
Question 2	In light of the legislative changes introduced and implemented by the European Commission, how would you evaluate the evolution of administrative burden compared to a year ago?	Unchanged
Question 3	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
Question 4	What does your federation see as the three main challenges threatening the attractiveness of the EU as an investment environment vis-a-vis international competitors?	1. Quality of human capital 2. Innovation capacity 3. Energy prices

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2. National Recovery and Resilience Plans

Question 8	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Neutral
Question 9	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 10	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

3. Assessment of Country Specific recommendations 2023 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR **1**	Pursue fiscal policies in line with the Council Recommendation of 18 June 2021 with a view to bringing an end to the situation of an excessive government deficit in Romania by 2024, and to strengthening Romania's external position. Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that such support measures are targeted at protecting vulnerable households and firms, are fiscally affordable and preserve incentives for energy savings. Preserve nationally financed public investment and ensure the effective absorption of grants under the Facility and of other Union funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position	Extremely important	Unsatisfactory	The fiscal measures implemented by the government in 2023 had repercussions on fiscal predictability, placing heightened pressure on the private sector. Despite widespread criticism from social dialogue partners, certain specific measures, such as the minimum turnover tax, were nevertheless adopted.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR **2**	Ensure effective governance and strengthen the administrative capacity in order to allow for a continued swift and steady implementation of the recovery and resilience plan. Swiftly finalise the REPowerEU chapter with a view to rapidly starting the implementation thereof. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.	Important	Mixed	Progress has been slow and both NRRP and REPowerEU suffered delays.
CSR **3**	Reduce reliance on fossil fuels and accelerate the energy transition, in particular by deploying renewable energy faster and improving grid capacity in order to allow new capacity to operate in the market. Increase energy efficiency and the ambition of building renovation efforts, including by providing better access to information and sustainable finance options. Step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.	Important	Mixed	Administrative barriers for renewables project implementation remain hight and the capacity is limited due to limited network capacity and lor resilience. The implementation of programs for buildings energy efficiency is limited in impact. There are no significant initiatives related to green skills.

4. Reform Progress in your Member State in 2023

How would you assess reform progress in 2023, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2024 Reform Barometer?

The minimum turnover tax that came into force from January 1 2024 (with general effect and the special minimum turnover tax applied to credit institutions and companies carrying out activities in the oil and gas sector) is expected to produce economic effects as soon as 2024. Business sector organisations have warned that this tax is not justified and should be repelled.

5. Reform priorities for 2024

	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	Realistic budget estimates: the government should rely on realistic estimates for both revenue and expenditure in building the 2024 budget, avoiding undue optimism that can affect fiscal stability. More efficient collection and fight against evasion: The government should step up efforts to make tax collection more efficient and fight evasion to ensure sustainable revenues, thereby reducing the risk of a significant budget deficit and steep adjustment measures. Public consultation and transparency: The government should expand and improve the public consultation process, ensuring greater transparency on budgetary data and estimates, thus giving stakeholders more time for analysis and input. Romania needs to make the transition from historical (line-item) budgeting to public finance management, which involves allocating money on the basis of objectives and priorities and the public policies envisaged. This change is necessary also in the process of joining the OECD, which requires much more modern standards of transparency and budget construction. Budget construction can no longer be a simple division of the budget between central and local or between ministries and various institutions.	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 2	Active labour market policies	Concordia's recommendations in relation to the labour market target key areas: 1. Implement an integrated approach to managing demographic and economic imbalances in the labour market. 2.Reduce inactivity, particularly targeting NEETs 3. Support and encourage upskilling and reskilling, large scale adoption of digital and green skills. 4. Stimulating internal mobility and streamline the process for non-EU inflows of workers. 5. Improve data collection and availability on labour market and connected topics and improve interventions of PES.	yes
Priority 3	Tax reforms	*Multiannual predictability and respect for social dialogue in relation to the tax system. *Reducing the tax burden on labour can significantly temper the phenomenon of undeclared work and at the same time an increase in net wages without affecting total costs and thus the competitiveness of companies.	no

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 4	Wage bargaining and wage-setting policies	The minimum wage serves as a tool for social policy rather than fiscal policy. It must not be used as a means of securing additional revenue to the state budget or used as a counterbalance to fiscal policies. A predictable and objective mechanism should be implemented.	yes
Priority 5	Consolidation of public expenditures	Increase efficiency of state spending and public institutions. Promote an efficient public administration with a qualitative approach to service and policy delivery.	yes

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