

Basic facts (2024)

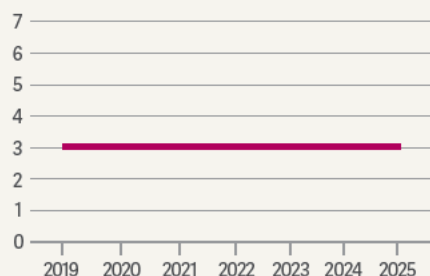
Population: 19 million

GDP, nominal: USD 381 billion

GDP/capita: USD 20 089



The country risk categories are arranged on a scale from 0 to 7. The lower the figure, the better the country's creditworthiness

Country classification history

Source: EKN

Strengths

- + EU and NATO membership
- + Strong growth potential
- + Moderate debt level, though increasing

Weaknesses

- Budget and current account deficits
- Political turbulence; presidential election annulled
- Geopolitical risk due to borders with Ukraine and Moldova

Background

Romania has a diversified economy, with trade, tourism and manufacturing each accounting for just over twenty per cent of total output. Compared with other EU countries, Romania has a large agricultural sector and a significant information technology sector.

Foreign trade is an important component of the economy, but in comparison to smaller countries in the region, Romania is less sensitive to disruptions due to its size and economic diversity. The largest export sectors are machinery and transport equipment, accounting for 45 per cent of total exports, and metals and mineral products, accounting for just over 15 per cent.

The largest export market is the EU, accounting for just over 70 per cent. This is followed by the United Kingdom with nine per cent, and the United States with seven per cent.

Romania's EU membership provides policy support and serves as an important safeguard, reducing transfer risk. The country has not yet met the criteria for euro adoption, but the introduction of the euro is likely only a few years away.

Political turbulence

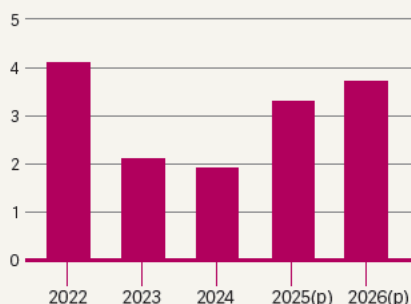
After two years of annual GDP growth of two per cent, growth is expected to rise to nearly 3.5 per cent in 2025. The IMF's forecast for 2026 indicates a further modest increase. In light of the political turbulence in the latter part of 2024, there is a risk that these forecasts will be revised downward if necessary budgetary tightening is not implemented and borrowing costs rise.

Romania's public debt is relatively low but shows an upward trend. Public debt to GDP is expected to rise from around 50 per cent in 2022 to just over 60 per cent in 2026. This is partly due to structural weaknesses, including unfunded expenditures that create deficits in both the budget and the current account, in turn driving increased borrowing.

Romania borders both Ukraine and Moldova, which represents a risk factor in the context of Russia's aggression against Ukraine and threats toward Moldova. Romania's NATO membership minimises the risk of a direct Russian attack, but the risk of cyber and hybrid attacks has increased. A Russian disinformation campaign was cited as the reason why the country's constitutional court annulled the presidential election in December 2024, just days before the second round was to be held. The election will be re-run in full during spring 2025. Parliamentary elections were also held at the end of 2024, in which the ruling coalition parties lost ground to far-right parties, but nevertheless managed to form a new EU-friendly coalition government with a sufficient majority.

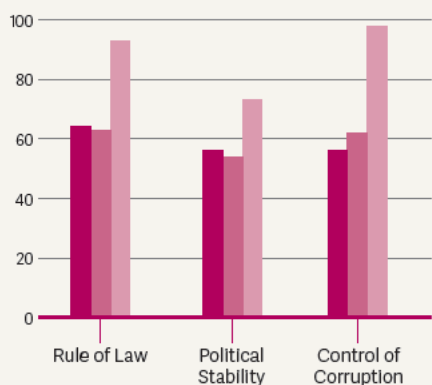
In terms of physical climate risks and natural disasters, Romania faces a slightly lower risk of water scarcity than the average for OECD high-income countries and Europe. However, the risk of storms and rising sea levels is higher than in the comparison group.

Real GDP growth (constant prices, % per annum)



Source: IMFWEQ, Macrobond

Business environment



■ Romania
■ Europe & Centralasia
■ Sweden

Ranking from 0 (worst) to 100 (best)

Source: The World Bank, Macrobond

Swedish export to Romania

	MSEK
2023	7 180
2022	6 183
2021	4 429
2020	3 348
2019	

Source: SCB

EKN:s exposure

	MSEK
Guarantees	1 955
Offers	4

Business environment

Romania's banking system is well capitalised, and the proportion of non-performing loans is relatively low. The banks are largely funded through deposits, which contributes to stability. However, about one third of deposits are in foreign currency, which constitutes a vulnerability. The country's three largest banks account for around 40 per cent of the banking system's assets.

The business environment benefits from EU membership and, from January 2025, Romania and Bulgaria will be full members of the EU's border-free Schengen area.

The judiciary is formally independent, but judges and prosecutors are at times subject to pressure from politicians and business interests, and corruption is a widespread problem in the country.

EKN's business assessment takes into account the risk of negative impact on human rights. EKN focuses on the impact that the activity in which the exported goods are to be used may have. In this context, issues such as working conditions, child and forced labour, excessive use of force by security forces, indigenous peoples' rights and land rights are of significant importance.

In Romania, the risk of human rights violations relevant to business operations is generally higher than the average for Europe and OECD high-income countries.

EKN's policy

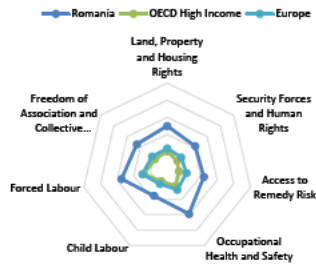
EKN classifies Romania in country risk category 3. According to EU competition rules, EKN and other export credit agencies may not cover payment risks (with the exception of letter of credit guarantees) for transactions with a total risk period (credit period + manufacturing period) of less than two years. In all other respects, normal risk assessment applies, meaning that transactions are evaluated on their own merits without special conditions or requirements.

EKN's commitment and experience

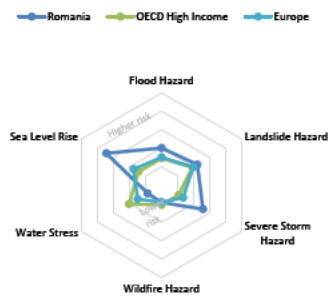
EKN's guarantee issuance to Romania has consisted of a small number of transactions per year. In 2023 and 2024, the guarantee exposure increased significantly, from a few million SEK in 2022 to nearly SEK 2 billion in 2024. The increase in guarantees is due to a small number of transactions with private buyers, primarily in the telecommunications sector.

EKN has experience only with private buyers. Over the past five years, EKN has guaranteed an average of three transactions per year. Sporadic delays occur, but most payments are made within one to two months. Since 2020, indemnity payments have been made in three cases, totalling SEK 2 million. The same amount has since been recovered.

Risk profile human rights



Risk profile climate risks



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