NATIONAL BANK OF ROMANIA

Romania's Balance of Payments and International Investment Position Annual Report 2024

Romania's Balance of Payments and International Investment Position

Annual Report 2024

NOTES

Romania's Balance of Payments and International Investment Position – Annual Report 2024 was prepared by the Statistics Department based on data available in December 2025.

Some of the statistical data are provisional and will be updated as appropriate in the subsequent publications of the National Bank of Romania. The source of data was indicated only when data were provided by other institutions.

Data series were compiled in compliance with the BPM6 methodology and are available on the National Bank of Romania's website, Statistical section, https://www.bnr.ro/Interactivedatabase-1107.aspx.

The detailed methodology containing definitions, legislation and sources is available on the National Bank of Romania's website under Statistics, Data sets, External Sector or at: https://www.bnr.ro/en/24022-balance-of-payments-methodology.

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I. External environment[1]

The global economy continued to expand in 2024, remaining resilient to geopolitical tensions and the unpredictability of international economic policies. The slower pace of growth, which reached 3.3 percent versus 3.5 percent a year earlier, reflected the widening divergences in terms of dynamics across countries and sectors. The regional trend was consistent with the pattern over the past 25 years that showed stronger growth in emerging markets than in advanced economies. The positive dynamics were chiefly supported by the services sector, whose performance contrasted with that of manufacturing, which was more heavily hit by the still high international energy prices. A number of one-off factors in the geopolitical spectrum, notably associated with the possibility of disruptions to shipping routes and the shift in trade policies, boosted import demand, especially in the first part of the year, causing growth in global trade in goods and services to pick up (to 3.5 percent from 1.0 percent in 2023), after having lost momentum for two years in a row.

In the world economy as a whole, unemployment rate stayed put at the 2023 level of 4.9 percent[2], with employment rate remaining, however, below the pre-pandemic level. Average annual inflation rate[3] went down to 5.2 percent in 2024, from 6.9 percent in 2023, against the backdrop of a decline in international energy and food prices, yet services price pressures partly offset, however, their influence. The average spot price of crude oil[4] fell by 1.8 percent, at a slower pace than in the prior year (-18.5 percent), amid the decline in industrial activity, especially in the advanced economies, the contraction in their demand exceeding the reduction in supply prompted by the conflict in the Middle East and the OPEC decision to cut output. Conversely, commodity prices[5] stood 3.7 percent higher (after shedding 8.1 percent in 2023), as a result of the anticipatory behaviour associated with possible supply-side problems along international production chains.

The US economy, which held 14.8 percent of global GDP[6] in 2024, grew at a similar pace as in the previous year (2.8 percent compared with 2.9 percent in 2023). Economic activity was spurred by robust domestic demand, based on household consumption in particular. Nevertheless, a slight worsening of labour market conditions pushed unemployment rate to 4.0 percent at end-2024, from 3.6 percent at the end of the previous year. In 2024, average annual inflation rate came in at 2.9 percent versus 4.1 percent a year earlier. The federal budget deficit ran at 8.0 percent of GDP, edging up from 7.8 percent in 2023, while the federal debt added 2.5 percentage points to 122.3 percent of GDP. The current account deficit widened from 3.3 percent of GDP to 4.0 percent of GDP, amid weaker savings and flat investment.

The Chinese economy, holding 19.3 percent of global GDP[6], advanced at a somewhat slower pace (5.0 percent against 5.4 percent in 2023). Inflation rate remained unchanged

1 Source: ECB, *Annual Report,* 2024; ECB, *Economic Bulletin, Issue No. 7,* 2025; IMF, *World Economic Outlook,* October 2025

2 Source: Statista.com

3 For members of the Organisation for Economic Co-operation and Development (OECD)

4 Calculated as an average of UK Brent, Dubai Fateh and West Texas Intermediate prices; in euro

5 In euro; energy not included

6 GDP is based on purchasing power parity in order to ensure comparability across countries.

at the previous year's level, as consumer prices inched up 0.2 percent. The budget deficit widened from 6.7 percent of GDP in 2023 to 7.3 percent of GDP, while the current account surplus saw its share in GDP increase by 0.9 percentage points to 2.3 percent.

Euro area economy[7] moved ahead 0.9 percent in 2024, compared with 0.4 percent in 2023, mirroring positive contributions from domestic demand and the balance on trade in goods and services (0.6 percent and 0.3 percent respectively). Domestic demand was fuelled by public and private consumption (making a cumulative contribution of 1.2 percentage points to euro area growth), but constrained by gross fixed capital formation (with a negative contribution of 0.6 percentage points). Private consumption remained the key driver of economic growth in 2024 as well (0.7 percentage points), amid further favourable labour market conditions, wage increases and slowing inflation. Government consumption, up 2.2 percent over the year before, added 0.5 percentage points to economic growth. Investment, down 2.0 percent year on year, had a negative bearing on economic growth (-0.4 percentage points), being further hit by financing conditions on the residential segment and by the uncertain global prospects on the industrial one. External demand, measured by net exports of goods and services, had a 0.3 percentage point contribution to GDP growth (compared with 0.4 percentage points in the previous year), with exports up 0.6 percent and imports down 0.1 percent. From a sectoral perspective, education and health services, information and communication services, real estate services, professional and business services made relatively equal contributions to the increase in gross value added (with a cumulative contribution of 1.0 percentage point), while industry had a negative contribution of 0.1 percentage points.

Average annual inflation rate, measured by the Harmonised Index of Consumer Prices (HICP), in the euro area dropped to 2.4 percent from 5.4 percent in 2023, reflecting the pass-through of effects from the tight monetary policy, but also lower pressure from imported inflation, against the background of easing international commodity and energy prices. The euro area labour market continued to improve in 2024, with the number of employed persons rising by 1.0 percent, which also led to a fall in unemployment rate[8] by 0.2 percentage points to 6.4 percent.

The general government deficit for the euro area narrowed from 3.5 percent of GDP in 2023 to 3.1 percent of GDP in 2024[9], amid the removal of some fiscal support measures such as tax breaks, transfers and subsidies introduced in previous years to compensate for price increases. Specifically, the ratio of general government revenue to GDP rose by 0.5 percentage points to 46.4 percent, while that of expenditure went up only marginally from 49.4 percent to 49.5 percent. In 2024, the general government deficit declined in six euro area Member States (Italy, Spain, Estonia, Latvia, Malta, Slovenia); it came in below the 3 percent-of-GDP threshold in seven countries, while five euro area members posted surpluses (Portugal, Luxembourg, Ireland, Greece and Cyprus).

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7 The 20 euro area countries referred to herein at end-2024 are as follows: Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Spain, Slovakia and Slovenia.

8 According to ILO (International Labour Office) methodology

9 Eurostat, Newsrelease Euroindicators: "Provision of deficit and debt data for 2024 – second notification", 21 October 2025

The public debt ratio for the euro area remained close to 87 percent of GDP (after having dropped 2.3 percentage points a year earlier), overstepping the 60 percent-of-GDP reference value in ten countries and further exceeding 100 percent of GDP in Greece, Italy, Spain, France and Belgium.

The aggregate current account of the euro area ended 2024 on a surplus of EUR 408.5 billion, or 2.7 percent of GDP, compared with EUR 245.2 billion, or 1.7 percent of GDP in 2023, amid the rises in the surplus on trade in goods and services (as exports advanced and imports shrank) and in that on primary income.

Non-euro area EU Member States[10] reported economic growth of 2.0 percent in 2024, up from 0.4 percent in 2023, driven by private and government consumption. The upturn was ascribed to all the economies in this group, except Romania, with their growth rates ranging from 0.6 percent in Hungary to 3.5 percent in Denmark. Average annual inflation rate fell in all the countries under review to an overall level of 3.6 percent in 2024, as against 10.1 percent in 2023.

In 2024, the fiscal situation worsened in four of the seven non-euro area EU Member States (the exceptions being Denmark, which reported a higher budget surplus, Hungary and Czechia). Behind this stood the increase in expenditures at a faster pace than that of revenues or in parallel with the latter's compression. On the whole, the deficit-to-GDP ratio came in at 3.6 percent in 2024 against 3.1 percent in the year before, with Hungary, Poland and Romania standing above the 3 percent-of-GDP reference value. The government debt-to-GDP ratio rose by 2.0 percentage points to 46.1 percent, an uptrend being visible in five of the seven countries (with Hungary and Denmark as the exceptions). The government debt of Hungary continued to exceed the 60 percent-of-GDP reference value set forth in the Maastricht Treaty.

The current account surplus slipped slightly in relative terms compared with 2023 in the non-euro area EU Member States overall, reaching 2.2 percent of GDP in 2024 from 2.4 percent of GDP in the previous year, driven by the widening deficits in Bulgaria and Romania and the contraction in Poland's surplus. The relative narrowing of the current account surplus occurred against the background of the lower share of the trade in goods and services surplus in GDP, together with the larger share of the secondary income deficit. The aggregate capital account surplus contracted marginally in relative terms, from 0.6 percent of GDP to 0.5 percent of GDP, with the decrease being influenced by the weak performance of Hungary and Romania. Direct investment in the seven countries overall displayed net inflows of EUR 18.9 billion, or 0.7 percent of GDP (compared with 0.5 percent of GDP in 2023), with the uptrend being driven by the increase in direct investment in Hungary, combined with a decrease in direct investment made by Denmark and Sweden abroad. Portfolio investment saw net outflows of EUR 65.9 billion (2.4 percent of GDP, versus 0.1 percent of GDP a year earlier), chiefly from Sweden and Denmark. Other investment (largely loans and deposits) recorded net outflows of EUR 23.7 billion, accounting for 0.9 percent of GDP (against 1.5 percent of GDP in 2023).

[10] The countries referred to herein are the seven non-euro area EU Member States at end-2024: Bulgaria, Czechia, Denmark, Hungary, Poland, Romania and Sweden.

II. Romania's balance of payments and international investment position in 2024

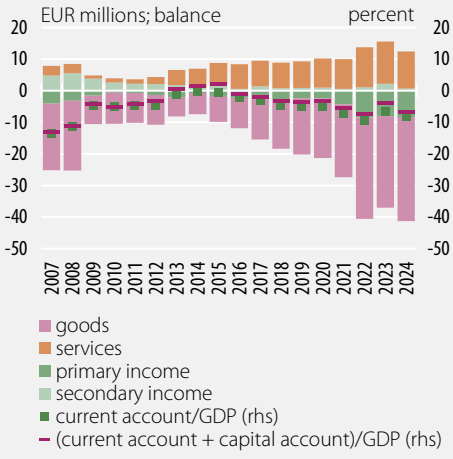
A. Balance of payments

1. OVERALL DEVELOPMENTS

In a tension-ridden international environment, but with less significant influences locally, the unfavourable performance of Romania's balance of payments in 2024 reflected domestic inconsistencies, i.e. the economic downturn, the fiscal policy easing (which translated into a widening of the budget deficit, a worsening of external competitiveness and a rise in demand for imported goods and services), as well as delays in tapping EU funds. Therefore, relations with non-residents mirrored an increase in the current account deficit, a decrease in the capital account surplus and a lower cumulative volume of the main stable sources of funding (direct and portfolio investment).

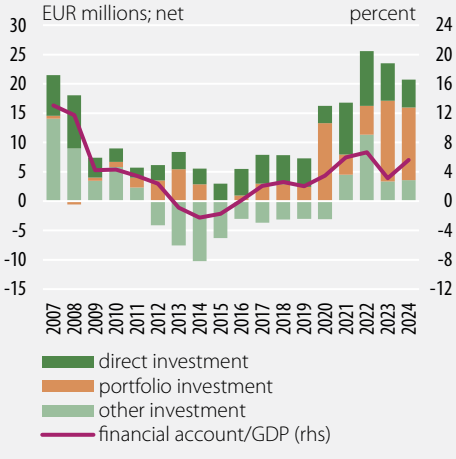
Given the return of the current account deficit onto an upward trend and the decrease in the capital account surplus, the combined current and capital account balance fell deeper into negative territory (Chart 1). The combined current and capital account posted a deficit of EUR 23.6 billion, up 86.9 percent from a year earlier. In 2024, the current account deficit widened by approximately 34 percent, after having narrowed by almost 20 percent in the previous year, while the capital account surplus contracted more than 40 percent, following an increase by 47.2 percent.

Chart 1. Current account and capital account



Source: NIS, NBR

Chart 2. Net financial flows



Source: NIS, NBR

Approximately 93 percent of the current account deficit (EUR 26.9 billion) and almost 90 percent of the capital account surplus (EUR 4.6 billion) stemmed from transactions with EU Member States. Out of the current account deficit with EU countries, the shortfall with the euro area (EA[11]) accounted for 63 percent (EUR 16.9 billion; Table 1).

Table 1. Balance of payments in relation to the EU and the euro area in 2024

EUR millions

	Total	*of which:*			
		EU	Extra-EU	EA	Extra-EA
Current account	**-28,853**	**-26,862**	**-1,991**	**-16,923**	**-11,930**
Goods	**-32,966**	**-25,710**	**-7,256**	**-15,772**	**-17,194**
Services	**11,717**	**6,572**	**5,145**	**6,740**	**4,977**
Primary income	**-8,313**	**-7,369**	**-944**	**-8,614**	**301**
Secondary income	**709**	**-355**	**1,064**	**723**	**-14**
Capital account	**5,208**	**4,646**	**562**	**-201**	**5,409**
Financial account, *of which:*	**-19,879**	**-17,155**	**-2,724**	**-10,437**	**-9,442**
Direct investment	**-4,741**	**-4,820**	**79**	**-4,409**	**-332**
Assets	1,844	1,381	463	1,575	269
Liabilities	6,585	6,201	384	5,984	601
Portfolio investment	**-12,389**	**-6,274**	**-6,115**	**-4,653**	**-7,736**
Assets	1,337	1,030	308	1,466	-129
Liabilities	13,726	7,303	6,423	6,119	7,607
Financial derivatives	**63**	**70**	**-7**	**72**	**-10**
Other investment	**-3,602**	**-2,218**	**-1,384**	**2,186**	**-5,788**
Assets	2,256	1,139	1,117	1,791	465
Liabilities	5,858	3,357	2,501	-395	6,253

Note: Extra-EU – countries outside the EU; Extra-EA – countries outside the euro area.

The financial account (Chart 2) posted in 2024, for the ninth year running, positive net flows, which amounted to EUR 19.9 billion, almost doubling in absolute terms compared to 2023 and expanding as a share of GDP from 3.1 percent to 5.6 percent. The same as in the previous year, they resulted in the net accumulation of liabilities in the form of direct investment, portfolio investment and other investment (mainly loans and deposits). Looking at the geographical breakdown, the heaviest influence on the financial account came from transactions with the EU, i.e. 86.3 percent.

2. CURRENT ACCOUNT – PERFORMANCE AND INTERNATIONAL COMPARISONS

In 2024, Romania's balance of payments displayed a current account deficit of EUR 28,853 million, compared with EUR 21,497 million in the year before. The ratio of the current account deficit to GDP[12] stood at 8.2 percent, against 6.7 percent in the prior year (Table 2). More than half of the 1.5 percentage point increase was attributed to

11 European institutions not included

12 Source: NIS (final data for 2023 and semi-final data for 2024)

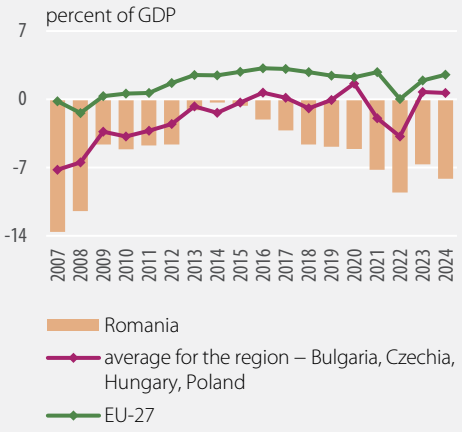
the lower surplus on the services balance (down 0.8 percentage points of GDP). Negative contributions to current account developments also made the narrowing of the secondary income surplus (-0.5 percentage points) and the worsening of the balance on trade in goods (-0.3 percentage points).

Table 2. Components' contributions to developments in the current account deficit

percent of GDP

	Current account	Goods	Services	Primary income	Secondary income
2024	-8.2	-9.3	3.3	-2.4	0.2
2023	-6.7	-9.0	4.1	-2.5	0.7
Difference (pp)	**-1.5**	**-0.3**	**-0.8**	**0.1**	**-0.5**

Chart 3. Current account balance in Romania versus the average of regional peers and the EU



Source: NIS, NBR, Eurostat

In the EU as a whole (Chart 3), the current account recorded favourable developments in 2024, its surplus widening from 1.9 percent of GDP to 2.5 percent of GDP, under the influence of larger net exports of goods and services. In the Central and South-Eastern European countries outside the euro area[13], the current account performance was comparable to that of the previous year, the aggregate surplus standing at 0.7 percent of GDP (0.8 percent in 2023). Looking at the breakdown, this group of EU Member States saw a decline in the surplus on trade in goods, after benefiting from the favourable effect of lower international commodity and energy prices in the prior year. At individual level, Czechia was the only country reporting a surplus on trade in goods. In the services sector, all countries under review made positive and increasing contributions to the current account performance. Primary and secondary income balances ran deficits at both group and individual level, except Bulgaria's secondary income surplus.

As for the developments in the current account balance from the perspective of savings and investment at national level[14] (Chart 4), the widening of the current account deficit by 1.5 percentage points of GDP in 2024 was due to the sharper drop in the saving-to-GDP ratio (chiefly on the back of the rise in final consumption) than in the investment-to-GDP ratio.

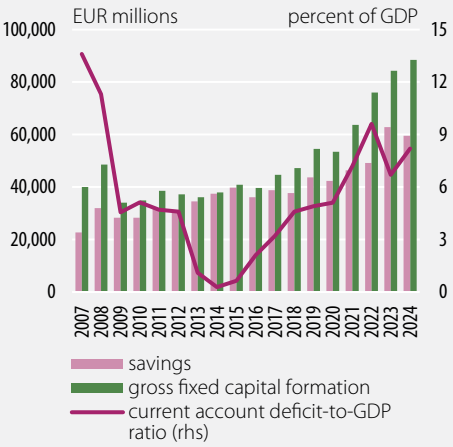
Analysing the contributions of public and private sectors to the current account composition and dynamics (Chart 5), it can be noted that the current account surplus of the private sector moved ahead 0.5 percentage points of GDP in 2024, whereas the

[13] Bulgaria, Czechia, Hungary and Poland

[14] The current account balance equals the difference between saving (calculated as gross national disposable income less final consumption) and investment (with gross fixed capital formation used as a proxy).

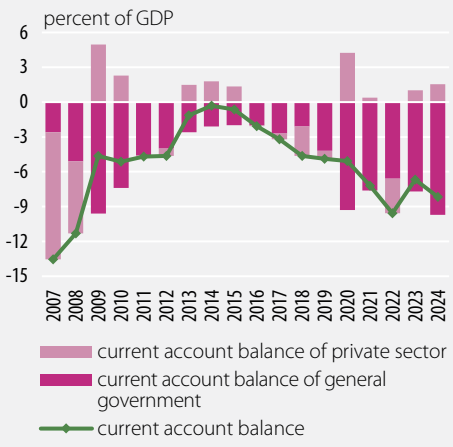
public sector current account saw its deficit widen by 2.0 percentage points of GDP, sending the total current account shortfall 1.5 percentage points higher.

Chart 4. Savings, investment and current account deficit-to-GDP ratio



Source: NIS, NBR

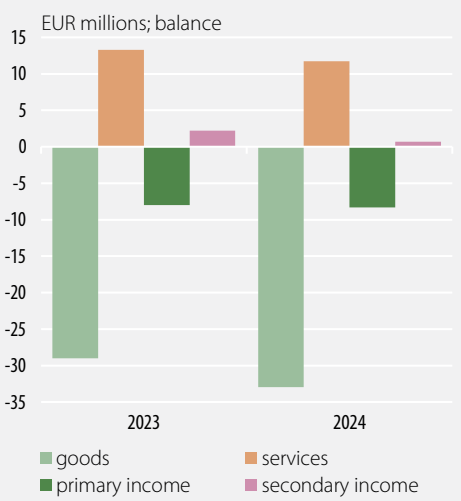
Chart 5. Breakdown of current account balance by public sector and private sector



Source: NIS, NBR

The developments in the current account and its components in 2024 (Chart 6) show a rise in the deficit on trade in goods by 13.6 percent from a year earlier, as exports receded slightly, amid the worsening of external competitiveness, and imports went up, as a result of stronger domestic demand. The balance on trade in services recorded a 11.9 percent lower surplus than that of 2023, owing to the smaller surpluses of transport and business services. Primary income saw its deficit widen slightly, by 3.8 percent, mostly as a result of the decline in receipts from compensation of employees and in subsidies for agriculture granted by the European Union. Secondary income contracted by more than two thirds over the prior year, being depressed by a contraction in inflows of EU funds in the form of current transfers (European Social Fund – ESF) as well as in workers' remittances.

Chart 6. Composition of the current account



2.1. Balance on goods and services

In 2024, the balance on goods and services (Table 3) ran a deficit of EUR 21.2 billion, up 35.3 percent from the year-earlier reading, due to a wider deficit on trade in goods and a lower surplus on trade in services.

The balance on trade in goods and services posted a higher increase in the deficit than that in the cumulated volume of exports and imports, the combined developments in the two indicators being reflected by a wider normalised trade balance. The larger

deficit on trade in goods, together with the narrower surplus on trade in services, caused the coverage of imports by exports to drop 3.3 percentage points to 85.6 percent. At the same time, the smaller shares of exports and imports in GDP were also reflected in the lower degree of openness of the economy, to 77.2 percent from 83.4 percent in 2023. Although the dependence of domestic consumption on imports of goods and services diminished (the import penetration index decreased), income growth boosted imports (as shown by the positive value of the marginal propensity to imports). Developments in the Herfindahl-Hirschman index illustrate the concentration of exports on a relatively larger number of trading partners than a year earlier (the index went down), while for imports they point to fewer trading partners (the index went up).

Table 3. Balance of goods and services (trade balance)

	2023	2024
	EUR millions	
Exports of goods and services	126,220	125,905
Imports of goods and services	141,925	147,154
Balance on trade	-15,705	-21,249
	percent/indices	
Normalised trade balance*	-0.0586	-0.0778
Coverage of imports by exports** (%)	88.9	85.6
Openness of the economy*** (%)	83.4	77.2
Export propensity index**** (%)	39.2	35.6
Import penetration index***** (%)	42.1	39.3
Marginal propensity to import index******	-0.3	2.0
Herfindahl-Hirschman index on geographical concentration of exports*******	0.0739	0.0691
Herfindahl-Hirschman index on geographical concentration of imports*******	0.0601	0.0644

*) ratio of trade balance to the total value of international trade (exports and imports of goods and services)

**) ratio of value of exports to that of imports

***) ratio of value of international trade to that of GDP

****) ratio of value of exports to that of GDP. It reflects the confidence that domestic producers enjoy on foreign markets

*****) ratio of value of imports to that of domestic consumption. It reflects the extent to which domestic demand is covered by imports

******) ratio of value of imports to that of GDP. It reflects the extent to which imports are fuelled by income growth

*******) the sum of squares of the shares of trading partners in total; it may range between 0 and 1. The closer the value to 0, the lower the dependence on trade with a small number of trading partners.

Source: NIS, NBR calculations

2.1.1. Balance on trade in goods[15]

The deficit on trade in goods came in at EUR 32,966 million in 2024, up 13.6 percent year on year, as exports receded 0.3 percent and imports stood 3.2 percent higher. The trade in goods deficit-to-GDP ratio added 0.3 percentage points to 9.3 percent (Table 4).

15 According to the BPM6 methodology, the balance on trade in goods does not include goods for processing for which there is no ownership transfer and thereby differs from the international trade in goods compiled and published by the National Institute of Statistics in line with the specific Eurostat methodology.

Table 4. Balance on trade in goods

	2023	2024	Difference (+/-)
	EUR millions		
Exports (FOB), *of which:*	86,531	86,263	-268
General merchandise	86,460	86,254	-206
Merchanting – net exports	70	9	-61
Imports (FOB)	115,543	119,229	3,686
Balance on trade in goods (FOB/FOB)	-29,012	-32,966	-3,954
GDP	321,591	353,633	x
Current account balance	-21,497	-28,853	-7,356
	percent		percentage points
Share of exports in GDP	26.9	24.4	-2.5
Share of imports in GDP	35.9	33.7	-2.2
Share of balance on trade in goods in GDP	-9.0	-9.3	-0.3
Coverage of imports by exports (FOB/FOB)	74.9	72.4	-2.5
Economy openness (exports+imports)/GDP	62.8	58.1	-4.7

Source: NIS, NBR calculations

In the course of 2024, the highest monthly trade in goods deficit amounted to EUR 3,328 million in December and the lowest was of EUR 1,920 million in January.

The breakdown of trade balance by the eight groups of goods in the Combined Nomenclature[16] shows deficits for chemical and plastic products (EUR 10,556 million); mineral products (EUR 5,182 million); base metals (EUR 4,536 million); agrifoodstuffs (EUR 3,132 million); textiles, wearing apparel and footwear (EUR 2,954 million); machinery, apparatus, equipment and transport means (EUR 2,505 million); and other goods (EUR 4,182 million). A surplus was recorded for wood and paper products (EUR 72 million)[17].

The geographical breakdown indicates that intra-EU trade constituted 78.0 percent of the deficit on trade in goods, with extra-EU trade accounting for the remaining 22.0 percent.

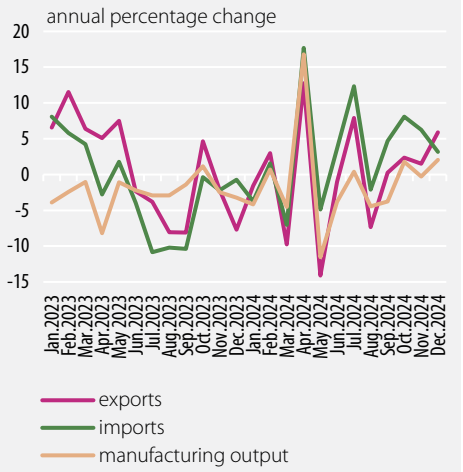
The coverage of imports by exports went down 2.5 percentage points to 72.4 percent, while the openness of the Romanian economy slid 6.2 percentage points to 58.1 percent.

Exports of goods came in at EUR 86,263 million, down 0.3 percent versus 2023. In terms of value, exports stood EUR 268 million lower than a year earlier and their share in GDP decreased by 2.5 percentage points to 24.4 percent. In 2024, August and December witnessed the lowest monthly exports, i.e. EUR 6,150 million, while the highest level equalled EUR 7,960 million in October. The monthly average of exports ran at EUR 7,189 million, down EUR 22 million from 2023.

16 International trade classification used in the European Union

17 The difference between the sum of the components (EUR 32,975 million) and the balance on trade in goods in Table 4 (EUR 32,966 million) is reflected in the surplus on merchanting (EUR 9 million).

Chart 7. Exports and imports of goods and manufacturing output trend



Imports of goods (FOB) reached EUR 119,229 million, up 3.2 percent, or EUR 3,686 million, from 2023. The share of imports of goods in GDP shed 2.2 percentage points to 33.7 percent. The lowest monthly import level of 2024 stood at EUR 8,564 million in January and the highest was of EUR 11,534 million in October. The monthly average of imports amounted to EUR 9,936 million, up EUR 307 million against the year-earlier reading.

The change in exports versus the corresponding month of the previous year (Chart 7) reflects mixed developments until August, closely following the trend in manufacturing output – which accounts for 90 percent of exports, whereas in September-December it shifted into positive territory, along with the cooling of monthly output changes. In light of the import dependence of exports, the change in monthly imports exhibited a similar pattern.

Structure and geographical breakdown of exports of goods

a) Structure of exports of goods

In 2024, exports of goods came primarily from manufacturing, which accounted for 90 percent of total exports (Table 5). Exports of manufactured goods went up 3.5 percent against 2023, or 3.3 percentage points of total exports. The most export-oriented industrial activities were manufacturing of motor vehicles and trailers (21 percent of total exports in 2024); electrical equipment (13.4 percent); machinery and equipment (8.6 percent); computers, electronic and optical products (6.3 percent); rubber and plastic products (5.9 percent); metallurgy (4.8 percent). Taken together, these six activities provided, the same as in 2023, approximately 60 percent of Romania's exports in 2024.

Table 5. Exports of goods by activity of the domestic economy*

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Total	**86,531**	**86,263**	**99.7**	**100.0**	**100.0**
General merchandise	**86,460**	**86,254**	**99.8**	**99.9**	**100.0**
Agriculture, forestry and fishing	**7,632**	**5,070**	**66.4**	**8.8**	**5.9**
Mining and quarrying	**1,134**	**1,001**	**88.3**	**1.3**	**1.2**
Manufacturing, *of which:*	**74,984**	**77,615**	**103.5**	**86.7**	**90.0**
Motor vehicles, trailers	17,063	18,099	106.1	19.7	21.0
Electrical equipment	11,891	11,550	97.1	13.7	13.4
Machinery and equipment	7,412	7,432	100.3	8.6	8.6
Computers, electronic and optical products	5,646	5,393	95.5	6.5	6.3
Rubber and plastic products	5,061	5,061	100.0	5.8	5.9
Basic metals	4,154	4,133	99.5	4.8	4.8

continued

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Food products	3,172	3,018	95.1	3.7	3.5
Fabricated metal products	2,331	2,973	127.5	2.7	3.4
Coke products; petroleum products	2,578	2,680	103.9	3.0	3.1
Chemicals and chemical products	2,454	2,469	100.6	2.8	2.9
Furniture	2,395	2,335	97.5	2.8	2.7
Tobacco products	1,631	2,074	127.2	1.9	2.4
Pharmaceutical products	1,233	1,904	154.4	1.4	2.2
Wood and products of wood, except furniture	1,723	1,764	102.4	2.0	2.0
Electricity, gas, steam and air conditioning	**1,197**	**1,038**	**86.7**	**1.4**	**1.2**
Other products n.e.s.	**1,513**	**1,529**	**101.1**	**1.7**	**1.8**
Merchanting – net exports**	**71**	**9**	**12.7**	**0.1**	**0.0**

*) based on Classification of Products by Activity (CPA 2015 – NIS)

**) goods purchased by residents from non-residents and subsequently sold to other non-residents, without being moved on the country's territory (Source: NBR)

Source: NIS, NBR calculations

Looking at the use of exported goods (Chart 8), worth noting is a structural improvement, with capital and consumer goods taking a larger share in total exports. In 2024, most exports, namely 58.9 percent, consisted of goods for intermediate consumption (mainly automotive parts and accessories, bases for electric control or the distribution of electricity, tyres, wheat, fuels, petroleum gases, maize, electric conductors, sunflower seeds, barley). Capital goods made up 14.3 percent of exports (turbo-compressors, apparatus for the transmission or reception of sound, voice, images or other data, refrigerated showcases and counters, automatic data processing machines, pumps for spark-ignition or compression-ignition engines, motor vehicles for the transport of goods), while those intended for final consumption held 26.8 percent (motor cars, cigarettes and other tobacco products, medicaments, household electrical appliances, petroleum products, furniture, mineral waters).

Chart 8. Exports by production stage

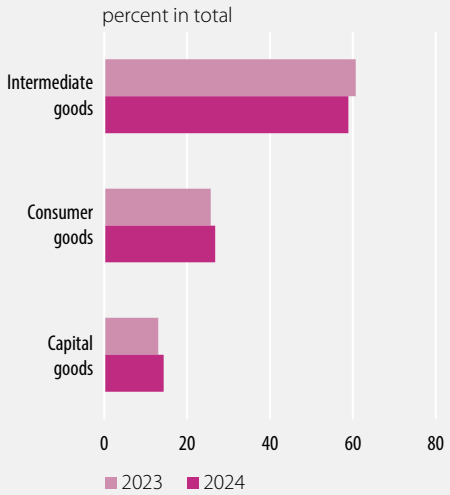
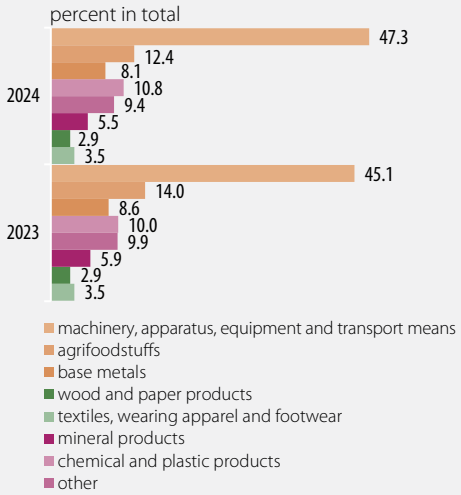


Chart 9. Exports by group of goods



The breakdown of exports according to the Combined Nomenclature shows that four groups of goods reduced their contributions to exports compared to the previous year (Chart 9): agrifoodstuffs (by 1.6 percentage points), base metals and other commodities (by 0.5 percentage points each) and mineral products (by 0.4 percentage points). Two groups of goods recorded increases in their shares in total exports: machinery, apparatus, equipment and transport means (by 2.2 percentage points) and chemical and plastic products (by 0.8 percentage points), the other two groups, namely textiles, clothing, footwear and wood and paper products, maintaining their contributions to the previous year's level.

An in-depth analysis of the groups of goods in the Combined Nomenclature shows that exports of maize, wheat, rape seeds, electricity and gas, wires, cables, rolled products, tubes and pipes shrank cumulatively by almost EUR 3 billion compared to 2023, more than two thirds of which came from the decrease in volume and almost a third from lower external prices (Table 6).

Table 6. Main groups of goods reporting lower exports

EUR millions

	Value of exports in 2024	Decrease versus 2023	Volume influences	Price influences
Maize	816	-738	-720	-18
Rape seeds	530	-585	-586	1
Wheat	1,643	-414	-180	-234
Wires, cables	3,057	-344	-233	-111
Electrical energy	1,010	-225	-84	-141
Rolled products	186	-188	-173	-15
Tubes, pipes	648	-167	-33	-134
Sunflower seeds	661	-159	-163	4
Petroleum gases	922	-146	140	-286

Note: Including structural changes; grouping based on values and quantities of exports, according to the Combined Nomenclature classification (4-digit level); NIS data.

Source: NIS, NBR calculations

b) Geographical breakdown of exports of goods

Intra-EU exports amounted to EUR 62,196 million in 2024, down 0.5 percent on the year before (Table 7). Intra-EU exports made up 72.1 percent of total exports, down 0.2 percentage points from a year earlier, with structural changes, as the share of exports to the euro area (Italy) was on the wane, while that of exports to EU Member States outside the euro area (Poland, Czechia) went up.

Table 7. Exports of goods by group of countries

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Total	**86,531**	**86,263**	**99.7**	**100.0**	**100.0**
1. Intra-EU exports, *of which:*	**62,524**	**62,196**	**99.5**	**72.3**	**72.1**
1.1. Euro area, *of which:*	46,269	45,715	98.8	53.5	53.0
Germany	18,224	18,101	99.3	21.1	21.0
Italy	7,233	6,916	95.6	8.4	8.0

continued

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
France	5,598	5,542	99.0	6.5	6.4
Netherlands	2,976	3,158	106.1	3.4	3.7
Spain	2,949	2,831	96.0	3.4	3.3
1.2. Extra-euro area, *of which:*	16,255	16,481	101.4	18.8	19.1
Hungary	5,127	4,808	93.8	5.9	5.6
Bulgaria	3,836	4,073	106.2	4.4	4.7
Poland	3,366	3,617	107.5	3.9	4.2
Czechia	2,864	2,953	103.1	3.3	3.4
2. Extra-EU exports, *of which:*	**24,007**	**24,067**	**100.2**	**27.7**	**27.9**
Türkiye	2,955	3,185	107.8	3.4	3.7
United Kingdom	2,500	2,661	106.4	2.9	3.1
Republic of Moldova	1,834	2,048	111.7	2.1	2.4
USA	2,040	2,031	99.5	2.4	2.4
Ukraine	2,243	1,675	74.7	2.6	1.9
Republic of Serbia	1,339	1,217	90.9	1.5	1.4
Switzerland	610	1,187	194.6	0.7	1.4
Morocco	910	958	105.2	1.1	1.1
Saudi Arabia	572	781	136.4	0.7	0.9

Source: NIS, NBR calculations

Extra-EU exports of goods amounted to EUR 24,067 million, up 0.2 percent versus 2023 (0.2 percentage points as a share in total exports to 27.9 percent), with more significant increases as a share in total exports being recorded for Türkiye, the United Kingdom and the Republic of Moldova.

In 2024, the top ten export destinations, constituting 64.0 percent of total, were as follows: Germany (21.0 percent of total exports), Italy (8.0 percent), France (6.4 percent), Hungary (5.6 percent), Bulgaria (4.7 percent), Poland (4.2 percent), the Netherlands (3.7 percent), Türkiye (3.7 percent), Czechia (3.4 percent), and Spain (3.3 percent).

Structure and geographical breakdown of imports of goods

a) Structure of imports of goods

In 2024, most imports of goods were accounted for by manufactured goods (90.6 percent of total imports, 0.4 percentage points below the year-earlier figure; Table 8).
They consisted chiefly of motor vehicles and trailers (11.0 percent of total imports); computers and electronic products (9.0 percent); machinery and equipment (8.5 percent); chemicals and chemical products (7.9 percent); electrical equipment (7.8 percent); food products (7.3 percent); basic metals (6.1 percent).

Table 8. Imports of goods by activity of the economy of origin*

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Total	**115,543**	**119,229**	**103.2**	**100.0**	**100.0**
Agriculture, forestry and fishing	**3,207**	**3,554**	**110.8**	**2.8**	**3.0**
Mining and quarrying	**5,461**	**5,581**	**102.2**	**4.7**	**4.7**

continued

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Manufacturing, *of which:*	**105,130**	**107,964**	**102.7**	**91.0**	**90.6**
Motor vehicles, trailers and semi-trailers	12,523	13,166	105.1	10.8	11.0
Computers and electronic products	11,093	10,782	97.2	9.6	9.0
Machinery and equipment	10,484	10,174	97.0	9.1	8.5
Chemicals and chemical products	8,970	9,367	104.4	7.8	7.9
Electrical equipment	9,264	9,330	100.7	8.0	7.8
Food products	8,453	8,731	103.3	7.3	7.3
Basic metals	6,778	7,229	106.7	5.9	6.1
Basic pharmaceutical products and pharmaceutical preparations	5,184	5,812	112.1	4.5	4.9
Construction products	4,483	5,347	119.3	3.9	4.5
Other industrial products n.e.c.	5,014	5,345	106.6	4.3	4.5
Rubber and plastic products	4,840	5,096	105.3	4.2	4.3
Coke and refined petroleum products	4,086	3,246	79.5	3.5	2.7
Wearing apparel	2,327	2,574	110.6	2.0	2.2
Textiles	1,957	1,932	98.7	1.7	1.6
Paper and paper products	1,641	1,783	108.7	1.4	1.5
Electricity, gas, steam and air conditioning	**1,181**	**1,514**	**128.3**	**1.0**	**1.3**
Other products n.e.s.	**564**	**617**	**109.4**	**0.5**	**0.5**

*) based on Classification of Products by Activity (CPA 2015 – NIS)

Source: NIS, NBR calculations

Chart 10. Imports by production stage

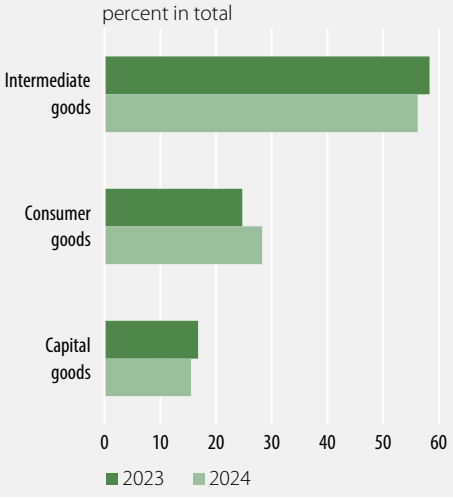
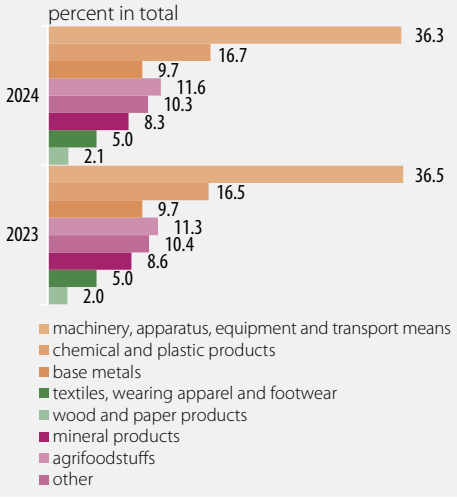


Chart 11. Imports by group of goods



The breakdown of imports of goods by production stage (Chart 10) shows a significant change from the previous year, with the share of imports of consumer goods posting an increase to the detriment of intermediate goods and capital goods. Intermediate goods continued to hold the largest share (56.2 percent of total imports), especially crude oil, petroleum products, electricity, immunological products, electronic circuits, automotive parts and accessories, tyres, bases for electric control or the distribution of electricity, printed circuits, iron and steel products, aluminium, compression-ignition

engines. Consumer goods accounted for 28.3 percent of total imports (medicaments, plastic products, motor cars, food products and beverages for household consumption, cosmetics, durable household products), while capital goods took 15.5 percent (apparatus for the transmission or reception of sound, voice, images or other data, automatic data processing machines, tractors, unmanned aircraft, television cameras, digital cameras and video camera recorders, electrical capacitors, medical and surgical instruments and apparatus).

According to the Combined Nomenclature, imports of goods were accounted for in a proportion of 53.0 percent by two groups of goods: machinery, apparatus, equipment and transport means, and chemical and plastic products (Chart 11).

Compared to 2023, three groups of goods held higher shares in total imports, with increases ranging between 0.1 percentage points (wood and paper products) and 0.3 percentage points (agrifoodstuffs). The mineral products group saw the largest decline as a share in total imports (-0.3 percentage points) and it was the only group that also posted slightly lower imports in absolute terms, mainly reflecting the evolution of international energy prices.

The analysis of the influences exerted by the volume and prices of imported goods on the developments in the value of imports by category of goods with higher granularity reveals that for those groups reporting higher imports, the rise in value stemmed solely from volume, while prices generally made a favourable contribution – especially for energy and motor vehicles (Table 9).

Table 9. Main groups of goods reporting higher imports

EUR millions

	Value of imports in 2024	Decrease versus 2023	Volume influences	Price influences
Medicaments and immunological products	5,288	690	610	80
Automotive parts and accessories	5,306	557	539	18
Motor vehicles for the transport of persons	4,241	418	554	-136
Crude oil	4,220	408	461	-53
Electrical energy	1,415	314	662	-348
Unmanned aircraft	218	199	156	43
Electric accumulators	559	175	109	66
Monitors and projectors	588	157	162	-5
Automatic data processing machines	1,209	143	168	-25
Parts of structures	557	126	114	12
Chocolate	529	95	15	80
Aluminium	496	93	79	14

Note: Including structural changes; grouping based on values and quantities of imports, according to the Combined Nomenclature classification (4-digit level); NIS data.

Source: NIS, NBR calculations

b) Geographical breakdown of imports of goods

Intra-EU imports amounted to EUR 87,907 million in 2024, up 2.3 percent from the previous year (Table 10). The share of intra-EU imports in total imports of goods decreased, however, by 0.7 percentage points versus 2023 to stand at 73.7 percent, with Germany and Austria accounting particularly for this decline; on the contrary, Hungary saw an increase in its share from 6.6 percent to 6.9 percent.

Table 10. Imports of goods (FOB) by group of countries

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Total	**115,543**	**119,229**	**103.2**	**100.0**	**100.0**
1. Intra-EU imports, *of which:*	**85,931**	**87,907**	**102.3**	**74.4**	**73.7**
1.1. Euro area, *of which:*	60,558	61,487	101.5	52.4	51.6
Germany	22,457	22,545	100.4	19.4	18.9
Italy	9,003	9,155	101.7	7.8	7.7
Netherlands	5,359	5,451	101.7	4.6	4.6
France	4,943	5,116	103.5	4.3	4.3
Austria	3,966	3,754	94.6	3.4	3.1
1.2. Extra-euro area, *of which:*	25,373	26,420	104.1	22.0	22.2
Hungary	7,644	8,228	107.6	6.6	6.9
Poland	7,389	7,756	105.0	6.4	6.5
Bulgaria	5,536	5,490	99.2	4.8	4.6
Czechia	3,444	3,466	100.6	3.0	2.9
2. Extra-EU imports, *of which:*	**29,612**	**31,322**	**105.8**	**25.6**	**26.3**
China	6,358	7,341	115.5	5.5	6.2
Türkiye	5,834	6,450	110.5	5.0	5.4
Kazakhstan	2,546	2,398	94.2	2.2	2.0
United Kingdom	1,192	1,306	109.5	1.0	1.1
USA	1,274	1,220	95.8	1.1	1.0
Republic of Serbia	1,232	1,111	90.2	1.1	0.9
Ukraine	1,213	978	80.6	1.0	0.8
Republic of Moldova	703	790	112.3	0.6	0.7
Switzerland	638	695	108.8	0.6	0.6

Source: NIS, NBR calculations

Extra-EU imports amounted to EUR 31,322 million, up 5.8 percent versus 2023, accounting for 26.3 percent of total imports of goods, i.e. 0.7 percentage points above the reading in 2023; the pick-up was ascribable especially to larger imports from China and Türkiye.

In 2024, Romania's imports came mainly from the following ten countries carrying 68.2 percent of total imports: Germany (18.9 percent), Italy (7.7 percent), Hungary (6.9 percent), Poland (6.5 percent), China (6.2 percent), Türkiye (5.4 percent), Bulgaria (4.6 percent), the Netherlands (4.6 percent), France (4.3 percent), and Austria (3.1 percent).

Energy trade balance

In 2024, the energy trade balance ended on a deficit of EUR 5,066 million, with the 8.2 percent widening versus the previous year being determined by the fall in exports (Table 11). Net energy imports took a lower share of the deficit on trade in goods, i.e. 15.4 percent in 2024 compared to 16.1 percent in 2023. Crude oil made further the largest contribution to the energy trade deficit (more than 80 percent).

Table 11. Energy exports and imports (FOB)

EUR millions

	Exports		Imports		Net imports (-)/ Net exports (+)	
	2023	2024	2023	2024	2023	2024
Total	**4,934**	**4,512**	**9,616**	**9,578**	**-4,682**	**-5,066**
Natural gas	982	818	1,045	724	-63	94
Electricity	1,235	1,010	1,101	1,415	134	-405
Mineral fuels	276	214	699	742	-423	-528
Crude oil	17	7	3,812	4,220	-3,795	-4,213
Petroleum products	2,424	2,463	2,959	2,477	-535	-14

Source: NIS, NBR calculations

Energy exports stood at EUR 4,512 million[18], down 8.6 percent from 2023, i.e. EUR 422 million, carrying 5.2 percent of total exports of goods, compared to 5.7 percent in the previous year. Energy imports came in at EUR 9,578 million, a value comparable to that in 2023 (EUR 9,616 million), accounting, however, for a lower share in total imports of goods, down from 8.3 percent to 8.0 percent. The coverage of imports of energy resources by exports thereof narrowed by 4.2 percentage points to 47.1 percent.

2.1.2 Balance on trade in services

In 2024, the balance on trade in services posted a EUR 11,717 million surplus (3.3 percent of GDP) compared to EUR 13,307 million (4.1 percent of GDP) in 2023, against the background of the contraction in net exports of transport services, technical, trade-related and other services (Chart 12). Nevertheless, this negative impact was contained by the favourable influence from the pick-up in net exports of telecommunications, computer and information services and the slight drop in the deficit on travel services.

Transport services, technical, trade-related and other business services, and personal, cultural and recreational services accounted for more than 90 percent of the reduction in the surplus on trade in services, with the three components posting simultaneously lower receipts and higher payments. Unlike in 2023, trade in travel services reported a mildly lower deficit, down 1.3 percent amid the improved receipt-to-payment ratio for business travel, which offset the deterioration in the personal travel segment (Chart 13). The contribution of travel to the services balance in 2024 was higher than that in 2023 in the case of receipts (13.3 percent versus 12.5 percent), but lower in

[18] Taking 5.2 percent of total exports of goods compared to 5.7 percent in 2023

terms of payments (32.0 percent versus 32.9 percent). Travel receipts totalled EUR 5,279 million, up 6.2 percent from 2023, with personal travel accounting for 56.4 percent. Travel payments amounted to EUR 8,927 million, 3.0 percent higher than in the previous year, with personal travel payments carrying almost 80 percent.

Chart 12. Balance on trade in services by component

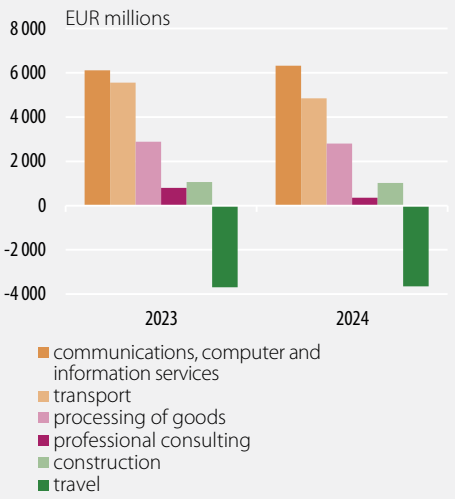


Chart 13. International travel



Table 12. Exports of services by group of countries

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Total	**39,689**	**39,642**	**99.9**	**100.0**	**100.0**
1. Intra-EU exports, *of which:*	**26,636**	**27,611**	**103.7**	**67.1**	**69.7**
1.1. Euro area, *of which:*	23,214	24,127	103.9	58.5	60.9
Germany	7,278	7,504	103.1	18.3	18.9
Netherlands	2,962	3,194	107.8	7.5	8.1
France	2,977	3,050	102.4	7.5	7.7
Italy	2,621	2,828	107.9	6.6	7.1
Belgium	1,541	1,623	105.3	3.9	4.1
Austria	1,565	1,541	98.5	3.9	3.9
1.2. Extra-euro area, *of which:*	3,422	3,482	101.8	8.6	8.8
Hungary	807	794	98.4	2.0	2.0
Poland	650	688	105.9	1.6	1.7
Bulgaria	530	532	100.2	1.3	1.3
Denmark	509	524	102.9	1.3	1.3
2. Extra-EU exports, *of which:*	**13,053**	**12,031**	**92.2**	**32.9**	**30.3**
USA	2,811	3,173	112.9	7.1	8.0
United Kingdom	4,124	3,026	73.4	10.4	7.6
Switzerland	1,663	1,631	98.1	4.2	4.1
Ukraine	847	667	78.7	2.1	1.7
Singapore	305	351	115.3	0.8	0.9
Israel	300	343	114.5	0.8	0.9
Türkiye	294	291	99.0	0.7	0.7
Canada	220	271	123.5	0.6	0.7

Exports of services totalled EUR 39,642 million, a level comparable to that recorded in 2023 (EUR 39,689 million), of which approximately half came, as in the previous year, from transport services (primarily road freight transport) and communications, computer, and information services. Around 70 percent of receipts from services came from EU Member States, especially Germany, the Netherlands and France (Table 12).

Table 13. Imports of services by group of countries

	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Total	**26,382**	**27,925**	**105.8**	**100.0**	**100.0**
1. Intra-EU imports, *of which:*	**19,995**	**21,039**	**105.2**	**75.8**	**75.3**
1.1. Extra-euro area, *of which:*	16,651	17,387	104.4	63.1	62.3
Germany	4,372	4,541	103.9	16.6	16.3
Ireland	1,540	2,203	143.0	5.8	7.9
Italy	1,576	1,882	119.4	6.0	6.7
France	1,694	1,785	105.4	6.4	6.4
Netherlands	1,910	1,612	84.4	7.2	5.8
Austria	1,275	1,218	95.5	4.8	4.4
Spain	742	1,006	135.6	2.8	3.6
1.2. Extra-euro area, *of which:*	3,344	3,652	109.2	12.7	13.1
Bulgaria	720	971	134.8	2.7	3.5
Hungary	963	868	90.2	3.7	3.1
Poland	622	683	109.8	2.4	2.4
Czechia	606	595	98.1	2.3	2.1
2. Extra-EU imports, *of which:*	**6,387**	**6,886**	**107.8**	**24.2**	**24.7**
United Kingdom	1,762	1,956	111.0	6.7	7.0
USA	989	914	92.4	3.7	3.3
Switzerland	661	739	111.8	2.5	2.6
Türkiye	487	546	112.2	1.8	2.0
Canada	277	443	159.6	1.1	1.6
Republic of Moldova	325	329	101.1	1.2	1.2

Imports of services amounted to EUR 27,925 million (up 5.8 percent from 2023), with transport services, travel, computer services, professional and management consulting services, technical and trade-related services cumulatively holding about 87 percent. The geographical breakdown (Table 13) shows that services-related payments are mostly directed towards EU countries, which took a share of more than three quarters of total imports of services, owing especially to Germany, Ireland, Italy and France.

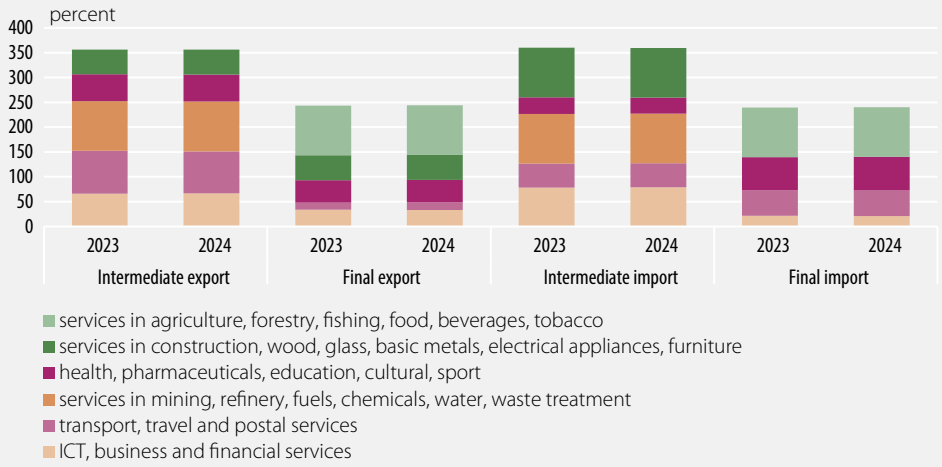
International trade in services by end-use[19]

By end-use, according to the data estimated and published by Eurostat for Romania, in 2024, intermediate services made up 73 percent of total exports of services, a share

[19] UN classification (by Broad Economic Categories, BEC Rev.5) distinguishing between intermediate services (used as inputs in production) and final services (for end consumption) and used by Eurostat, which estimated and published data series on services by end-use for both each Member State and the EU as a whole: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=International_trade_in_services_statistics_by_broad_economic_categories. This classification is relevant for the analysis of the degree of an economy's participation in global value chains (GVCs), which is approximated by the share of intermediate services in total exports and imports, respectively.

comparable to that recorded in the EU as a whole (72 percent), while accounting for approximately 58 percent of imports (82 percent in the EU). By category, Romania's most exported and imported intermediate services were ICT, business, and financial services, transport and postal services (over 75 percent of exports and imports of intermediate services, respectively – Chart 14).

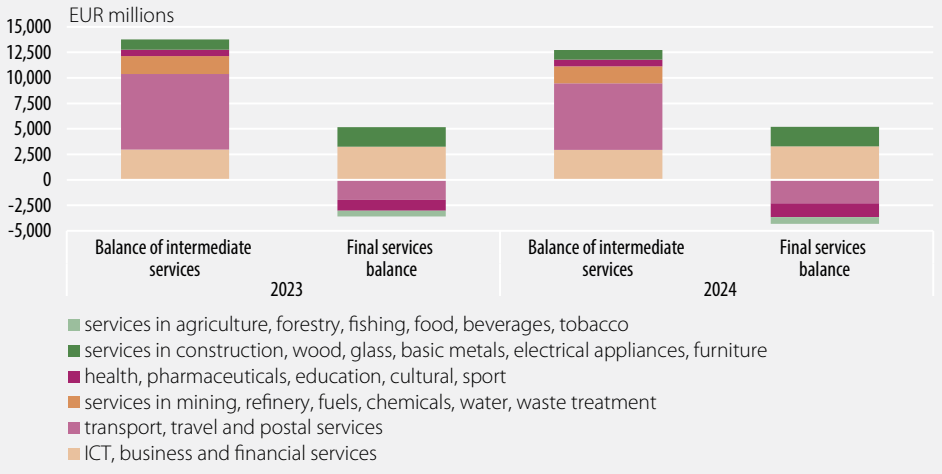
Chart 14. Services exports and imports by Broad Economic Categories (BEC)



Source: Eurostat

In addition to intermediate services, services intended for final consumption took 27 percent and 42 percent respectively of Romania's exports and imports of services in 2024. The categories of services accounting for more than 85 percent of exports and imports of final services were: ICT, business, and financial services; transport, travel, and postal services; health, pharmaceutical, education, cultural, and sport services.

Chart 15. Contribution of intermediate and final services exports and imports to the services balance



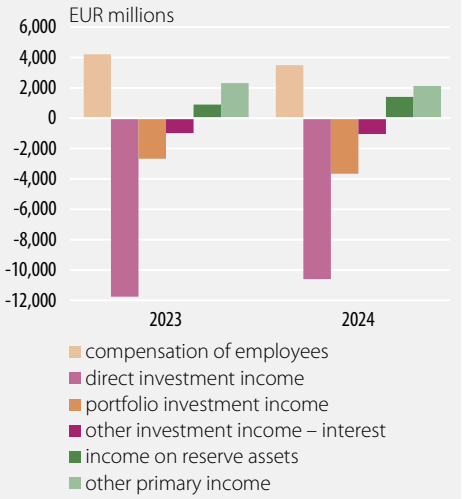
Source: Eurostat

Looking at the influence on trade in services balance, it can be concluded that participation in global value chains benefits Romania, the intermediate services accounting for the entire surplus on services in 2024, both on the aggregate and by each of the categories shown in Chart 15. Services intended for final consumption posted a slight deficit overall, stemming especially from travel services, health, education, and sport services, services provided in agriculture and the food industry, whose net imports were almost entirely offset by net exports of final services in the following sectors: ICT, business, and financial services, construction, manufacture of wood, glass, basic metals, electrical appliances and furniture.

2.2. Balance on primary income

The balance on primary income ended the year 2024 on a EUR 8,313 million deficit, up against the previous year in absolute terms (by 3.8 percent), but down as a share of GDP (by 0.1 percentage points to 2.4 percent). Its trend was driven by the drop in receipts from compensation of employees (by 17.4 percent to EUR 3,481 million) and a slight fall in subsidies received from the European Union – included under other primary income (the European Agricultural Guarantee Fund – EAGF and the European Agricultural Fund for Rural Development – EAFRD) – Chart 16. Investment income had a neutral influence on the change in current account, posting a value comparable to that seen in the previous year (EUR 15,302 million versus EUR 15,414 million). Its breakdown by functional category reveals a 37.4 percent widening of the deficit on portfolio investment income, to EUR 3,665 million, driven by the increase in interest payments on government bonds. Conversely, the deficit on direct investment income shrank by 9.9 percent to reach EUR 10,592 million, corresponding to lower volumes of reinvested earnings (*inter alia*, on the back of losses incurred in 2024 Q2 and Q4) and featuring an uneven evolution of dividends during the year (Chart 17), specific to their distribution after the end of the financial year. In 2024 overall, the deficit on direct investment income (of which 60.6 percent was accounted for by dividends distributed and 28.5 percent was carried by the reinvested earnings in direct investment enterprises in Romania) took roughly 37 percent of the current account deficit (Chart 18).

Chart 16. Balance on primary income by component

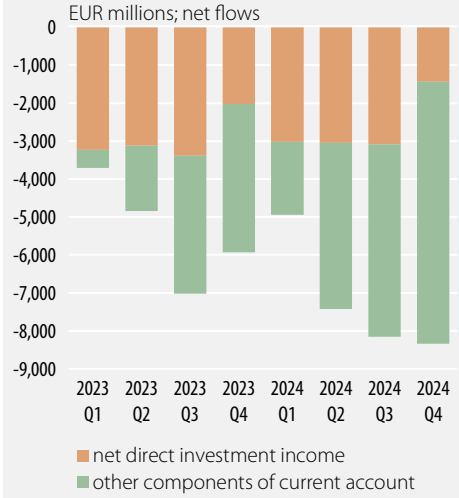


The income on reserve assets had a positive influence on the primary income balance, contributing by about EUR 500 million to its narrowing.

Chart 17. Net direct investment income



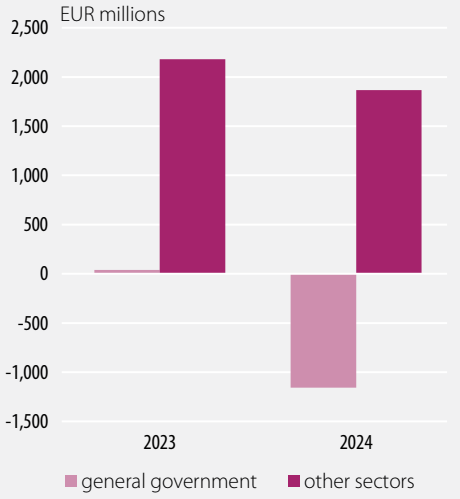
Chart 18. Direct investment and current account



2.3. Balance on secondary income

The balance on secondary income ended the year 2024 on a EUR 709 million surplus, down by more than two thirds from the previous year (Chart 19), mainly as a result of the surplus on secondary income of general government turning into deficit, but also following the decline in the surplus reported by other sectors (private sector).

Chart 19. Balance on secondary income by sector



The balance on secondary income of general government ended the year 2024 on a EUR 1,157 million deficit, compared with a EUR 40 million surplus in 2023 amid a lower volume of inflows of EU funds in the form of current transfers, especially the European Social Fund (ESF). Payments from the EU budget to Romania in 2024, recorded as current transfers received by the general government[20], totalled EUR 1,664 million[21], with more than a third of this amount coming from the ESF, while the amounts included under social security contributions from non-residents amounted to EUR 154 million. Romania's contribution to the EU budget, determined based on the gross national income and the value added tax, totalled EUR 2,688 million (EUR 2,522 million in 2023).

The balance on secondary income of other sectors posted a EUR 1,866 million surplus, i.e. 14.4 percent below the level in 2023, reflecting the downward trend of Romanian workers' remittances from abroad.

[20] Current transfers include EU funds other than subsidies (included under primary income) or than those for gross fixed capital formation (included under capital transfers).

[21] Source: Ministry of Finance

Table 14. Personal remittances

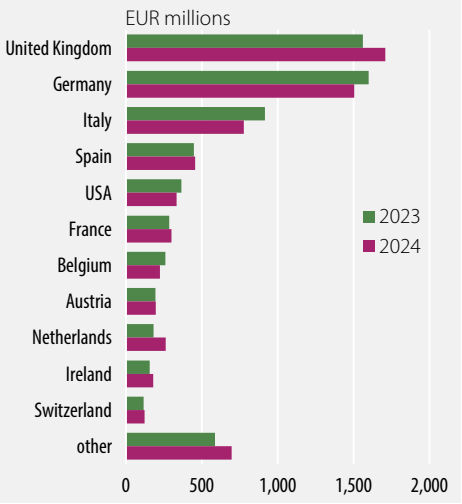
	EUR millions		Indices (%)	Composition (%)	
	2023	2024	2024/2023	2023	2024
Receipts	**6,667**	**6,761**	**101.4**	**100.0**	**100.0**
Workers' remittances (+)*	4,597	4,892	106.4	69.0	72.4
Net compensation of employees, *of which:*	2,070	1,869	90.3	31.0	27.6
Gross compensation of employees (+)**	4,617	3,911	84.7	69.3	57.8
Social security contributions (-)***	-961	-1,068	111.1	-14.4	-15.8
Income tax (-)***	-632	-481	76.1	-9.5	-7.1
Purchases of goods and services (-)***	-954	-493	51.7	-14.3	-7.3
Payments	**1,046**	**1,699**	**162.4**	**100.0**	**100.0**
Workers' remittances (+)*	899	1,520	169.1	85.9	89.5
Net compensation of employees, *of which:*	147	179	121.8	14.1	10.5
Gross compensation of employees (+)**	403	429	106.5	38.5	25.3
Social security contributions (-)***	-143	-154	107.7	-13.6	-9.1
Income tax (-)***	-38	-27	71.1	-3.7	-1.6
Purchases of goods and services (-)***	-75	-69	92.0	-7.1	-4.1
Balance	**5,621**	**5,062**	**90.1**	**100.0**	**100.0**
Workers' remittances (+)*	3,698	3,372	91.2	65.8	66.6
Net compensation of employees, *of which:*	1,923	1,690	87.9	34.2	33.4
Gross compensation of employees (+)**	4,214	3,482	82.6	75.0	68.8
Social security contributions (-)***	-818	-914	111.7	-14.6	-18.1
Income tax (-)***	-594	-454	76.4	-10.6	-9.0
Purchases of goods and services (-)***	-879	-424	48.2	-15.6	-8.4

*) remittances from workers working abroad for more than 1 year

**) the value of gross income of employees working abroad for less than 1 year

***) the value of social security contributions, income tax payable by employees working abroad for less than 1 year, and the value of the goods and services purchased by them in the host country, respectively

Chart 20. Personal remittances (receipts) by country



The positive balance on personal remittances (Table 14), comprising workers' remittances (secondary income) and net compensation of employees[22] (primary income) shed 9.9 percent to EUR 5,062 million (workers' remittances contracted by 8.8 percent, while the compensation of employees went down by 12.1 percent). Behind this evolution stood particularly the step-up in remittances sent abroad by foreign workers in Romania, also amid the rise in their number, their current transfers expanding by almost 70 percent.

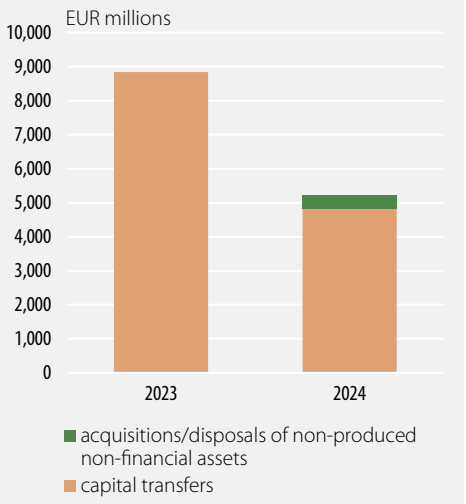
22 Net compensation is determined by adjusting gross compensation (included in primary income) for the personal income tax and the related social security contributions, as well as for the value of goods and services purchased in the economy where employees work on a contract basis.

Receipts from personal remittances totalled EUR 6,761 million and came mainly from the United Kingdom, Germany, Italy and Spain, the four countries accounting for more than 65 percent of total (Chart 20). Remittances from the United Kingdom and the Netherlands increased versus the previous year.

Payments of personal remittances made by foreign workers in Romania to their home countries saw a significant annual growth, i.e. 62.4 percent to EUR 1,699 million. The breakdown by country started to reflect the presence of workers from Nepal, Sri Lanka, Bangladesh and Pakistan, who accounted for around 8 percent of total remittances from Romania in 2024.

3. CAPITAL ACCOUNT

Chart 21. Capital account balance by component



The capital account recorded a EUR 5,208 million surplus, i.e. 41.1 percent below the 2023 level (Chart 24), given the downward trend in the inflows of EU funds in the form of capital transfers. Specifically, these inflows totalled EUR 4,739 million, accounting for only 53.7 percent of the previous year's level, with markedly lower values coming from all significant structural funds: the European Social Fund (ESF), the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the Recovery and Resilience Facility (the National Recovery and Resilience Plan). In relative terms, the capital account balance stood at 1.5 percent of GDP compared to 2.7 percent of GDP in the previous year.

4. FINANCIAL ACCOUNT[23]

The financial account ended the year 2024 on a deficit of EUR 19,879 million, with the net financial inflows rising from EUR 10,045 million in the previous year. This increase was driven by the slower pick-up in reserve assets concurrently with the advance in other investment inflows (Chart 22), being however contained by the fall in net inflows of direct investment and portfolio investment. Accordingly, net financial inflows went up from 3.1 percent of GDP in 2023 to 5.6 percent of GDP in 2024.

[23] The financial account covers foreign transactions in financial assets and liabilities, shown under the net acquisition of assets and the net incurrence of liabilities, respectively. The difference between the net acquisition of assets and the net incurrence of liabilities (net) points to a net inflow in case of (-) and to a net outflow in case of (+).

Chart 22. Net financial flows



Net inflows to other investment (largely loans and deposits) were on a slightly upward trend, as a result of the decrease in assets relating to EU funds. The EUR 790 million increase in reserve assets came mainly from inflows into the minimum required reserves. Net direct investment contracted by more than a quarter compared to 2023 amid a lower level of equity (including reinvestment of earnings). The slower advance in net inflows of portfolio investment was the result of the decline in the volume of debt instruments issued by the general government and resident banks.

4.1. Direct investment

In 2024, the net volume of direct investment transactions stood at EUR 4,741 million, down by more than a quarter from 2023, primarily on account of a lower net incurrence of liabilities (Chart 23). Net direct investment inflows took a lower share of total financial inflows, down from 63.4 percent in 2023 to 23.8 percent in 2024 (Chart 24), while their share in GDP dropped from 2.0 percent to 1.3 percent.

Chart 23. Net acquisition of assets and net incurrence of liabilities in the form of direct investment

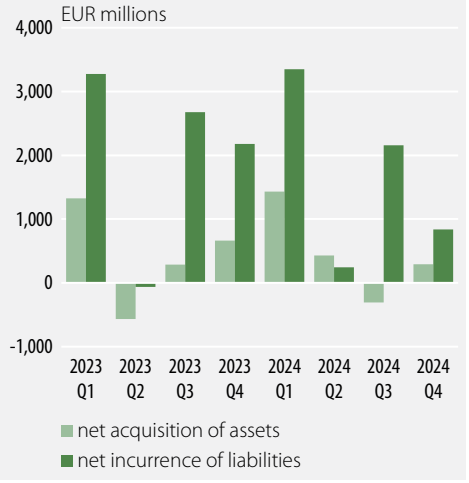
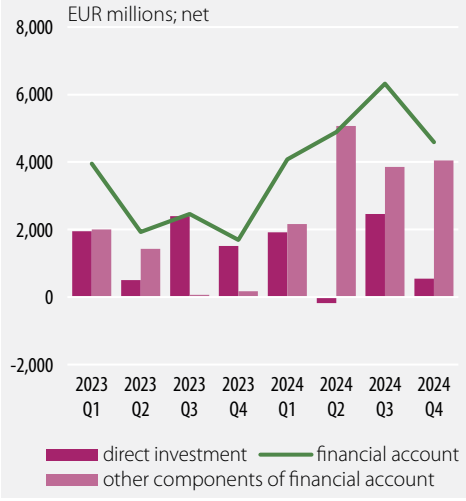


Chart 24. Direct investment and financial account



The net incurrence of liabilities came in at EUR 6,585 million, i.e. 18.4 percent lower than in the previous year, owing to equity and the reinvestment of earnings across both banks and non-financial corporations (Table 15). The net acquisition of assets amounted to EUR 1,844 million, i.e. 8.3 percent higher than in the previous year, with the trend being driven by equity (including reinvestment of earnings) held abroad by resident non-financial corporations.

Table 15. Direct investment

EUR millions

	2023			2024		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total	**1,703**	**8,068**	**-6,365**	**1,844**	**6,585**	**-4,741**
Equity	**123**	**6,990**	**-6,868**	**734**	**4,600**	**-3,866**
Equity other than reinvestment of earnings	236	2,063	-1,827	667	1,515	-848
Deposit-taking corporations except the central bank	0	-209	209	-20	-449	429
Other sectors*	236	2,272	-2,036	687	1,965	-1,277
Reinvestment of earnings	-114	4,927	-5,040	67	3,085	-3,018
Deposit-taking corporations except the central bank	19	1,327	-1,308	28	962	-934
Other sectors*	-132	3,599	-3,732	39	2,122	-2,084
Debt instruments	**1,580**	**1,078**	**502**	**1,110**	**1,985**	**-875**
Deposit-taking corporations except the central bank	0	7	-7	0	5	-5
Other sectors*	1,580	1,071	509	1,110	1,981	-871

*) non-financial corporations, non-bank financial institutions, households and non-profit institutions

Direct investment by non-residents in Romania[24] totalled EUR 5,602 million (Table 16), with equity (including net reinvestment of earnings) amounting to EUR 4,601 million and intercompany loans coming in at EUR 1,001 million. Direct investment in Romania contracted by 17.0 percent versus 2023, on account of the fall by 34.2 percent in equity (including reinvestment of earnings), partly offset by loans granted to resident enterprises by non-resident entities in the same multinational group. The analysis by institutional sector shows that more than 90 percent of direct investment made in Romania in 2024 was channelled to non-financial corporations (compared to approximately 83 percent in the previous year), with the remainder going to banks.

Table 16. Direct investment under the directional principle

EUR millions

	2023			2024		
	Credit	Debit	Net	Credit	Debit	Net
Total	**92,125**	**85,760**	**6,365**	**96,015**	**91,274**	**4,741**
Direct investment by residents abroad	**1,041**	**1,424**	**-383**	**1,294**	**2,155**	**-861**
Equity other than reinvestment of earnings	159	401	-242	92	759	-667
Deposit-taking corporations except the central bank	0	0	0	37	17	20
Other sectors	159	401	-242	55	742	-687

[24] For further details on the presentation of data according to the directional principle, see *Foreign Direct Investment in Romania* on the NBR's website.

continued

EUR millions

	2023			2024		
	Credit	Debit	Net	Credit	Debit	Net
Reinvestment of earnings	0	-113	113	0	67	-67
Deposit-taking corporations except the central bank	0	19	-19	0	28	-28
Other sectors	0	-132	132	0	39	-39
Debt instruments	882	1,136	-254	1,202	1,329	-127
Deposit-taking corporations except the central bank	0	0	0	0	0	0
Other sectors	882	1,136	-254	1,202	1,329	-127
Direct investment by non-residents in Romania	**91,084**	**84,336**	**6,748**	**94,721**	**89,119**	**5,602**
Equity other than reinvestment of earnings	7,213	5,143	2,070	5,884	4,368	1,516
Deposit-taking corporations except the central bank	4	213	-209	606	1,055	-449
Other sectors	7,209	4,930	2,279	5,278	3,313	1,965
Reinvestment of earnings	4,926	0	4,926	3,085	0	3,085
Deposit-taking corporations except the central bank	1,327	0	1,327	962	0	962
Other sectors	3,599	0	3,599	2,123	0	2,123
Debt instruments	78,945	79,193	-248	85,752	84,751	1,001
Deposit-taking corporations except the central bank	7	0	7	5	0	5
Other sectors	78,938	79,193	-255	85,747	84,751	996

Investment by residents abroad totalled EUR 861 million, of which equity (including reinvestment of earnings) in the amount of EUR 734 million and intercompany loans in the net amount of EUR 127 million. Compared to the previous year, direct investment abroad widened 2.2 times, with resident non-financial corporations increasing their equity and reinvestment of earnings in subsidiaries held abroad.

4.2. Portfolio investment

In 2024, portfolio investment recorded net inflows of EUR 12,389 million compared to EUR 13,772 million in 2023 (Table 17), contracting as a share of GDP by 0.8 percentage points to 3.5 percent amid a lower net incurrence of liabilities.

Table 17. Portfolio investment

EUR millions

	2023			2024		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total	**1,489**	**15,260**	**-13,772**	**1,337**	**13,726**	**-12,389**
Equity	**-144**	**422**	**-566**	**904**	**-529**	**1,433**
Deposit-taking corporations except the central bank	20	-21	42	5	46	-41
Other sectors	-164	443	-607	899	-575	1,474
Investment fund shares	**74**	**-678**	**752**	**460**	**7**	**453**
Other sectors	74	-678	752	460	7	453
Debt securities	**1,558**	**15,516**	**-13,958**	**-26**	**14,248**	**-14,274**
Short term	1,521	67	1,454	510	61	448
Deposit-taking corporations except the central bank	1,762	0	1,762	347	0	347
General government	-165	67	-232	68	61	7
Other sectors	-76	0	-76	95	0	95
Long term	37	15,449	-15,412	-536	14,186	-14,722
Deposit-taking corporations except the central bank	272	2,085	-1,813	-179	1,289	-1,467
General government	17	13,360	-13,344	-90	12,965	-13,055
Other sectors	-251	4	-255	-267	-67	-200

The net incurrence of liabilities amounted to EUR 13,726 million, i.e. 10.1 percent lower than in the previous year, owing to the fall in equity acquired by non-residents in resident non-financial corporations and to the drop in the volume of debt instruments issued by the general government and resident banks and purchased by non-residents.

The net acquisition of assets equalled EUR 1,337 million, i.e. 10.2 percent lower than in the previous year, with the trend being ascribable to the decline in the volume of short-term securities issued by non-residents and held by resident banks amid the restructuring of their portfolio in favour of Romanian government bonds.

4.3. Other investment

In 2024, other investment recorded net inflows of EUR 3,602 million, which reflected the net incurrence of liabilities in the amount of EUR 5,858 million and the net acquisition of assets worth EUR 2,256 million (Table 18). Net inflows rose by 7.0 percent versus 2023, on account of the slower increase in assets, but their share in GDP remained flat at 1.0 percent, i.e. the previous year's level.

The net acquisition of assets shrank from EUR 4,147 million in 2023 to EUR 2,256 million, due to a lower volume of assets relating to EU funds. Their influence was limited to a significant extent by the pick-up in deposits held abroad by non-financial corporations and by the trade credit resident firms granted to non-residents.

The net incurrence of liabilities fell by 22.0 percent to EUR 5,858 million, as a result of the drop in the liabilities to the European Commission, in line with the decline in the absorption rate of EU funds. Behind the downward trend of the incurrence of liabilities also stood, albeit to a lower extent, the decrease in the deposits non-residents held in Romania and in the trade credit they extended to resident firms.

Table 18. Other investment

EUR millions

	2023			2024		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total, *of which:*	**4,147**	**7,514**	**-3,367**	**2,256**	**5,858**	**-3,602**
Other equity	**0**	**0**	**0**	**0**	**0**	**0**
Currency and deposits	**202**	**-326**	**528**	**1,615**	**-432**	**2,047**
Central bank	-211	1	-212	-185	1,121	-1,306
Deposit-taking corporations except the central bank	1,380	-249	1,629	1,681	-1,345	3,026
General government	15	-78	93	2	-208	210
Other sectors	-982	0	-982	117	0	117
Loans	**-35**	**2,081**	**-2,116**	**-88**	**3,675**	**-3,763**
Central bank	0	0	0	0	0	0
Deposit-taking corporations except the central bank	-26	0	-26	-68	0	-68
General government	-19	974	-993	-17	2,257	-2,274
Other sectors	10	1,107	-1,097	-3	1,418	-1,421
Insurance, pension and standardised guarantee schemes	**-339**	**-3**	**-336**	**170**	**37**	**133**
Trade credit and advances	**409**	**1,137**	**-728**	**1,459**	**948**	**511**
General government	516	-126	642	883	338	545
Other sectors	-107	1,263	-1,370	576	610	-34
Other accounts receivable/payable	**3,910**	**4,625**	**-715**	**-900**	**1,630**	**-2,530**
Deposit-taking corporations except the central bank	18	-39	57	-85	-8	-77
General government	3,895	4,609	-714	-837	1,611	-2,448
Other sectors	-3	55	-58	22	27	-5
Special drawing rights	**0**	**0**	**0**	**0**	**0**	**0**

To sum up, in 2024, the balance of payments posted net transactions in real assets in the amount of EUR 23,645 million (shown under the combined current and capital account deficit), having as counterpart net financial transactions worth EUR 19,879 million (financial account balance), with the difference being accounted for by errors and omissions.

B. International investment position and external debt

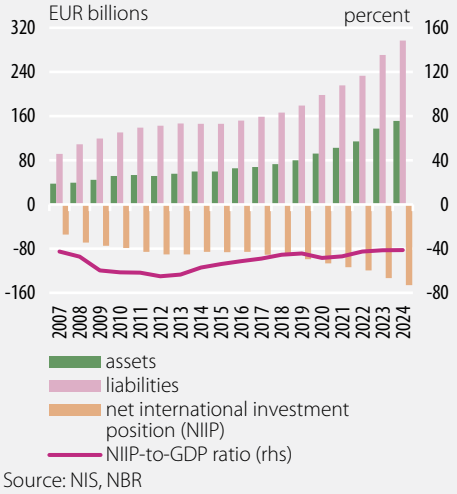
1. INTERNATIONAL INVESTMENT POSITION

Overall, the developments in international investment position (IIP) reflect the integration of the Romanian economy into the international financial circuit, while maintaining an external structure similar to that of an emerging economy. Although the negative balance indicates a moderate dependence on foreign financing, this dependence remains sustainable, being mainly associated with productive investment and increased confidence of foreign investors in Romania's economy. From an analytical perspective, a relatively stable negative net investment position does not indicate an immediate vulnerability, but rather a dynamic equilibrium between the need for foreign capital and the economy's capacity to generate higher external assets and revenues[25].

1.1. Overall developments and international comparisons

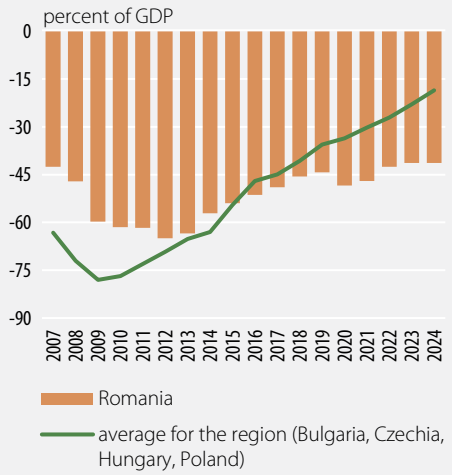
The stronger dynamics of liabilities – driven by the attraction of foreign direct investment, portfolio investment and other financial flows – led to a negative net investment position throughout the period under review, with an overall improvement trend in the long run. The data in Chart 25 point to a sustained increase in both external assets and liabilities amid Romania's stronger economic and financial relations with foreign partners.

Chart 25. International investment position



Source: NIS, NBR

Chart 26. Romania's international investment position versus the average of regional peers



During 2007-2012, the IIP deteriorated sharply, from -43 percent to -65 percent of GDP against the backdrop of the global financial crisis and the rapid increase in external debt and foreign direct investment. In 2013-2019, the net position improved steadily, reaching -44 percent of GDP in 2019, mainly owing to economic growth, the strengthening of the foreign asset base and capital inflows from portfolio investment and FDI.

[25] European Commission, *The Macroeconomic Imbalance Procedure – Rationale, Process, Application: A Compendium* (https://economy-finance.ec.europa.eu/system/files/2022-08/ip039_en.pdf)

In the context of the COVID-19 pandemic, in 2020 the IIP temporarily deteriorated to -48 percent of GDP, before stabilising at around -41 percent in 2023-2024.

Thus, the dynamics of the last decade show a gradual consolidation of Romania's net external position, as illustrated by an increased financial sustainability. Given that the composition of Romania's foreign liabilities features especially long-term direct investment, which helps reduce financial risk, the country's net debtor position vis-à-vis the rest of the world remained relatively steady.

The comparative analysis of Romania's international investment position and of the average of countries in the region (Bulgaria, Czechia, Hungary and Poland) provides an insight into the degree of foreign financial integration and regional economic convergence.

Unlike Romania, the regional average indicated a higher net debtor position, hovering around -80 percent of GDP in 2009-2010, followed by a slight improvement in 2011-2014 and a significant improvement after 2015 amid the consolidation of Central European countries' external positions. Thus, the Central European countries' average dropped to around -19 percent of GDP at the end of 2024.

Romania's gap with the average of the countries in the region narrowed significantly until recently, pointing to the convergence of Central and Eastern European countries' net external positions. Over the recent years, however, this convergence has slowed down somewhat, with Romania moving slightly away from the regional average amid specific developments in capital flows and in the composition of foreign liabilities (Chart 26).

1.2. International investment position by component (assets and liabilities)

Compared to 2023, the breakdown of the international investment position by instrument at end-2024 shows an increase in foreign assets, particularly in reserve assets and other investment, which points to a consolidation of the capacity to cover foreign liabilities.

Chart 27. Foreign assets and liabilities by instrument – 2024

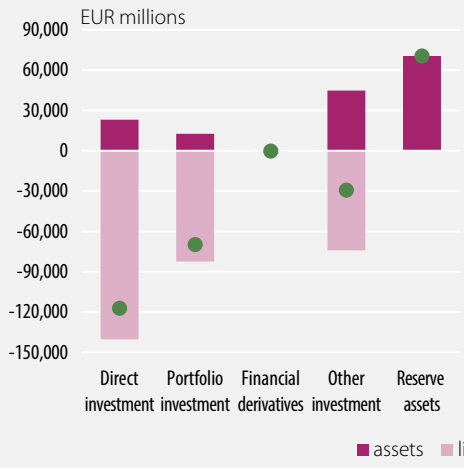
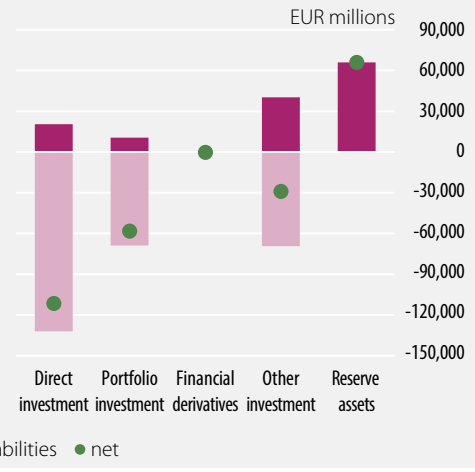


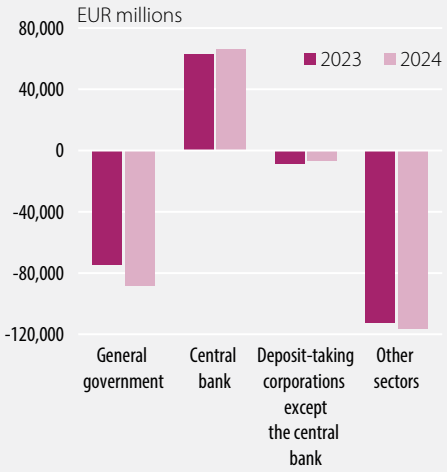
Chart 28. Foreign assets and liabilities by instrument – 2023



On the liability side, direct investment further held the largest share, keeping the key role in financing the economy, while portfolio investment was slightly on the rise, reflecting non-resident investors' keener appetite for Romanian government securities.

These developments indicate a foreign composition similar to that in the previous year, with the advance in foreign assets and the prevalence of long-term investment helping mitigate financial risk and preserve external stability (Charts 27 and 28).

Chart 29. The international investment position by institutional sector



The sectoral breakdown of the IIP at end-2024 shows a relative stability versus 2023. The central bank preserved its net creditor position, in line with the rise in international reserves, while the general government and other sectors further held net debtor positions, reflecting the high levels of government debt and of the foreign corporate exposure (Chart 29).

1.2.1. Foreign assets

Foreign assets stood at EUR 151,081 million in 2024, up 9.8 percent against the previous year. By institutional sector, the overall composition remained relatively stable, with the central bank holding the largest share in total foreign assets, i.e. 46.9 percent, ahead of other sectors (29.3 percent).

Chart 30. Foreign assets by institutional sector

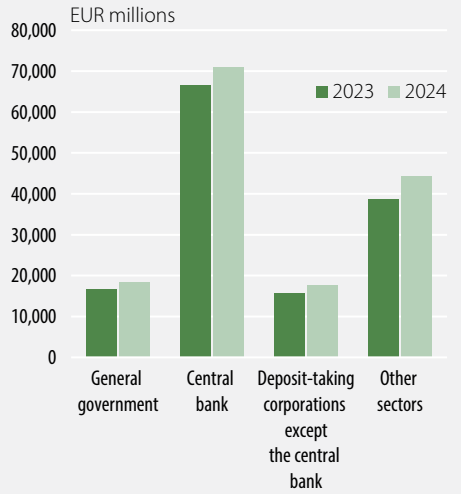
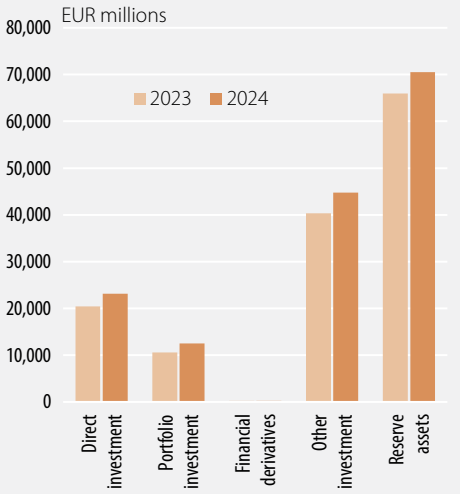


Chart 31. Foreign assets by instrument



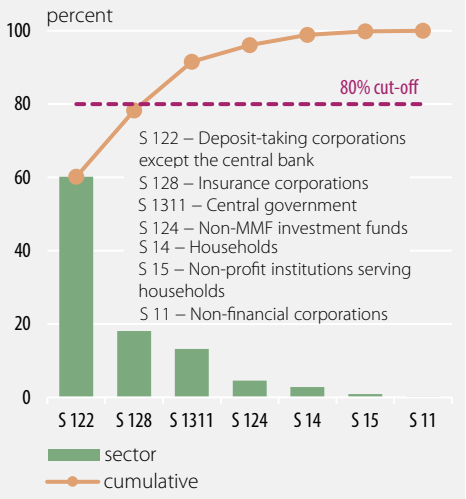
Thus, compared to the same year-earlier period, the most sizeable increase at end-2024 was recorded under other sectors, especially non-financial corporations and households, which posted an advance of 14.4 percent to EUR 44,263 million. The central bank

witnessed a rise of 6.5 percent, to EUR 70,896 million, amid the consolidation of international reserves, the general government reported foreign assets worth EUR 18,246 million (up 9.7 percent), while deposit-taking corporations except the central bank totalled EUR 17,677 million, up 12.7 percent (Chart 30).

From an institutional perspective, Chart 31 depicts the composition of foreign assets by financial instrument, showing the functional composition thereof, namely the main categories – direct investment, portfolio investment, other investment, and reserve assets. In 2024, reserve assets and other investment further prevailed, holding shares of 46.7 percent (EUR 70,491 million) and 29.6 percent (EUR 44,727 million) of total. Direct investment and portfolio investment saw moderate rises of 13 percent (to EUR 23,104 million) and 17.8 percent (to EUR 12,505 million) respectively. Looking at direct investment[26], the breakdown of foreign assets points to a significant prevalence of debt instruments (around 11 percent of total foreign assets, during both 2023 and 2024), compared to equity, with an approximately 4 percent share. The asset composition is more balanced from the perspective of portfolio investment, with debt instruments (long-term government securities) prevailing (5 percent of total), whereas equity and investment fund shares held a smaller, albeit rising weight (from 2.4 percent in 2023 to 3.4 percent in 2024).

Compared to 2023, the year under review saw a slight diversification in terms of asset composition, as external deposits and trade credit to non-residents added 15.9 percent and 12.8 percent respectively. Even though the contribution of other assets to the overall dynamics is limited (6.4 percent of total), these assets support the liquidity of the external position and primarily reflect the general government's EU funds recorded on an accrual basis (EUR 9,717 million).

Chart 32. ESG bonds by resident holder



As regards portfolio investment, the institutions that usually finance the economy through lending and government security purchases are also the main entities earmarking resources for ESG[27] bonds. This type of bonds does not alter the composition of investors, yet transfers part of the exposure to sustainable instruments, being almost identically mirrored in the composition of creditors economy-wide, as traditional lenders.

Chart 32 depicts the distribution of ESG bonds in residents' portfolios by

[26] According to the BPM6 methodological framework, in the standard presentation of the international investment position and of the gross/net external debt, the asset and liability principle replaced the directional principle in the presentation of direct investment. The balance on residents' direct investment abroad (directional principle) stood at EUR 6,595 million at end-2023 and EUR 7,794 million at end-2024.

[27] ESG – Environmental, Social and Governance (https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance_en)

institutional sector, deposit-taking corporations except the central bank (S122) making up 60 percent, ahead of insurance corporations (S128) with 18 percent and central government (S1311) with 13 percent of total. At end-2024, ESG bond holdings grew mildly year on year, from 1.84 percent to 2.14 percent of total foreign bonds.

Consequently, the resident financial sector accounts for over 80 percent of the ESG finance, the central government for 13 percent, whereas the role of households, non-profit institutions and non-financial corporations remains marginal.

The currency composition of foreign assets shows the currency breakdown of Romania's investments and, more specifically, the prevalence of assets denominated in euro and US dollars, in line with the geographical concentration of the country's external financial relations.

Thus, the majority share was held by EUR-denominated assets, which accounted for more than half of total (EUR 81,991 million), confirming that the domestic economy is structurally oriented towards the euro area and the financial and trade relations with EU Member States prevail. Next in line were the USD, with a significant weight, i.e. 19.2 percent of total (EUR 29,067 million), used for investing in USD-denominated securities, and the domestic currency (RON), with a further low share in foreign assets (9.2 percent). The other currencies – mainly the British pound (GBP), the Swiss franc (CHF), the Japanese yen (JPY), the Special Drawing Rights (XDR) and the Australian dollar (AUD) – held small shares (below 2.5 percent each, totalling EUR 9,635 million), yet contributed to a more diverse portfolio and to mitigating the currency risk associated with the fluctuations of a dominant currency. The XAU (gold) component reported a low weight in foreign assets (5.5 percent), but preserves its traditional role as a reserve asset, consolidating the balanced currency composition (Chart 33).

Chart 33. Currency composition of foreign assets – 2024

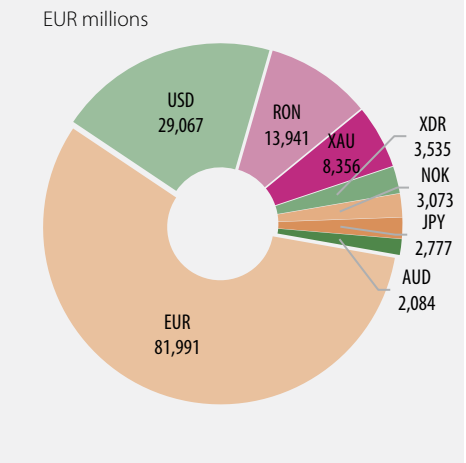
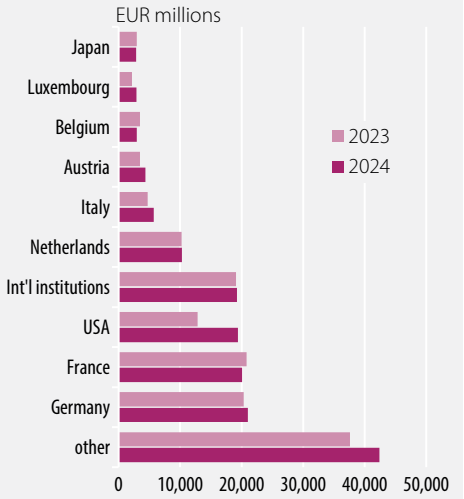


Chart 34. Geographical breakdown of foreign assets



According to the geographical breakdown of foreign assets, the bulk of Romania's investment in 2024 was in relation to advanced EU economies and international financial institutions, which is indicative of an investment profile targeting robust markets and highly rated financial partners. Assets invested in Germany (EUR 21,025 million) and France (EUR 20,048 million) reported significant shares

(13.9 percent and 13.3 percent respectively), followed by those in relation to the United States (12.8 percent, EUR 19,391 million) and international institutions[28] (12.7 percent, EUR 19,232 million), representing the main external financial partners. A large share was also recorded under "Other" (28 percent of total, EUR 42,391 million), with individual investments of up to EUR 3,000 million, indicating a moderately broader range of countries by investment destination, although the prevalence of advanced economies further characterises the geographical breakdown of foreign assets (Chart 34).

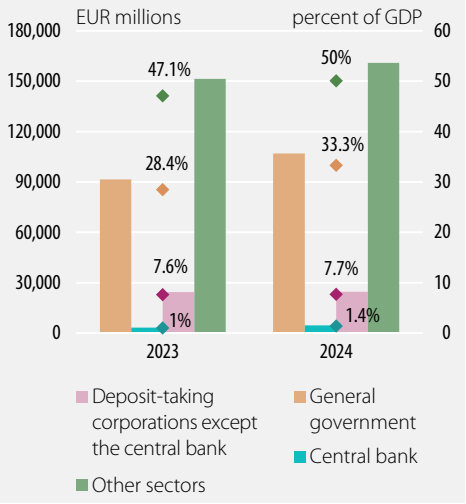
Compared with 2023, the year under review witnessed an increase in exposure to international markets and financial institutions, in line with developments in global markets and with the management of foreign reserves in a context of moderate volatility.

1.2.2. Foreign liabilities

At end-2024, foreign liabilities amounted to EUR 297,088 million, up 9.8 percent from the end of the previous year. The composition of Romania's foreign liabilities remained relatively stable, yet with some adjustments in dynamics by institutional sector. Other sectors (primarily non-financial corporations) further reported the largest weight in total foreign liabilities, coming in at EUR 160,948 million in 2024, up 6.3 percent from a year earlier.

The general government also saw a hefty increase in foreign liabilities, reflecting the step-up in external financing via government security issues and borrowing from international markets. Specifically, the government sector's foreign liabilities surged by 16.9 percent to EUR 106,991 million at end-2024, also marking a rise as a share in GDP (from 28 percent to 33 percent).

Chart 35. Foreign liabilities by institutional sector



Looking at deposit-taking corporations except the central bank, foreign liabilities held relatively steady at around EUR 24 billion, indicating that the external financing of the banking system has stabilised. The central bank continued to report a low share in total foreign liabilities (1.5 percent), with minor changes in 2024 versus 2023, reflecting a further prudent composition of the external position (Chart 35).

[28] European Commission, International Monetary Fund, World Bank, European Bank for Reconstruction and Development, European Investment Bank

The breakdown of foreign liabilities by main functional category shows a consolidation of direct investment[29] in 2024, which remained in the lead in terms of both volume (totalling EUR 140,345 million) and share in GDP (40 percent). The advance versus 2023 reflects the continued attractiveness of the economy for investments with a high degree of stability and an extended investment horizon, which helps enhance the resilience of the external financial position.

Portfolio investment witnessed positive dynamics in 2024, marking a moderate increase both in nominal terms (to EUR 82,308 million from EUR 68,866 million) and as a share in GDP (to 23 percent from 21 percent). These developments are associated with favourable financing conditions and the keener interest in marketable financial instruments, amid a relatively stable investment environment.

Other investment posted steady developments in the period from 2023 to 2024, with small changes in both absolute terms (reaching EUR 74,037 million from EUR 69,298 million) and as a share in GDP (staying at 21 percent during the period under review). This stability points to a marginal adjustment of the flows related to loans, credits and other foreign liabilities, without significant effects on the aggregate composition of liabilities (Chart 36).

Overall, the setup of foreign liabilities at end-2024 shows a balanced profile, with a rise under direct investment and moderate developments in the other functional categories, thus helping preserve external stability.

Chart 36. Foreign liabilities by main functional category

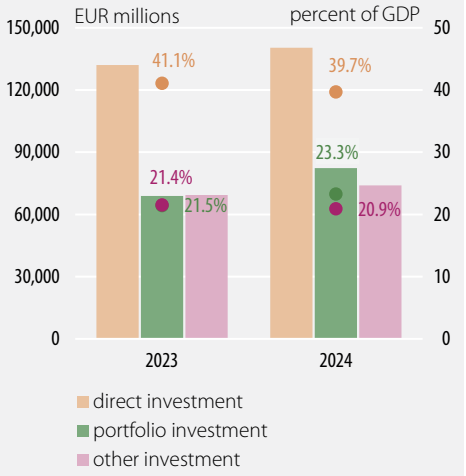
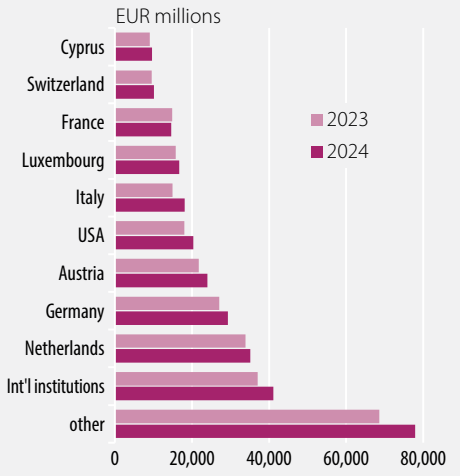


Chart 37. Geographical breakdown of foreign liabilities



The geographical breakdown of foreign liabilities shows that the positive dynamics recorded during 2024 were primarily underpinned by the performance of major partners. Among the top ten foreign partners that invested in Romania stood Italy

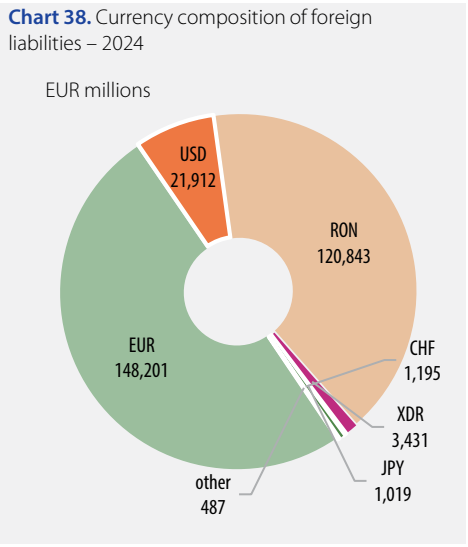
[29] According to the BPM6 methodological framework, in the standard presentation of the international investment position and of the gross/net external debt, the asset and liability principle replaced the directional principle in the presentation of direct investment. The stock of non-residents' direct investment in Romania (directional principle) stood at EUR 118,231 million at end-2023 and EUR 125,035 million at end-2024 and it was determined as the equity of and loans taken by direct investment enterprises, net of the intercompany loans granted by the latter.

(20.7 percent of total), the United States (12.6 percent) and Austria (10.4 percent), which is indicative of a step-up in economic relations with these countries. France was the only country witnessing a reduction in liabilities in relation to Romania, i.e. down approximately 1.5 percent. The classification by nominal amounts for 2024 shows that, of the total, international institutions, the Netherlands, Germany and Austria ranked topmost, each exceeding the EUR 20,000 million threshold. Next came the United States, Italy and Luxembourg, making up the median segment, while France, Switzerland and Cyprus trailed behind, with lower levels of liabilities held (below EUR 15,000 million). The "other" category, although residual, cumulates a significant contribution in absolute terms (EUR 77,942 million), reflecting both its aggregate nature and its distinct treatment from the main hierarchy of foreign partners (Chart 37).

The currency composition of foreign liabilities in 2024 points to a significant concentration in the currencies prevailing in Romania's international economic relations, namely the euro and the leu. EUR-denominated liabilities amounted to EUR 148,201 million, making up the main component of foreign liabilities (49.9 percent of total), reflecting both the strong interlinkages with euro area economies and the preference of investors and external creditors for assets in euro.

The second most important category (40.7 percent of total) consisted in foreign liabilities expressed in domestic currency (RON), running at EUR 120,843 million. The large weight of RON-denominated liabilities reflects investors' high degree of confidence in the local currency, on one hand, and helps mitigate the exposure to currency risk, on the other.

Chart 38. Currency composition of foreign liabilities – 2024



The US dollar (USD), accounting for liabilities worth EUR 21,912 million (7.4 percent of total), further ranked third in terms of importance, yet well behind the euro and the leu, which underlines the predominantly European orientation of the economy's external financial flows.

The currencies with small shares – such as Special Drawing Rights, Swiss franc, Japanese yen, British pound, alongside other currencies – jointly held a marginal weight in total foreign liabilities, which is indicative of a low exposure to the volatility associated with emerging currencies or to those with limited use globally (Chart 38).

The currency composition of foreign liabilities in 2024 confirmed the further prevalence of the euro, the same as in the case of foreign assets, contributing to financial sustainability by lowering currency risk.

1.3. Recent dynamics of Romania's international investment position

Complementing the comparative analysis at regional level, the in-depth examination of the recent dynamics of Romania's international investment position highlights the factors that influenced the evolution of the latter and of the main risks generated by the current external environment. The review of the recent dynamics is complemented by the examination of the composition of the financial instruments making up Romania's foreign liabilities, as well as of the rates of return on each investment category (Chart 39).

Foreign direct investment holds the largest share in total foreign liabilities, constantly exceeding EUR 100 billion in recent years, with a high rate of return, ranging between 8 percent and 12 percent, which confirms the stable and profitable nature of these flows.

By contrast, portfolio investment recorded lower levels and a moderate rate of return (3-5 percent), reflecting financial market volatility and investors' diverse appetite for Romanian securities. Other investment – primarily loans and trade credit – displayed a relatively steady share, amounted to around EUR 20-30 billion and had a low rate of return (below 4 percent), which shows that these flows mainly play a role in financing working capital needs, with a low impact on the investment component.

According to the breakdown in Chart 39, direct investment played the decisive role for the stability of Romania's net external position during 2024, given its large weight and higher return over the long term. Conversely, portfolio investment and other investment made a smaller contribution, while entailing higher risks, associated with the volatility in financial markets and global financing conditions.

Chart 39. International investment position – financial instruments and rate of return

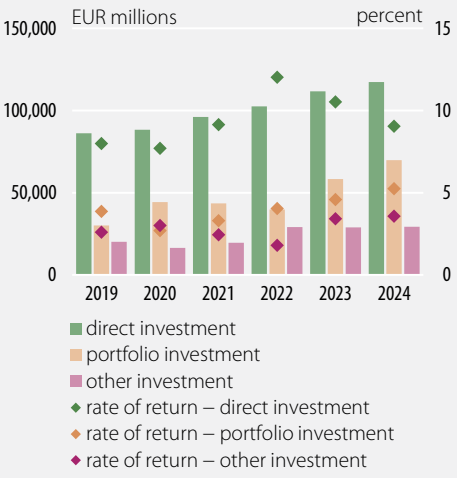
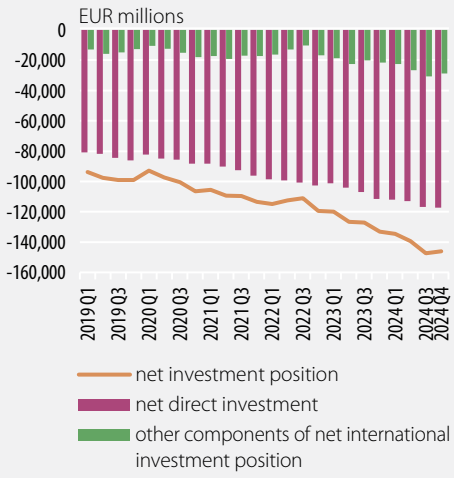


Chart 40. Direct investment and international investment position



This composition indicates a relatively balanced external profile, where direct investment cushions the effects of the risks generated by more unstable portfolio and credit flows (see the section on the assessment of the gravity, evolution and prospects of macroeconomic vulnerabilities in the European Commission's *In-Depth Review 2024 – Romania*[30]).

[30] https://economy-finance.ec.europa.eu/publications/depth-review-2024-romania

Since foreign direct investment records the highest share and rate of return among foreign liabilities, it is relevant to examine the way in which its performance influences Romania's net international investment position (Chart 40). In the period from 2019 to 2024, direct investment followed a relatively steady path, helping stabilise the external position, while other IIP components saw moderate fluctuations. However, the net investment position continued to deteriorate gradually, reaching values of more than EUR -140 billion at the end of the period, due mainly to the swifter rise in foreign liabilities compared to foreign assets. This shows that, although foreign direct investment contributes significantly to the financing of the economy and to the stability of the foreign liabilities structure, Romania's net investment position remains negative, which indicates a reliance on foreign capital and hence a vulnerability to changes in global financing conditions.

2. EXTERNAL DEBT

2.1. Overall developments and international comparisons

The evolution of gross external debt in the period from 2007 to 2024 pinpoints a gradual increase in the economy's foreign liabilities, with different dynamics between short-term and long-term components. Long-term debt prevailed throughout the period, witnessing a significant upward trend after 2019 and hitting a new high in 2024, amid the step-up in public foreign financing as a result of higher long-term borrowing requirements (Chart 41).

Short-term debt, albeit lower in terms of volume, exhibited a steeper advance starting 2021, which reflects adjustments in external financial positions amid the recent economic volatility. After a period of relative stabilisation between 2010 and 2016, this component rose more quickly in recent years, exceeding EUR 47 billion at end-2024.

Chart 41. Gross external debt and its share in GDP

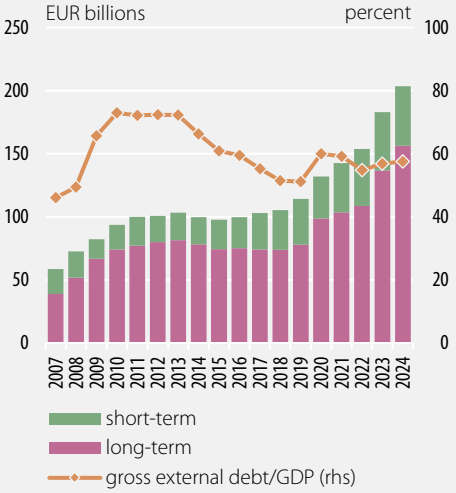
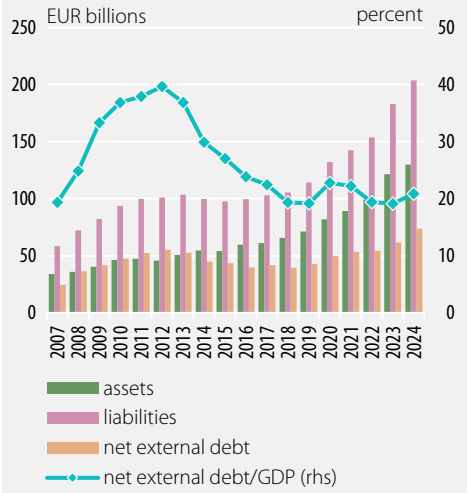


Chart 42. Net external debt and its share in GDP



Gross external debt as a share in GDP recorded values above 70 percent in the 2010-2013 period and then followed a downward path until 2019, when it reached

50.8 percent, reflecting the consolidation of economic growth. Subsequently, the indicator reverted to an upward course in the period from 2020 to 2024, fluctuating around 55-60 percent, with the 57.5 percent of GDP seen in 2024 indicating a moderate expansion of foreign liabilities relative to the dynamics of economic activity.

Overall, the setup of gross external debt during the period under review shows that financing is primarily oriented towards long maturities, within sustainable limits, although marked by the increase in volumes over the recent years.

Developments in net external debt[31] in the 2007-2024 period reflect a gradual external adjustment process, with the economy's net position consolidating over time, although liabilities grew at a swifter tempo than assets.

Net external debt followed an upward path until 2012, reaching EUR 55.2 billion, before declining and stabilising in the period from 2013 to 2019, when it ranged between EUR 39 billion and EUR 52 billion. After 2020, the net position deteriorated slightly, climbing gradually to EUR 73.8 billion at end-2024, amid the heftier rise in foreign liabilities. Nevertheless, as a share in GDP, net external debt stuck to a moderate level, fluctuating between 19 percent and 22 percent during 2018-2024, well below the peaks of almost 40 percent recorded prior to 2013.

Hence, Romania's economy has gradually strengthened its capacity to cover foreign liabilities through the build-up of assets, the faster dynamics of liabilities notwithstanding. This relative balance between assets and liabilities contributes to mitigating external risk (Chart 42).

In the period from 2007 to 2024, gross external debt as a share in GDP stayed constantly below the average of regional peers (Bulgaria, Czechia, Hungary and Poland), with a significant gap persisting throughout the time series. In 2007, Romania reported a level of 46 percent of GDP, i.e. 30.7 percentage points below the regional average (76.7 percent). Even during 2009-2012, when the debt share widened significantly amid the financial crisis, the level recorded by Romania was still considerably lower, namely 65.7 percent in 2009 versus 97.4 percent in the region, and then around 72 percent in the period from 2010 to 2012, compared to regional values ranging between 78 percent and 82.7 percent.

After 2014, Romania embarked on an adjustment and consolidation path, gradually narrowing the gross external debt share to 51.5 percent in 2018, while the regional average remained higher (72.7 percent). Even though Romania reported an increase in the debt share to 59-60 percent during 2020-2021, it still stood below the levels in the region (75-76 percent).

In 2024, Romania's gross external debt as a share in GDP came in at 57.5 percent, i.e. 9 percentage points below the average for the region (66.5 percent). This is indicative of a relatively lower degree of foreign exposure and a more moderate indebtedness profile compared with peer Central and Eastern European economies (Chart 43).

[31] Calculated as the difference between foreign liabilities and foreign assets related to all debt instruments (loans, currency and deposits, bonds and money market instruments, trade credit and advances)

Statistical data point to significant differences between Romania and the average for countries in the region (Bulgaria, Czechia, Hungary and Poland) as regards the net external position. Throughout 2007-2014, both Romania and the region recorded positive values of net external debt as a share in GDP, yet Romania's figures were constantly higher (between 19 percent and 40 percent of GDP), reflecting a higher level of foreign liabilities than of foreign assets. However, the difference versus the regional average was relatively contained in the first part of the period, especially from 2008 to 2012, when the region witnessed close values, ranging between 28 percent and 35 percent of GDP.

Chart 43. Romania's gross external debt versus the average of regional peers

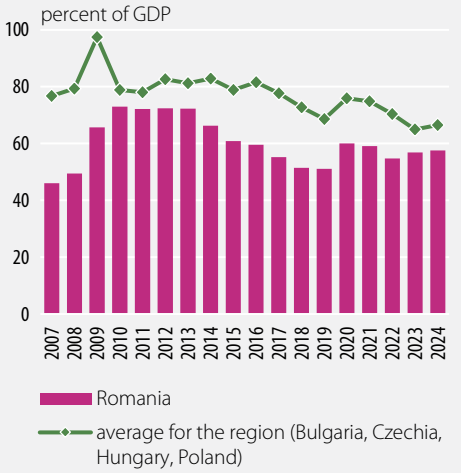
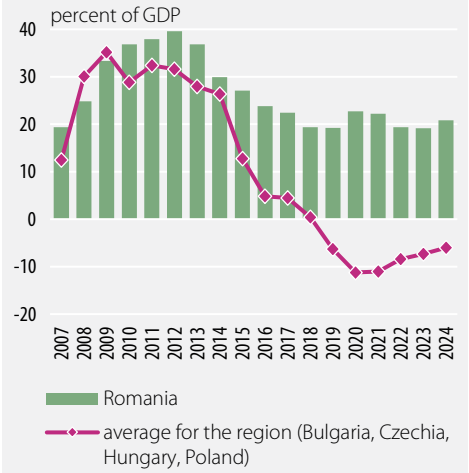


Chart 44. Romania's net external debt versus the average of regional peers



After 2014, developments started to diverge. Specifically, Romania saw its net debt share narrow gradually to approximately 19-22 percent of GDP in the period from 2018 to 2024, indicating a consolidation of the external position via the build-up of assets and the moderation of liability growth. By contrast, the regional average dropped swiftly to low values during the 2016-2018 period, before turning negative as of 2019 and hitting lows in 2020-2021 (-11 percent). This shift into negative territory shows that the region became a net creditor, amid the significant accumulation of foreign assets in some countries.

By comparison, Romania maintained a stable net debtor position, within a relatively narrow range of about 19-23 percent of GDP in recent years, indicative of a sustainable external debt profile (Chart 44).

2.2. External debt by main component

In 2024, gross external debt added 11.3 percent against 2023, totalling EUR 203,510 million (versus EUR 182,910 million in 2023), reflecting the rise in the long-term component by EUR 19,677 million (14.4 percent) to EUR 156,358 million and the advance in short-term debt by EUR 923 million (2 percent) to EUR 47,152 million (Chart 45).

Chart 45. Gross external debt

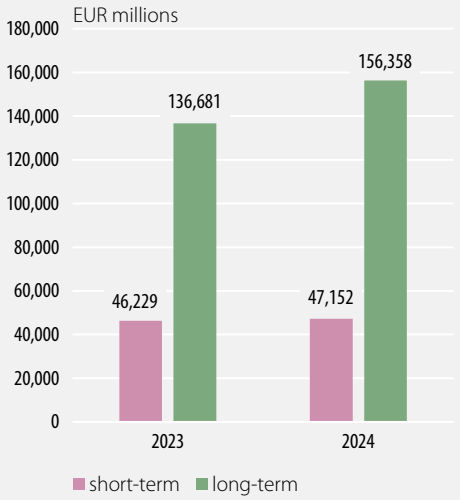
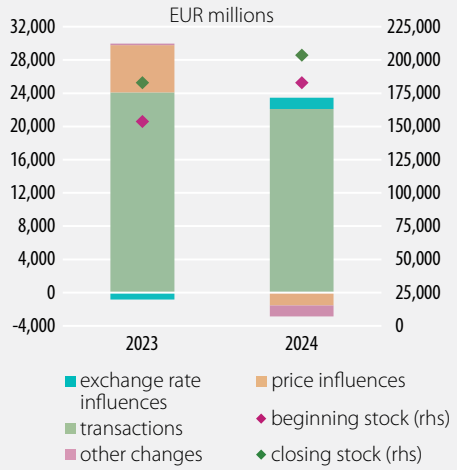
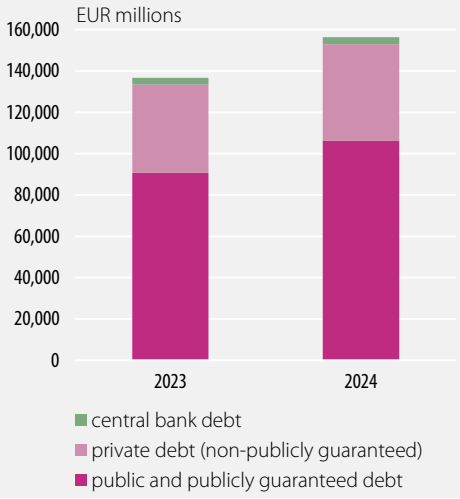


Chart 46. Gross external debt – beginning and closing stocks



The breakdown of the change in gross external debt illustrates in a differentiated manner the main elements that influenced the changes in stock in 2023 and 2024, as well as the corresponding levels of the beginning and closing stocks (Chart 46). Transactions further acted as the key positive determinant, yet their volume shrank from EUR 24,108 million in 2023 to EUR 22,091 million in 2024. Price influences had a negative contribution in 2024, i.e. EUR -1,537 million, after the year-earlier significant positive impact (EUR 5,687 million), while exchange rate influences generated a positive adjustment of EUR 1,382 million after the previous year's negative effect (EUR -824 million). Other changes[32] also witnessed a reversal, from a mildly positive contribution in 2023 (EUR 171 million) to a negative adjustment in 2024 (EUR -1,335 million).

Chart 47. Long-term external debt by debtor



The breakdown of long-term external debt by type of debtor provides a relevant snapshot of the distribution of foreign exposure across the public and private sectors and the central bank (Chart 47). Public and publicly guaranteed external debt[33] further prevailed among the components of long-term external debt, adding 17 percent in 2024 versus the prior year, to EUR 106,099 million. It surpassed the level of private debt non-publicly

[32] Other changes include values that entail a change in the closing stock through reclassifications, changes in the accounting treatment and corrections of statistical reports from previous periods.

[33] External public debt comprises external loans taken directly by the Ministry of Finance and local governments, in compliance with the legislation on public debt, including government securities purchased by non-residents – calculated at market value. The stock of government securities purchased by non-residents is estimated as a difference between the total value of issues by general government and the total value of holdings of government securities by resident institutional sectors reported by the main financial intermediaries on their behalf and on behalf of their clients for which they provide custody services, according to NBR Regulation No. 4/2021, as subsequently amended and supplemented.

guaranteed, which – although further holding a significant share, i.e. around 30 percent of total long-term external debt – advanced at a moderate pace (9.6 percent, to EUR 46,848 million). Central bank debt (IMF's SDR allocations) continued to make the smallest contribution, with minor year-on-year changes.

Long-term gross external debt by creditor shows that investors in debt securities further prevailed, with the share of portfolio investment widening from 48.3 percent in 2023 to 50.9 percent in 2024 (from EUR 65,958 million to EUR 79,572 million), which indicates a step-up in financing via debt instruments traded on capital markets. Loans from international institutions continued to act as the second major source of long-term external financing, with a narrower share (from 25.8 percent in 2023 to 24.5 percent at end-2024) and totalling EUR 38,269 million. Loans from private banks and other financial institutions diminished slightly their share in total, from 11 percent to 9.9 percent, reaching EUR 15,437 million, while other creditors, comprising mostly non-financial corporations, remained steady at approximately 15 percent during the reported period, i.e. EUR 23,080 million at end-2024 (Charts 48 and 49).

Chart 48. Long-term gross external debt by creditor – 2023

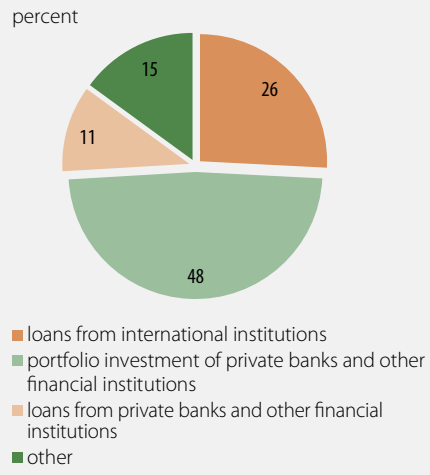
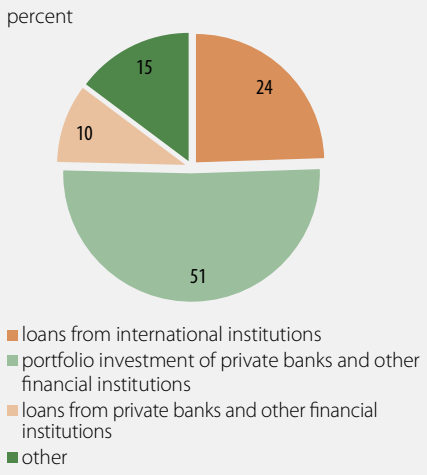


Chart 49. Long-term gross external debt by creditor – 2024



From the perspective of portfolio investment as a means of external financing, ESG bonds issued by residents make up an increasingly relevant component in the liabilities structure, reflecting the manner in which the various institutional sectors tap international markets to finance sustainable projects with an environment, social or governance impact.

The analysis of ESG liabilities showed that sustainable finance was carried out predominantly through EUR-denominated issues (89 percent), which confirms the reliance on foreign capital markets (Chart 50). At the same time, the sectoral breakdown points to the general government as the main issuer of such securities, with a 60 percent share, ahead of credit institutions, with 40 percent (Chart 51). This highlights the fact that the sustainable financing of green projects is currently concentrated in sectors with direct access to international investors and with high issuance capacity, while the contribution of the non-financial private sector is non-existent.

Chart 50. ESG bonds by currency – 2024

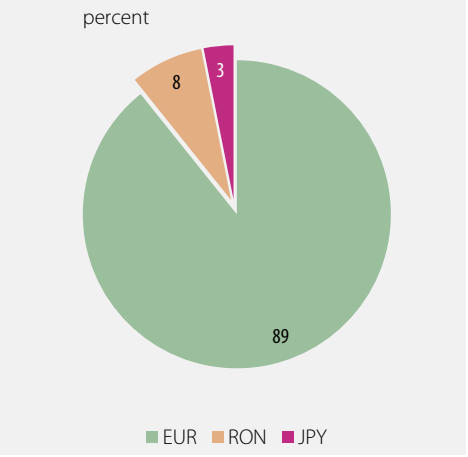
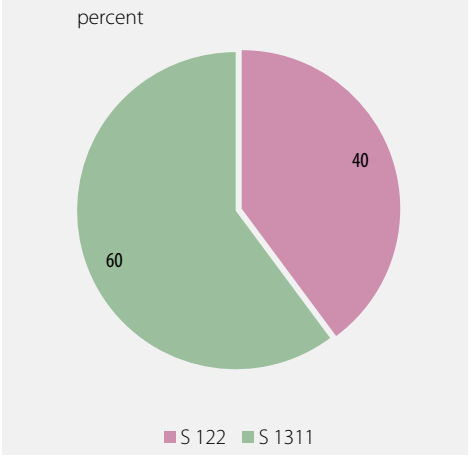


Chart 51. ESG bonds by issuer – 2024



The breakdown of long-term external debt by maturity indicated a significant concentration of debt over the more than 5 years maturity, in the case of both public and private debt. While in 2023 public debt with a maturity of over 5 years totalled EUR 85,900 million, well above the 1-5 years segment (EUR 8,053 million), the gap widened at end-2024, when the former grew to EUR 98,010 million and the latter climbed only to EUR 11,500 million.

Private debt witnessed a similar composition, yet with lower absolute values. Specifically, in 2023, private debt came in at EUR 15,028 million for the 1- to 5-year maturity and EUR 27,700 million for the over 5 years segment, while in 2024 both components advanced moderately, by 0.3 percent (to EUR 15,067 million) in the former case and 14.7 percent (EUR 31,781 million) in the latter.

Overall, the maturity breakdown confirms the prevailing trend of external financing geared towards sustainable maturities, which reflects a tendency to extend the repayment horizon, with favourable implications in terms of mitigating the short-term refinancing risk (Chart 52).

According to the breakdown of long-term external debt by cost, the relatively low (0.0-4.99 percent) fixed rates prevailed during the period under review. Specifically, this category amounted to EUR 81,671 million in 2023 and declined slightly (by 1.7 percent) in 2024, to EUR 80,266 million.

The floating-rate component recorded moderate values, coming in at approximately EUR 21 billion in 2023 and at a slightly higher level at end-2024, reflecting a limited exposure of the cost of debt to the risk of interest rate changes.

The stock of long-term external debt with a fixed rate in the 5.0-9.99 percent range surged from EUR 32,955 million in 2023 to EUR 53,145 million in 2024, pointing to a 61.3 percent rise in borrowings at higher costs, given the current economic and geopolitical context globally. Financing at fixed rates of 10 percent and over remained insignificant during the reported period.

Chart 52. Long-term external debt by maturity

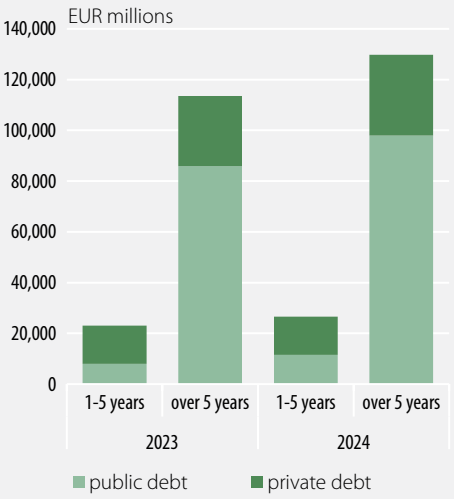
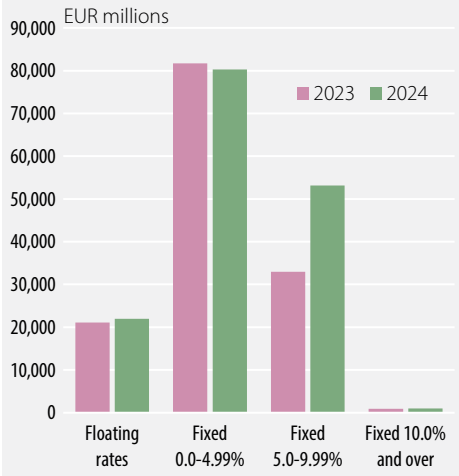


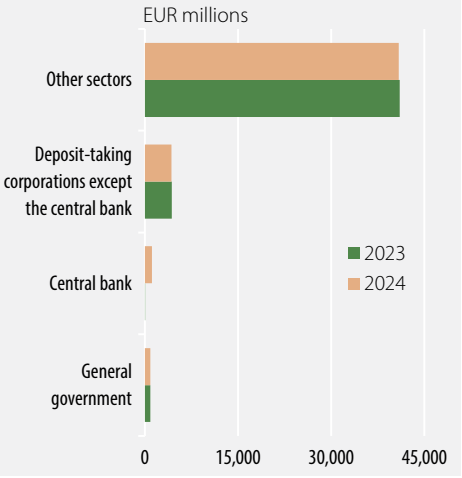
Chart 53. Long-term external debt by floating and fixed rates



Overall, the composition of long-term external debt by interest rate shows the prevalence of financing at low fixed rates (51.3 percent of total), alongside a hefty advance in borrowings at higher fixed rates (34 percent of total), which can increase the average debt cost in the period ahead[34]. This is largely ascribable to the issues of long-term government securities, which are contracted predominantly at fixed interest rates and therefore the external public debt composition reflects the high-cost conditions of international financial markets. This translates into a higher level of debt with fixed rates in the 5.0-9.99 percent range (Chart 53).

Given these developments in the long-term debt segment, the analysis is broadened by assessing the short-term external debt, as the dynamics of immediate maturities can weigh on cost sensitivity and on volatility over the short term. Short-term external debt outstanding at end-2024 totalled EUR 47,152 million and accounted for 23.2 percent of total gross external debt.

Chart 54. Short-term external debt by institutional sector



Looking at short-term external debt by main institutional sector, other sectors further made up the largest share, i.e. 86.7 percent (EUR 40,863 million). This category comprises mainly non-financial corporations, reflecting a major reliance of the corporate segment on foreign financing over short maturities.
As regards the other institutional sectors, short-term external debt levels remained significantly subdued, with minimum changes in 2023 and 2024. Both the general government and the central bank further reported a very low volume of short-term debt, while

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deposit-taking corporations recorded limited exposure, stable over time, with low reliance on short-term foreign financing (Chart 54).

Direct investment instruments make up the largest component of short-term external debt, amounting to EUR 26,418 million in 2024 (56 percent of total), comparable to the year-earlier level. This reflects the strong recourse to intercompany lending within foreign-owned enterprises, further acting as the main channel whereby short-term external debt builds up.

Trade credit and advances were the second instrument in terms of size, rising from approximately EUR 12,887 million in 2023 to EUR 13,378 million in 2024, indicative of a step-up in short-term foreign trade.

At the same time, currency and deposits also went up, from EUR 4,620 million to EUR 5,497 million, whereas the other instruments, i.e. debt securities, loans, insurance/pension schemes, other accounts payable, stuck to low values (Chart 55).

Chart 55. Short-term external debt by instrument

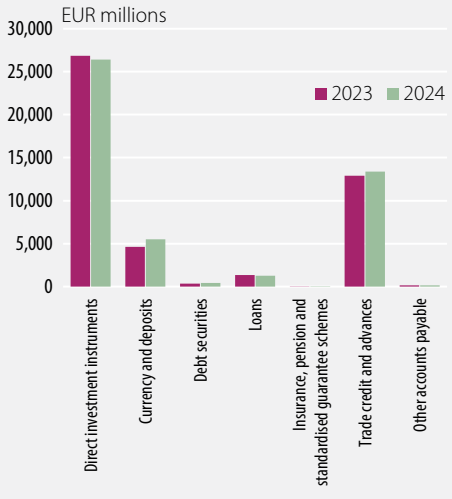
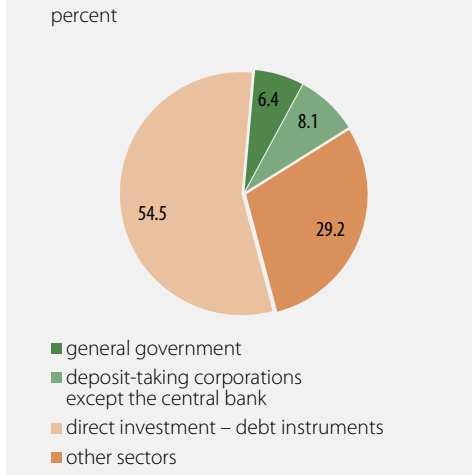


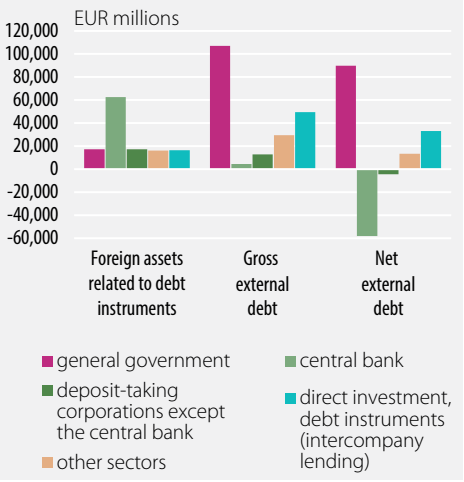
Chart 56. Short-term external debt, by institutional sector, at remaining maturity as at end-2024



At end-2024, short-term external debt at remaining maturity[35] totalled EUR 59,974 million, of which direct investment and other sectors' debt accounted for 83.7 percent. This significant share reflects the major role of intercompany loans and of foreign-owned companies in ensuring resident entities' business continuity. Deposit-taking corporations except the central bank reported a small share, of 8.1 percent, the same as the general government (6.4 percent of total), confirming that these sectors tap finance over medium and long maturities, which limits refinancing pressures in the short run (Chart 56).

[35] Short-term external debt outstanding at end-2024 plus the principal and/or interest on long-term gross external debt payable over the following 12 months (2025). The compilation of this indicator helps assess the liquidity risk by indicating that part of gross external debt becoming due in the following year – *External Debt Statistics: Guide for Compilers and Users* (2013 EDS Guide).

Chart 57. Net external debt by main institutional sector at end-2024

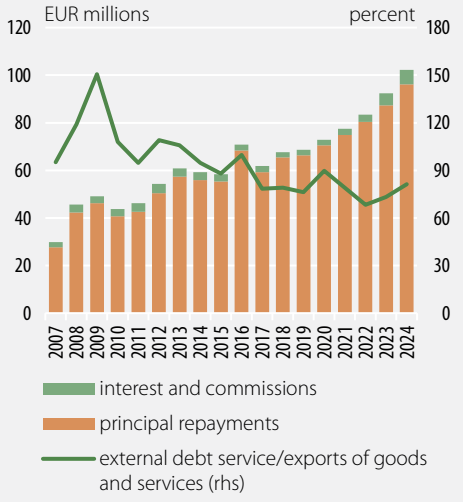


The sectoral breakdown of net external debt shows that the economy's debtor profile is mainly shaped by the general government and in part by non-financial corporations and foreign-owned entities, whereas the central bank partly counterbalances this position through a robust net creditor contribution. Compared with the previous year, in 2024, the general government's net external debt added EUR 13,923 million, particularly amid the rise in debt obligations by about 17 percent (Chart 57).

2.3. Recent dynamics of Romania's external debt

A relevant indicator when analysing external debt dynamics is the external debt service, whose composition and share in exports of goods and services reflect the degree of external sustainability. The external debt service posted a significant increase in 2024, reaching EUR 102.2 billion (of which EUR 96.2 billion in principal repayments and EUR 6.1 billion worth of interest and commission payments). The advance was mainly due to the rise in principal repayments, while the interest component remained relatively moderate in the context of higher rates globally.

Chart 58. External debt service



The external debt service as a share in exports of goods and services went up from 73.1 percent in 2023 to 81.2 percent in 2024, yet it stayed well below the very high levels recorded in the post-crisis period (2009-2012), when the indicator constantly exceeded 100 percent. This shows that, although payment obligations were considerably on the rise, the capacity of the economy to generate revenues from foreign trade continued to underpin the debt service (Chart 58).

In the long run, the ratio staying below the historical vulnerability thresholds indicates that pressure on currency flows remains sustainable, while the composition of repayments, dominated by principal repayments on long-term securities, allows for the payment obligations to be addressed effectively.

The mechanisms underlying the changes in value of external debt over the recent years are closely correlated with market volatility, with government bond yields, as well as with developments in financing costs.

Government bond prices further displayed volatile developments in the period from 2021 to 2024 (the main macro-financial shocks as of late – inflation, high interest rates, adjusted yields), especially in the foreign market segment. The fluctuations reflected the continuous adjustments of interest rates and the constant reassessments of sovereign risk in emerging economies by the major international rating agencies. By contrast, the domestic market witnessed much more moderate swings, indicating lower sensitivity to external shocks and a more stable composition of investors (Chart 59).

Chart 59. Price influences – government bonds

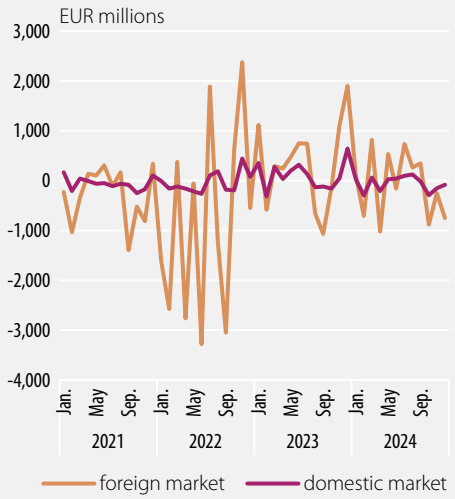
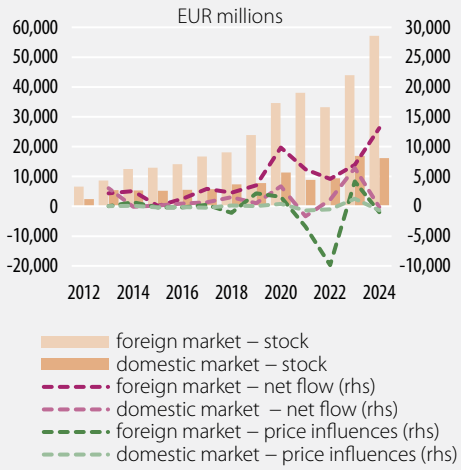


Chart 60. Medium- and long-term government securities held by non-residents



The evolution of prices in the bond market is also reflected in the structure of financing through government securities, where non-residents' participation became a key element in meeting public financing needs. Chart 60 depicts the developments in medium- and long-term government securities held by non-residents in the period from 2012 to 2024, capturing the transition from the prevalence of the resident investors to the increasingly larger contribution of foreign investors.

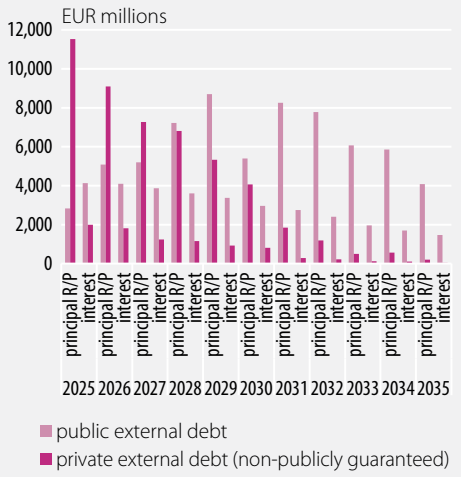
The stock of government securities reached approximately EUR 60 billion at end-2024, backed by a step-up in issues on foreign markets for public financing. The positive net flows in the external market reflect foreign investors' interest and Romania's relatively easy access to international capital markets, the higher cost of finance notwithstanding, while the domestic market saw more stable developments, with moderate changes in stock and in price influences.

In the context of accessing the non-repayable EU funds and the loans under the NRRP, alongside the redemptions at maturity, the stock of long-term government securities diminished temporarily. By contrast, the past two years saw a significant rise in financing requirements, manifest on the foreign and domestic markets alike, through positive net transactions and upward price changes (Chart 60).

The scheduled long-term external debt service, calculated based on end-2024 liabilities, shows that the public sector concentrates the largest part of future liabilities, in terms of both principal repayments and interest payments. The high level of principal repayments for the 2026-2030 period, constantly exceeding EUR 5-8 billion per annum, reflects the maturing portfolio of long-term government securities issued in previous years and the concentrated structure, albeit on a decline, as regards the maturities pertaining to public external financing. After 2030, the public sector's external debt service will remain high, although principal repayments will embark on a gradually downward path, while interest payments will stay relatively stable. This illustrates the gradual easing of the repayment burden during 2031-2035.

Private external debt non-publicly guaranteed exhibits a well diminished debt service profile, as regards both principal repayments and interest payments. The values associated with the private sector will drop significantly after 2025, with the dynamics reflecting both the gradual reduction in foreign financing via loans and the repayments on the outstanding portfolio of corporate debt. The forecast for the private external debt is based on a repayment schedule, primarily with monthly and/or quarterly frequency, tending to crowd repayments within the first years of service and then easing towards the end of the period, especially amid a reference stock that does not take future drawings into consideration.

Chart 61. The scheduled long-term external debt service, based on the end-2024 stock



Thus, although the public sector remains the main source of future liabilities, the debt service profile shows a sustainable distribution of maturities, with a slight easing of the burden after 2030 and a small contribution from private debt (Chart 61).

2.4. External debt profile

Looking at external debt indicators, the period under review saw mixed developments, with an increase in foreign exposure over the recent years, alongside an improvement in the liquidity profile and in the quality of finance. External debt as a share in GDP climbed from moderate values (around 51 percent in the period from 2018 to 2019) to 57.5 percent in 2024, reflecting a stronger reliance on foreign financing, an evolution underpinned also by the dynamics of long-term debt, which went up to 44.2 percent.

From the perspective of external solvency, the indicators (gross external debt and long-term external debt) relative to exports posted visible deteriorations, coming in at 161.6 percent and 124.2 percent respectively at end-2024, which is indicative of a tighter strain on the future capacity to generate foreign currency resources. This was also flagged by the European Commission in its assessments (IDR) as a monitored area of vulnerability.

As regards current obligations, the rise in the external debt service to EUR 102.2 billion in 2024, together with the advance in the indicator relative to exports and GDP (to 81.2 percent and 28.9 percent respectively), pointed to a step-up in payments associated with foreign liabilities. Conversely, the interest-to-exports ratio stayed relatively moderate (4.8 percent), albeit on the rise versus the periods preceding the adjustment of international financial conditions, which shows an additional pressure of financing costs, within the sustainable limits.

The term structure continues to represent a positive element, with the share of short-term debt in total narrowing to 23.2 percent at end-2024 (the lowest reading in recent years), mitigating the potential strain on the external liquidity ratio. Moreover, the share of multilateral debt in total debt widening to 19.5 percent is indicative of a consolidation of foreign financing characteristics, given that liabilities to multilateral institutions have lower costs.

From the perspective of macro-financial resilience, the consolidation of foreign exchange reserves stands out as an essential element, with the ratio of external debt service to international reserves falling to 145 percent in 2024, from much higher readings in the period from 2015 to 2020, reflecting an improvement in the coverage of external debt service by reserves. Moreover, the indicator for import coverage by international reserves grew to 5.7 months, the highest level in recent years, confirming the stable external liquidity position.

In conclusion, the indicators show an increase in external debt and its service, but in a context where the term structure, the consolidation of international reserves and the high share of long-term financing mitigate the liquidity and refinancing risks. Even though the ratios to GDP and exports point to stronger reliance on foreign financing, the external profile remains, according to the European Commission review, in an area of moderate risk, with monitored vulnerabilities that do not exceed the alert thresholds and with an adequate level of reserves supporting the soundness of the external position.

Statistical section

Balance of payments, 2023-2024

EUR millions

Item	2023			2024		
	Credit	Debit	Balance	Credit	Debit	Balance
1. Current account	**143,666**	**165,164**	**-21,497**	**143,232**	**172,086**	**-28,853**
A. Goods and services	**126,220**	**141,925**	**-15,705**	**125,905**	**147,154**	**-21,249**
a. Goods	86,531	115,543	-29,012	86,263	119,229	-32,966
general merchandise on a balance of payments basis	86,460	115,543	-29,083	86,254	119,229	-32,975
net exports of goods under merchanting	70	0	70	9	0	9
goods acquired under merchanting	-738	0	-738	-560	0	-560
goods sold under merchanting	809	0	809	569	0	569
b. Services	39,689	26,382	13,307	39,642	27,925	11,717
processing of goods	3,012	122	2,891	2,940	134	2,806
transport	9,898	4,339	5,559	9,351	4,506	4,845
travel	4,973	8,667	-3,694	5,279	8,927	-3,647
other	21,806	13,254	8,552	22,072	14,359	7,713
B. Primary income	**9,291**	**17,303**	**-8,012**	**9,107**	**17,420**	**-8,313**
compensation of employees	4,617	403	4,214	3,911	429	3,481
investment income	2,042	16,567	-14,525	2,752	16,656	-13,904
other primary income	2,631	332	2,299	2,444	335	2,110
C. Secondary income	**8,156**	**5,936**	**2,220**	**8,220**	**7,511**	**709**
general government	2,952	2,912	40	1,851	3,007	-1,157
other sectors	5,204	3,024	2,180	6,370	4,504	1,865
2. Capital account	**10,290**	**1,447**	**8,843**	**5,597**	**389**	**5,208**
A. Capital transfers	**8,844**	**1**	**8,843**	**4,823**	**0**	**4,823**
general government	8,825	0	8,825	4,739	0	4,739
other sectors	19	1	18	84	0	84
B. Acquisitions/disposals of non-produced non-financial assets	**1,446**	**1,445**	**0**	**774**	**389**	**385**
	Net acquisition of assets*	Net incurrence of liabilities*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net
3. Financial account	**20,797**	**30,842**	**-10,045**	**6,290**	**26,169**	**-19,879**
A. Direct investment	**1,703**	**8,068**	**-6,365**	**1,844**	**6,585**	**-4,741**
equity	122	6,990	-6,868	734	4,600	-3,866
equity other than reinvestment of earnings	236	2,063	-1,827	667	1,515	-848
reinvestment of earnings	-114	4,927	-5,040	67	3,085	-3,018
debt instruments	1,580	1,078	502	1,110	1,985	-875
B. Portfolio investment	**1,489**	**15,260**	**-13,772**	**1,337**	**13,726**	**-12,389**
equity and investment fund shares	-70	-256	186	1,364	-522	1,885
debt securities	1,558	15,516	-13,958	-26	14,248	-14,274
C. Financial derivatives	**188**	**0**	**188**	**63**	**0**	**63**
D. Other investment	**4,147**	**7,514**	**-3,367**	**2,256**	**5,858**	**-3,602**
other equity	0	0	0	0	0	0
currency and deposits	203	-326	530	1,614	-432	2,046
loans	-35	2,081	-2,116	-88	3,676	-3,763
insurance, pension and standardised guarantee schemes	-339	-3	-336	170	37	133
trade credit and advances	409	1,137	-728	1,459	948	511
other accounts receivable/payable	3,910	4,625	-716	-900	1,630	-2,530
special drawing rights	0	0	0	0	0	0
E. NBR's reserve assets	**13,270**	**0**	**13,270**	**790**	**0**	**790**
4. Net errors and omissions	**x**	**x**	**2,609**	**x**	**x**	**3,766**

*) "+" increase; "-" decrease
Note: Totals may not add up due to rounding.

Quarterly balance of payments, 2024

EUR millions

Item	Q1			Q2		
	Credit	Debit	Balance	Credit	Debit	Balance
1. Current account	**35,498**	**40,439**	**-4,941**	**35,518**	**42,939**	**-7,421**
A. Goods and services	**30,747**	**34,133**	**-3,387**	**31,100**	**36,336**	**-5,236**
a. Goods	21,506	27,847	-6,341	21,511	29,798	-8,286
general merchandise on a balance of payments basis	21,500	27,847	-6,346	21,513	29,798	-8,284
net exports of goods under merchanting	5	0	5	-2	0	-2
goods acquired under merchanting	-155	0	-155	-142	0	-142
goods sold under merchanting	160	0	160	140	0	140
b. Services	9,241	6,287	2,954	9,589	6,539	3,050
processing of goods	757	29	728	757	45	712
transport	2,241	1,087	1,154	2,349	1,120	1,228
travel	937	1,870	-933	1,165	2,096	-931
other	5,305	3,301	2,005	5,318	3,278	2,041
B. Primary income	**3,022**	**4,608**	**-1,587**	**2,273**	**4,794**	**-2,521**
compensation of employees	825	109	716	938	99	838
investment income	645	4,430	-3,785	778	4,616	-3,838
other primary income	1,552	70	1,482	557	78	478
C. Secondary income	**1,730**	**1,698**	**32**	**2,145**	**1,809**	**336**
general government	246	751	-504	543	745	-202
other sectors	1,484	947	537	1,601	1,063	538
2. Capital account	**1,710**	**72**	**1,638**	**872**	**68**	**803**
A. Capital transfers	**1,577**	**0**	**1,577**	**720**	**0**	**720**
general government	1,577	0	1,577	707	0	707
other sectors	0	0	0	13	0	13
B. Acquisition/disposal of non-produced non-financial assets	**133**	**72**	**61**	**152**	**68**	**83**
	Net acquisition of assets*	Net incurrence of liabilities*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net
3. Financial account	**8,098**	**12,176**	**-4,078**	**166**	**5,058**	**-4,892**
A. Direct investment	**1,430**	**3,348**	**-1,918**	**427**	**246**	**181**
equity	539	2,567	-2,028	65	-591	656
equity other than reinvestment of earnings	522	297	225	48	131	-83
reinvestment of earnings	16	2,270	-2,254	17	-723	740
debt instruments	891	781	110	362	837	-475
B. Portfolio investment	**-71**	**6,571**	**-6,642**	**51**	**1,728**	**-1,677**
equity and investment fund shares	151	-172	323	210	-185	395
debt securities	-222	6,743	-6,965	-159	1,913	-2,072
C. Financial derivatives	**50**	**0**	**50**	**3**	**0**	**3**
D. Other investment	**2,352**	**2,257**	**94**	**-134**	**3,085**	**-3,219**
other equity	0	0	0	0	0	0
currency and deposits	1,669	-202	1,871	-601	468	-1,069
loans	-105	758	-863	132	195	-63
insurance, pension and standardised guarantee schemes	130	9	121	32	12	20
trade credit and advances	1,310	423	887	512	223	288
other accounts receivable/payable	-653	1,268	-1,921	-209	2,186	-2,395
special drawing rights	0	0	0	0	0	0
E. NBR's reserve assets	**4,338**	**0**	**4,338**	**-181**	**0**	**-181**
4. Net errors and omissions	**0**	**0**	**-775**	**0**	**0**	**1,725**

*) "+" increase; "-" decrease
Note: Totals may not add up due to rounding.

EUR millions

Q3			Q4			Item
Credit	Debit	Balance	Credit	Debit	Balance	
35,841	**43,994**	**-8,153**	**36,376**	**44,714**	**-8,338**	**1. Current account**
31,585	**37,282**	**-5,697**	**32,473**	**39,403**	**-6,929**	**A. Goods and services**
21,304	29,861	-8,556	21,942	31,724	-9,783	a. Goods
21,309	29,861	-8,552	21,931	31,724	-9,793	general merchandise on a balance of payments basis
-5	0	-5	11	0	11	net exports of goods under merchanting
-120	0	-120	-143	0	-143	goods acquired under merchanting
115	0	115	153	0	153	goods sold under merchanting
10,281	7,421	2,859	10,532	7,678	2,853	b. Services
703	34	669	724	26	698	processing of goods
2,334	1,137	1,197	2,426	1,162	1,264	transport
1,881	2,665	-784	1,297	2,297	-1,000	travel
5,363	3,586	1,777	6,085	4,194	1,890	other
2,058	**4,769**	**-2,711**	**1,755**	**3,249**	**-1,494**	**B. Primary income**
1,166	128	1,038	982	94	888	compensation of employees
644	4,553	-3,910	684	3,056	-2,372	investment income
247	88	160	88	99	-10	other primary income
2,198	**1,943**	**255**	**2,147**	**2,062**	**85**	**C. Secondary income**
602	703	-101	459	808	-349	general government
1,596	1,240	357	1,689	1,254	434	other sectors
966	**66**	**900**	**2,050**	**183**	**1,867**	**2. Capital account**
752	**0**	**752**	**1,774**	**0**	**1,774**	**A. Capital transfers**
751	0	751	1,704	0	1,704	general government
1	0	1	70	0	70	other sectors
214	**66**	**147**	**276**	**182**	**93**	**B. Acquisition/disposal of non-produced non-financial assets**
Net acquisition of assets*	Net incurrence of liabilities*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net	
928	**7,250**	**-6,322**	**-2,902**	**1,686**	**-4,588**	**3. Financial account**
-307	**2,157**	**-2,464**	**294**	**835**	**-541**	**A. Direct investment**
65	1,855	-1,790	65	770	-704	equity
48	-223	272	48	1,310	-1,262	equity other than reinvestment of earnings
17	2,078	-2,061	17	-541	558	reinvestment of earnings
-372	302	-674	229	65	163	debt instruments
1,701	**6,941**	**-5,240**	**-343**	**-1,514**	**1,171**	**B. Portfolio investment**
783	-48	831	220	-117	337	equity and investment fund shares
918	6,989	-6,071	-563	-1,397	834	debt securities
-28	**0**	**-28**	**38**	**0**	**38**	**C. Financial derivatives**
-1,950	**-1,848**	**-101**	**1,989**	**2,365**	**-376**	**D. Other investment**
0	0	0	0	0	0	other equity
-1,818	-446	-1,372	2,364	-252	2,616	currency and deposits
-47	-60	13	-67	2,783	-2,850	loans
45	9	36	-37	7	-44	insurance, pension and standardised guarantee schemes
-8	190	-198	-355	111	-466	trade credit and advances
-122	-1,541	1,419	83	-284	367	other accounts receivable/payable
0	0	0	0	0	0	special drawing rights
1,512	**0**	**1,512**	**-4,879**	**0**	**-4,879**	**E. NBR's reserve assets**
x	**x**	**932**	**x**	**x**	**1,883**	**4. Net errors and omissions**

Romania's international investment position, 2016-2024

EUR millions, end of period

Institutional sectors	2016	2017	2018	2019	2020	2021	2022	2023	2024
I. Central bank	**37,854**	**37,755**	**37,047**	**36,924**	**42,828**	**43,990**	**49,702**	**63,265**	**66,363**
Foreign assets, *of which:*	39,112	38,928	38,245	38,141	43,990	47,355	53,106	66,572	70,896
Other investment	1,206	1,821	1,445	690	1,472	1,524	801	589	405
Foreign exchange reserve	34,242	33,494	33,065	32,927	37,379	40,475	46,636	59,770	62,135
Monetary gold	3,664	3,612	3,735	4,524	5,138	5,355	5,669	6,213	8,356
Foreign liabilities, *of which:*	1,258	1,172	1,199	1,217	1,162	3,365	3,404	3,307	4,533
Currency and deposits	3	2	3	0	2	1	0	1	1,122
Loans from the IMF	0	0	0	0	0	0	0	0	0
SDR allocations	1,255	1,171	1,196	1,216	1,160	3,365	3,403	3,305	3,411
II. General government	**-32,356**	**-33,925**	**-33,985**	**-36,133**	**-54,141**	**-54,239**	**-55,180**	**-74,853**	**-88,745**
Foreign assets, *of which:*	5,488	5,356	6,556	7,985	8,774	10,544	12,579	16,633	18,246
Portfolio investment	10	40	290	418	556	741	791	656	638
Other investment, *of which:*	5,478	5,316	6,266	7,566	8,217	9,802	11,787	15,977	17,608
other equity	1,053	972	954	968	907	962	1,004	977	1,022
currency and deposits	8	7	8	11	10	17	15	27	30
loans	60	143	110	1,970	1,748	1,830	1,915	1,829	1,926
trade credit and advances	2,047	2,429	3,562	2,560	2,560	2,873	3,543	3,939	5,004
other accounts receivable	2,309	1,765	1,633	2,057	2,992	4,119	5,310	9,205	9,626
Foreign liabilities, *of which:*	37,844	39,281	40,542	44,118	62,914	64,782	67,759	91,486	106,991
Portfolio investment	19,694	22,435	25,466	31,623	46,030	47,116	42,869	61,265	73,623
debt securities	19,694	22,435	25,466	31,623	46,030	47,116	42,869	61,265	73,623
Other investment, *of which:*	18,150	16,846	15,076	12,489	16,878	17,660	24,865	30,221	33,368
currency and deposits	224	260	154	236	191	283	470	391	183
loans	12,507	11,057	9,322	7,793	11,387	11,286	14,164	15,117	17,625
trade credit and advances	0	4	1	15	47	64	281	137	477
other accounts payable	5,419	5,525	5,598	4,445	5,253	6,026	9,950	14,576	15,069
III. Deposit-taking corporations except the central bank	**-13,564**	**-11,836**	**-9,796**	**-8,215**	**-3,365**	**-5,177**	**-8,863**	**-8,788**	**-6,939**
Foreign assets, *of which:*	5,265	6,278	7,783	9,147	13,188	12,593	12,193	15,683	17,677
Direct investment	33	35	89	82	84	128	148	174	191
equity	31	33	88	82	84	128	148	174	191
debt instruments	3	3	1	0	0	0	0	0	0
Portfolio investment	212	184	302	792	1,017	2,029	2,660	4,842	5,178
equity and investment fund shares	44	38	27	38	42	45	50	77	102
debt securities	168	146	276	755	975	1,984	2,610	4,765	5,075
Other investment, *of which:*	5,019	6,036	7,358	8,269	12,081	10,422	9,242	10,599	12,219
currency and deposits	4,370	5,432	6,750	7,756	11,274	9,680	8,248	9,616	11,376
loans	631	582	580	476	779	676	866	837	782
other accounts receivable	19	22	27	37	28	66	129	146	61
Foreign liabilities, *of which:*	18,829	18,114	17,579	17,362	16,553	17,770	21,056	24,471	24,616
Direct investment	6,350	6,816	7,341	8,153	8,450	8,947	9,125	10,583	10,605
equity	6,346	6,812	7,338	8,150	8,447	8,944	9,120	10,573	10,589
debt instruments	4	4	3	3	3	3	5	10	16
Portfolio investment	1,469	1,442	1,274	1,529	1,062	1,607	2,741	5,103	6,603
equity and investment fund shares	1,317	1,274	1,168	1,362	872	1,017	781	929	1,068
debt securities	152	168	106	167	190	590	1,961	4,174	5,534
Other investment, *of which:*	11,010	9,770	8,933	7,672	7,037	7,208	9,013	8,696	7,368
currency and deposits	10,985	9,678	8,909	7,629	7,012	7,188	8,880	8,603	7,282
other accounts payable	25	92	23	43	25	20	132	93	86

continued

Institutional sectors	EUR millions, end of period								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
IV. Other sectors	**-77,922**	**-83,171**	**-86,600**	**-91,515**	**-91,742**	**-97,942**	**-104,986**	**-112,730**	**-116,685**
Foreign assets, *of which:*	15,831	17,082	20,358	24,981	26,111	32,005	36,103	38,697	44,263
Direct investment	6,293	6,693	9,113	11,851	12,079	15,062	17,605	20,267	22,913
equity	-118	292	905	1,542	1,790	3,459	4,636	5,279	6,383
debt instruments	6,412	6,401	8,209	10,309	10,289	11,603	12,969	14,988	16,530
Portfolio investment	2,940	3,558	3,535	4,493	4,123	5,619	4,908	5,117	6,690
equity and investment fund shares	1,195	1,471	1,381	1,706	2,113	3,324	2,836	3,287	4,996
debt securities	1,745	2,086	2,155	2,786	2,009	2,295	2,072	1,830	1,695
Other investment, *of which:*	6,592	6,810	7,687	8,615	9,853	11,194	13,449	13,162	14,496
currency and deposits	2,078	1,922	2,237	2,831	3,691	3,300	3,354	3,650	4,280
loans	116	46	37	51	48	107	65	78	67
insurance, pension and standardised guarantee schemes	489	551	589	598	569	883	1,051	706	868
trade credit and advances	3,840	4,234	4,775	5,092	5,495	6,799	8,888	8,699	9,250
other accounts receivable	68	56	49	43	51	106	91	29	30
Foreign liabilities, *of which:*	93,753	100,253	106,959	116,497	117,852	129,947	141,089	151,427	160,948
Direct investment	69,991	75,127	81,793	89,922	92,077	102,383	111,198	121,494	129,740
equity	42,623	45,936	50,143	53,197	55,533	61,312	67,439	74,195	80,258
debt instruments	27,369	29,192	31,650	36,724	36,544	41,070	43,759	47,299	49,483
Portfolio investment	1,731	1,768	2,167	2,572	2,817	3,141	2,463	2,498	2,083
equity and investment fund shares	1,717	1,753	2,160	2,228	1,643	1,944	1,674	1,635	1,253
debt securities	14	16	7	345	1,175	1,198	790	863	830
Other investment, *of which:*	22,028	23,355	22,994	23,997	22,906	24,320	27,101	27,074	28,769
loans	15,763	15,883	14,186	14,782	13,734	13,181	12,815	13,662	14,987
insurance, pension and standardised guarantee schemes	83	86	96	116	105	92	168	206	241
trade credit and advances	6,001	7,308	8,615	9,012	9,003	10,963	14,022	13,120	13,455
other accounts payable	181	77	97	86	64	85	96	86	86
Net position	**-85,989**	**-91,177**	**-93,335**	**-98,940**	**-106,419**	**-113,368**	**-119,327**	**-133,106**	**-146,006**
Foreign assets	**65,696**	**67,643**	**72,943**	**80,254**	**92,062**	**102,496**	**113,981**	**137,585**	**151,081**
Foreign liabilities	**151,685**	**158,820**	**166,278**	**179,193**	**198,481**	**215,865**	**233,307**	**270,691**	**297,088**

Romania's gross international reserve, 2016-2024

EUR millions, end of period

	2016	2017	2018	2019	2020	2021	2022	2023	2024
National Bank of Romania	37,905	37,107	36,800	37,450	42,518	45,831	52,305	65,983	70,491
Gold	3,664	3,612	3,735	4,524	5,138	5,355	5,669	6,213	8,356
Foreign exchange reserve	34,242	33,494	33,065	32,927	37,379	40,475	46,636	59,770	62,135
Credit institutions	4,240	5,081	6,527	7,900	11,334	11,022	9,949	13,747	15,678
Foreign currency	4,240	5,081	6,527	7,900	11,334	11,022	9,949	13,747	15,678
Gross international reserve, *of which:*	**42,145**	**42,188**	**43,328**	**45,351**	**53,852**	**56,853**	**62,254**	**79,730**	**86,168**
Gross foreign exchange reserve	**38,481**	**38,576**	**39,592**	**40,827**	**48,713**	**51,498**	**56,585**	**73,517**	**77,813**

External debt indicators, 2016-2024

	2016	2017	2018	2019	2020	2021	2022	2023	2024
					EUR millions				
External debt (ED)	**99,678**	**102,958**	**105,434**	**114,236**	**131,925**	**142,529**	**153,768**	**182,910**	**203,510**
long-term (LT)	75,050	74,036	73,881	77,890	98,660	103,489	108,604	136,681	156,358
short-term (ST)	24,628	28,922	31,553	36,346	33,266	39,041	45,164	46,229	47,152
GDP	**167,482**	**186,428**	**206,223**	**224,772**	**221,130**	**242,315**	**281,750**	**321,591**	**353,633**
Exports of goods and services (EXP)	**71,048**	**78,920**	**85,572**	**90,089**	**81,309**	**98,074**	**122,155**	**126,220**	**125,905**
Imports of goods and services (IMP)	**72,826**	**83,541**	**92,787**	**99,553**	**91,030**	**111,768**	**141,587**	**141,925**	**147,154**
External debt service (EDS)	**70,879**	**61,827**	**67,599**	**68,693**	**72,875**	**77,541**	**83,437**	**92,326**	**102,240**
Principal repayments	68,328	59,307	65,397	66,334	70,590	74,933	80,315	87,337	96,189
long-term (LT)	19,579	18,347	18,993	17,073	15,222	15,037	19,002	17,085	21,827
short-term (ST)	48,750	40,959	46,404	49,261	55,368	59,896	61,313	70,252	74,362
Interest payments (INT)	2,550	2,520	2,203	2,359	2,285	2,608	3,121	4,989	6,051
long-term (LT)	1,906	1,928	1,729	2,022	1,861	2,204	2,580	3,995	5,194
short-term (ST)	644	592	474	337	424	404	542	994	857
Romania's international reserves (IR)	**37,905**	**37,107**	**36,800**	**37,450**	**42,518**	**45,831**	**52,305**	**65,983**	**70,491**
					percent				
ED/GDP	59.5	55.2	51.1	50.8	59.7	58.8	54.6	56.9	57.5
LT/GDP	44.8	39.7	35.8	34.7	44.6	42.7	38.5	42.5	44.2
ED/EXP	140.3	130.5	123.2	126.8	162.3	145.3	125.9	144.9	161.6
LT/EXP	105.6	93.8	86.3	86.5	121.3	105.5	88.9	108.3	124.2
EDS/EXP	99.8	78.3	79.0	76.3	89.6	79.1	68.3	73.1	81.2
EDS/GDP	42.3	33.2	32.8	30.6	33.0	32.0	29.6	28.7	28.9
EDS/IR	187.0	166.6	183.7	183.4	171.4	169.2	159.5	139.9	145.0
INT/EXP	3.6	3.2	2.6	2.6	2.8	2.7	2.6	4.0	4.8
ST/ED	24.7	28.1	29.9	31.8	25.2	27.4	29.4	25.3	23.2
Multilateral/ED	21.3	19.2	17.6	14.3	15.6	16.5	20.2	19.5	19.5
					months				
IR/IMP	6.2	5.3	4.8	4.5	5.6	4.9	4.4	5.6	5.7

Romania's international investment position at end-2024 by institutional sector

EUR millions

Institutional sector	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
I. General government	**-74,853**	**-17,017**	**1,655**	**2,100**	**-630**	**-88,745**
Foreign assets	**16,633**	**9**	**4**	**1,253**	**346**	**18,246**
Direct investment	1	0	0	-1	0	0
Equity	1	0	0	-1	0	0
Portfolio investment	656	-23	4	0	0	638
Long-term debt securities	656	-90	2	0	0	568
Short-term debt securities	0	68	2	0	0	70
Financial derivatives	0	0	0	0	0	0
Other investment	15,977	31	0	1,254	346	17,608
Other equity	977	0	0	0	45	1,022
Deposits	27	2	0	0	1	30
Loans	1,829	-17	0	0	114	1,926
long-term loans	1,829	-17	0	0	114	1,926
Trade credit and advances	3,939	883	0	-4	186	5,004
long-term trade credit and advances	3,747	801	0	-1	185	4,733
short-term trade credit and advances	191	82	0	-3	1	271
Other accounts receivable	9,205	-837	0	1,258	0	9,626
other long-term accounts receivable	9,205	-837	0	1,258	0	9,626
other short-term accounts receivable	0	0	0	0	0	0
Foreign liabilities	**91,486**	**17,025**	**-1,651**	**-847**	**976**	**106,991**
Direct investment	0	0	0	0	0	0
Equity	0	0	0	0	0	0
Portfolio investment	61,265	13,026	-1,651	0	982	73,623
Long-term debt securities	60,921	12,965	-1,660	0	983	73,208
Short-term debt securities	345	61	9	0	0	415
Other investment	30,221	3,999	0	-847	-6	33,368
Other equity	0	0	0	13	0	13
Deposits	391	-207	0	0	0	183
Loans	15,117	2,257	0	259	-9	17,625
long-term loans	15,115	2,257	0	261	-9	17,625
short-term loans	2	0	0	-2	0	0
Trade credit and advances	137	338	0	-1	3	477
long-term trade credit and advances	16	168	0	0	2	185
short-term trade credit and advances	121	170	0	-1	1	292
Other accounts payable	14,576	1,611	0	-1,118	0	15,069
other long-term accounts payable	14,576	1,611	0	-1,118	0	15,069
other short-term accounts payable	0	0	0	0	0	0

continued

EUR millions

Institutional sector	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
II. Central bank	**63,265**	**-515**	**3,042**	**0**	**571**	**66,363**
Foreign assets	**66,572**	**605**	**3,042**	**0**	**676**	**70,896**
Other investment	589	-185	0	0	1	405
Other equity	33	0	0	0	1	34
Deposits	556	-185	0	0	0	370
Reserve assets	65,983	790	3,042	0	675	70,491
Monetary gold	6,213	0	2,142	0	0	8,356
Foreign exchange reserve	59,770	790	900	0	675	62,135
Foreign liabilities	**3,307**	**1,121**	**0**	**0**	**105**	**4,533**
Other investment	3,307	1,121	0	0	105	4,533
Deposits	1	1,121			0	1,122
Loans	0	0	0	0	0	0
long-term loans (IMF)	0	0	0	0	0	0
SDR allocations	3,305	0	0	0	105	3,411
III. Deposit-taking corporations except the central bank	**-8,788**	**1,279**	**289**	**184**	**97**	**-6,939**
Foreign assets	**15,683**	**1,731**	**130**	**9**	**124**	**17,677**
Direct investment	174	8	0	9	0	191
Equity	174	8	0	9	0	191
Debt instruments	0	0	0	0	0	0
Portfolio investment	4,842	173	130	0	33	5,177
Equity and investment fund shares	77	5	15	0	6	102
Long-term debt securities	2,505	-179	19	0	24	2,370
Short-term debt securities	2,260	347	96	0	3	2,705
Financial derivatives	68	22			0	90
Other investment	10,599	1,528	0	0	92	12,219
Currency and deposits	9,616	1,681	0	0	79	11,376
currency and deposits – long-term	1,129	-143	0	0	5	990
currency and deposits – short-term	8,487	1,824	0	0	74	10,386
Loans	837	-68	0	0	12	782
long-term loans	489	134	0	0	2	626
short-term loans	348	-202	0	0	10	156
Other accounts receivable	146	-85	0	0	0	61
Foreign liabilities	**24,471**	**452**	**-160**	**-175**	**27**	**24,616**
Direct investment	10,583	518	-323	-175	1	10,605
Equity	10,573	513	-323	-175	1	10,589
Debt instruments	10	5	0	1	0	16
Portfolio investment	5,103	1,335	163	0	1	6,603
Equity and investment fund shares	929	46	93	0	0	1,068
Long-term debt securities	4,174	1,289	70	0	1	5,534
Financial derivatives	88	-47	0	0	0	41
Other investment	8,696	-1,353	0	0	25	7,368
Deposits	8,603	-1,345	0	0	24	7,282
long-term deposits	4,375	-1,287	0	0	2	3,090
short-term deposits	4,228	-59	0	0	23	4,192
Other accounts payable	93	-8	0	0	0	86

continued

EUR millions

Institutional sector	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
IV. Other sectors	**-112,730**	**-3,626**	**-1,640**	**1,159**	**151**	**-116,685**
Foreign assets	**38,697**	**3,524**	**476**	**1,128**	**438**	**44,263**
Direct investment	20,267	1,836	0	658	153	22,913
Equity	5,279	726	0	377	1	6,383
Debt instruments	14,988	1,110	0	280	152	16,530
Portfolio investment	5,117	1,187	265	-1	123	6,690
Equity and investment fund shares	3,287	1,359	249	-1	102	4,995
Long-term debt securities	1,729	-267	13	2	18	1,496
Short-term debt securities	101	95	3	-2	2	199
Financial derivatives	152	-381	211	178	3	164
Other investment	13,162	882	0	293	159	14,496
Deposits	3,650	116	0	471	43	4,280
Loans	78	-3	0	-9	0	67
long-term loans	58	8	0	-8	1	58
short-term loans	20	-11	0	-1	0	8
Insurance, pension and standardised guarantee schemes	706	170	0	-9	0	868
Trade credit and advances	8,699	576	0	-139	115	9,250
long-term trade credit and advances	262	68	0	-5	6	331
short-term trade credit and advances	8,437	508	0	-135	109	8,919
Other accounts receivable	29	22	0	-21	0	30
other long-term accounts receivable	5	0	0	2	0	8
other short-term accounts receivable	24	22	0	-23	0	23
Foreign liabilities	**151,427**	**7,150**	**2,116**	**-31**	**287**	**160,948**
Direct investment	121,494	6,068	1,854	177	148	129,740
Equity	74,195	4,087	1,854	113	9	80,258
Debt instruments	47,299	1,981		64	139	49,483
Portfolio investment	2,498	-635	157	62	1	2,083
Equity and investment fund shares	1,635	-568	123	62	1	1,253
Long-term debt securities	863	-67	34	0	0	830
Short-term debt securities	0	0				0
Financial derivatives	361	-374	95	270	3	355
Other investment	27,074	2,091	9	-540	135	28,769
Loans	13,662	1,418	0	-95	1	14,987
long-term loans	12,323	1,491		-101	1	13,713
short-term loans	1,339	-72		7	1	1,274
Insurance, pension and standardised guarantee schemes	206	37	9	-11	0	241
Trade credit and advances	13,120	610	0	-413	138	13,455
long-term trade credit and advances	354	28		-21	7	369
short-term trade credit and advances	12,766	581		-392	131	13,086
Other accounts payable	86	26	0	-21	-4	86
other long-term accounts payable	26	10		1	0	37
other short-term accounts payable	60	16		-22	-4	49
Total	**-119,327**	**-10,456**	**-5,923**	**2,366**	**-133**	**-133,472**

Note: Totals may not add up due to rounding.

Romania's international investment position at end-2024 by item

EUR millions

Item	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
Total, *of which:*	**-133,106**	**-19,879**	**3,346**	**3,444**	**189**	**-146,006**
Foreign assets	**137,586**	**5,869**	**3,651**	**2,391**	**1,584**	**151,081**
Direct investment	20,442	1,844	0	666	153	23,104
Portfolio investment	10,615	1,337	399	-1	155	12,505
Financial derivatives	219	-359	211	178	4	254
Other investment	40,327	2,256	0	1,547	597	44,727
Reserve assets	65,983	790	3,042	0	675	70,491
Foreign liabilities	**270,691**	**25,748**	**305**	**-1,052**	**1,396**	**297,088**
Direct investment	132,078	6,585	1,531	2	149	140,345
Portfolio investment	68,866	13,726	-1,330	62	985	82,308
Financial derivatives	450	-422	95	270	3	397
Other investment	69,298	5,858	9	-1,387	259	74,037
Net position	**-133,106**	**-19,879**	**3,346**	**3,444**	**189**	**-146,006**
Direct investment	-111,636	-4,741	-1,531	664	3	-117,241
Portfolio investment	-58,251	-12,389	1,729	-63	-829	-69,803
Financial derivatives	-230	63	116	-92	1	-143
Other investment	-28,971	-3,602	-9	2,933	338	-29,310
Reserve assets	65,983	790	3,042	0	675	70,491
Foreign assets	**137,586**	**5,869**	**3,651**	**2,391**	**1,584**	**151,081**
Direct investment	20,442	1,844	0	666	153	23,104
Equity	5,453	734	0	386	1	6,574
Debt instruments	14,988	1,110	0	280	152	16,530
Portfolio investment	10,615	1,337	399	-1	155	12,505
Equity and investment fund shares	3,363	1,364	263	-1	108	5,098
Long-term debt securities	4,890	-536	34	2	43	4,433
Short-term debt securities	2,361	510	101	-2	5	2,974
Financial derivatives	219	-359	211	178	4	254
Other investment	40,327	2,256	0	1,547	597	44,727
Other equity	1,010	0	0	0	46	1,056
Currency and deposits	13,849	1,614	0	471	123	16,057
Loans and trade credit	15,382	1,371	0	-152	428	17,029
long-term loans and trade credit	6,386	995	0	-14	308	7,675
short-term loans and trade credit	8,996	377	0	-139	120	9,354
Insurance, pension and standardised guarantee schemes	706	170	0	-9	0	868
Other accounts receivable	9,380	-900	0	1,237	0	9,717
long-term	9,210	-837	0	1,261	0	9,634
short-term	24	22	0	-23	0	23
Reserve assets (NBR)	65,983	790	3,042	0	675	70,491
Monetary gold	6,213	0	2,142	0	0	8,356
Foreign exchange reserve	59,770	790	900	0	675	62,135

continued

EUR millions

Item	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
Foreign liabilities	**270,691**	**25,748**	**305**	**-1,052**	**1,396**	**297,088**
Direct investment	132,078	6,585	1,531	2	149	140,345
Equity	84,768	4,600	1,531	-62	10	90,846
Debt instruments	47,309	1,985	0	64	139	49,499
Portfolio investment	68,866	13,726	-1,330	62	985	82,308
Equity and investment fund shares	2,564	-522	216	62	1	2,321
Long-term debt securities	65,958	14,186	-1,556	0	984	79,572
Short-term debt securities	345	61	9	0	0	415
Financial derivatives	450	-422	95	270	3	397
Other investment	69,298	5,858	9	-1,387	259	74,037
Other equity	0	0	0	13	0	13
Currency and deposits	8,995	-432	0	0	24	8,587
Loans and trade credit	42,036	4,623	0	-249	133	46,544
long-term loans and trade credit	27,808	3,944	0	139	1	31,892
short-term loans and trade credit	14,228	679	0	-388	133	14,651
Insurance, pension and standardised guarantee schemes	206	37	9	-11	0	241
Other accounts payable	14,755	1,630	0	-1,139	-4	15,241
long-term	14,602	1,621	0	-1,117	0	15,106
short-term	153	9	0	-22	-4	135
SDR allocations	3,305	0	0	0	105	3,411

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