

ROMANIA

Booms and peaks are the terms describing Romanian's economy during the last five years. The path towards sustainable growth started in 2006 with full capital liberalisation in place and a significant increase in foreign direct investment net flows has continued in 2007 with Romanian joining the EU. The economy registered a real GDP growth of 6.3% in the same year and of 7.3 % in 2008, the highest in EU, underpinned by domestic investments and credit-based consumption.

In 2008, the country picked investors interest mainly in retail and real estate, the areas where most of the EUR 9,496 million FDI net flows were directed. The construction sector, estimated at EUR 23 bn, reported the highest increase in Europe in 2008, + 30% against 2007. Currently, there is a ongoing debate about the need to establish a reindustrialisation strategy for Romania due to the fact that the industry sector is the main source of labour productivity of a country.

In March 2009, faced with the impact of the economic downturn pressuring in 2009 on the national budget, the government agreed a EUR 12.95 billion stand-by agreement with the International Monetary Fund (IMF) as a part of broader external aid package worth EUR 19.95 billion. As part of the agreement EBRD will invest EUR 1 billion in Romania over 2009 and 2010. In turn, Romania has to apply series of structural reforms.

The first radical step in restructuring the railway institutional system in Romania was the separation of the infrastructure manager, freight and passenger operators in 1998. SNCFR was given a residuary authority status and was divided into 5 independent companies, including: CFR SA (infrastructure manager), CFR Calatori (passenger operator) and CFR Marfa (freight operator).

Romania benefits from EUR 5.7 bn under the Structural and Cohesion Funds until 2013, allocated for the transport sector as specified in the Sectoral Operational Programme - Transport 2007 – 2013. Specifically for railway infrastructure and acquisition of new rolling stock projects, other important sources of financing have been the EBRD (EUR 94.5 million), the EIB (more than EUR 1 billion between 2000 - 2010) and JBIC (over EUR 500 million). Once the pan-European Corridors were

defined, in Romania the main priority in terms of infrastructure has become the reconstruction of the domestic sections of Corridors IV (392 km) and IX (595 km).

In 2006, Romania ranked 3rd among EU 27 in performing tram and metro passenger-km per inhabitant (317). Rail-based public transport covers a network of 896 km (single track), in 13 cities (Arad, Botosani, Braila, Bucharest, Cluj-Napoca, Craiova, Galati, Iasi, Oradea, Ploiesti, Resita, Sibiu, Timisoara). Bucharest is the only city in Romania with an underground transport system.

Background figures in railways (2009):

10,776 km length of lines
4,002 km electrified lines
70,332 x 1 000 passengers carried
6,128,195 x 1 000 passenger-km
50,596 x 1 000 tonnes carried
9,962,972 x 1 000 tonne-kilometres

Economics	2008	2009
GDP (current billions US\$)	200.07	161.11
GDP growth (annual %)	9	-8
Exports of goods and services (% of GDP)	31	33
Imports of goods and services (% of GDP)	44	40
Industry, value added (% of GDP)	25	26

Ease of Doing Business Rank 2010

World	rank 55
Eastern Europe & Central Asia	rank 12

