

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&S INDIA-ROMANIA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. Romania lies in south-eastern Europe. It is bounded in the north by Ukraine, in the east by Moldova and the Black Sea, in the south by Bulgaria, in the south-west by Serbia and in the north-west by Hungary. Romania is a member of the UN, the Council of Europe, the Central European Initiative, the NATO partnership for peace and is an associate member of the WEU and the EU.

2. In 2024, Romania has a GDP (PPP) of around USD 894 billion and a GDP per capita (PPP) of USD 47,203. According to the World Bank, Romania is a high-income economy. According to Eurostat, Romania's GDP per capita (PPS) was 77% of the EU average (100%) in 2022, an increase from 44% in 2007 (the year of Romania's accession to the EU), making Romania one of the fastest growing economies in the EU. IMF Executive Board Concludes 2023 Article IV Consultation with Romania December 8, 2023, Romania has weathered the economic shocks from the pandemic, Russia's war in Ukraine, and the resulting surges in energy and food prices relatively well. Growth, at 4.7 percent, surprised on the upside in 2022 but slowed in the first half of 2023 to around 1.9 percent y/y as consumption weakened due to real incomes being eroded by inflation, and external demand remained subdued. Public and private investment, on the other hand, has accelerated further. CPI inflation peaked at 16.8 percent y/y in November 2022, and has since been falling steadily to 8.8 percent y/y in September, aided by base effects, price caps on energy and, more recently, receding energy and food prices, an easing of supply bottlenecks, and monetary tightening. The financial sector remains robust. Fiscal deficits remain high. While spending pressures from the pandemic and support measures to cushion increases in energy and food prices have abated, structural spending has increased since 2019 without offsetting increases in revenue, and fiscal consolidation has stalled in 2023. The current account deficit also remains large but is declining, and is largely driven by direct investment flows and rising inflows of EU funds. International reserves have increased significantly.

A snapshot of Romania's selected economic indicators is as under.

TABLE -1

Romania: Selected Economic Indicators				
	2021	2022	2023	2024
			Projections	
Output				
Real GDP (% change)	5.7	4.6	2.2	2.7
Employment				
Unemployment (% labor force)	5.6	5.6	5.6	5.6
Prices				
Consumer prices (avg)	5.0	13.8	10.5	5.8
Consumer prices (eop)	8.2	16.4	7.4	4.4
General government finances (% GDP)				
Revenue	30.4	31.0	31.9	31.9
Expenditure	37.1	36.8	37.9	37.0

Net lending/borrowing	-6.7	-5.8	-6.0	-5.1
Structural balance	-7.4	-5.7	-5.6	-4.8
Structural primary balance	-5.9	-3.7	-3.2	-2.6
Gross debt	51.7	50.5	51.6	52.2
Money and credit				
Broad money (% change)	15.8	6.9	13.6	10.0
Credit to the private sector (% change)	14.8	12.1	4.6	6.3
Policy rate (eop, %)	1.75	6.75
Balance of payments				
Current account (% GDP)	-7.2	-9.3	-6.9	-6.7
Direct investment, net (% GDP)	-3.7	-3.4	-3.0	-3.3
International reserves (months of prospective imports)	3.9	4.3	4.7	4.7
External debt (% GDP)	56.5	50.6	50.5	51.2
Exchange rate				
REER (% change)	1.0	3.7
Sources: Eurostat, World Development Indicators, and IMF staff estimates and projections.				

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Romania are Germany, Italy, Hungary, France and Bulgaria. On the other hand five major import partners of Romania are Germany, Italy, Bulgaria, Hungary and Poland. Major five exported goods of Romania are (i) Petroleum oils, etc., (excl. crude); preparation, (ii) Automobiles with reciprocating piston engine, (iii) Boards, panels, including numerical control panels, (iv) Ignition wiring sets & other wiring sets of a kind, and (v) Spelt, common wheat and meslin. On the other hand major five imported goods of Romania are (i) Petroleum oils and oils obtained from bituminous, (ii) Natural gas in gaseous state, (iii) Petroleum oils, etc., (excl. crude); preparation, (iv) Other medicaments of mixed or unmixed products and (v) Electrical energy.

4. Romania's total exports globally in 2020 were of the order of USD 71,046 million and USD 100,371 million in 2024. Exports from Romania increased by 24.41% in the year 2021. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 9.02%.

5. Romania's total imports from the world in 2020 were of the order of USD 92,056 million and had touched USD 136,519 million mark in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 10.35%.

6. Romania faced an overall Balance of Trade deficit from 2020 to 2024 and it was USD -36,148 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 9.78%.

A snapshot of Romania's overall Trade Statistics is presented in **Table 2 and Figure 1 below**.

TABLE – 2

**ROMANIA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE
OF TRADE BETWEEN 2020 TO 2024**

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	71046		92056		1,63,102		-21010
2021	88390	24.41	117402	27.53	2,05,792	26.17	-29012
2022	96830	9.55	132700	13.03	2,29,530	11.53	-35870
2023	100642	3.94	131963	-0.56	2,32,605	1.34	-31321
2024	100371	-0.27	136519	3.45	2,36,890	1.84	-36148

**Annual
Compound
Growth
Rate**

9.02

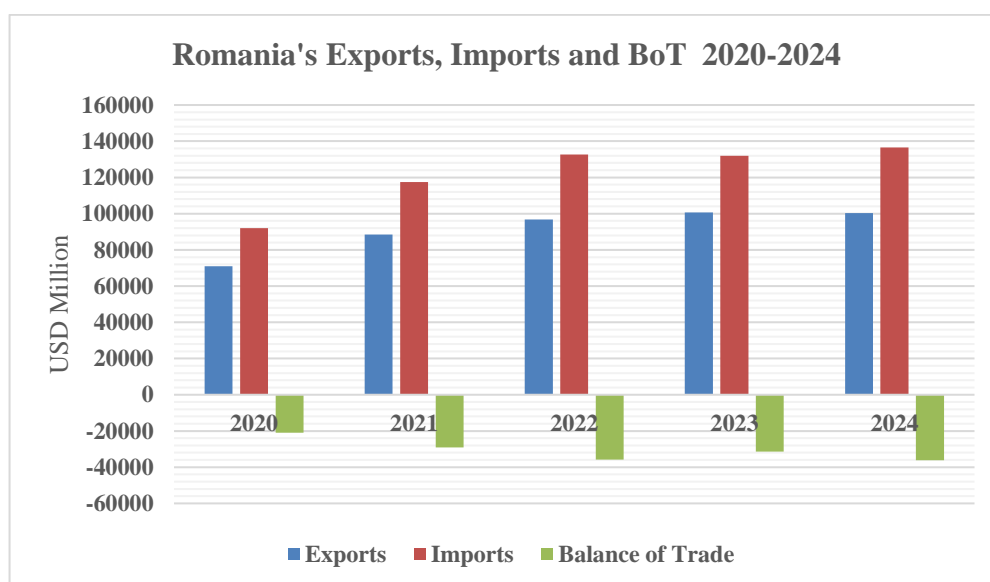
10.35

9.78

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure - 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and Romania share a strong and growing trade relationship, with India experiencing a positive trade balance. Major areas of cooperation have been in the areas of petrochemicals, metallurgy etc. where Romania has been involved in oil refinery projects in Guwahati and Bihar. Key exports from India to Romania include petroleum products, engineering goods, and pharmaceuticals, while imports from Romania consist of machinery, vegetable oils, and iron and steel. The two countries have a Joint Economic Commission (JEC) that works to enhance trade and investment. India exported to Romania almost 0.24% of its total export value in FY 2024-25. Romania was the 56th largest export partner of India in FY 2024-25. In the same financial year imports from Romania were only 0.05% of India's total import value. Almost 0.11% of India's total international trade value of goods was between India and Romania as recorded in DGCIS data base for FY 2024-25.

8. Indo-Romania total volume of bilateral trade in FY 2020-21 was of the order of USD 565.81 million. It scaled highest to USD 2,978.13 million in FY 2023-24 during the period 2020-21 to 2024-25. The annual compound growth rate of total volume comprising both exports and imports during the period from 2020-21 to 2024-25 had been of the order of 26.48%.

9. It is seen from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade with Romania. Exports from India to Romania increased maximum by 138.84% in FY 2023-24. The annual average compound rate of growth of Exports was 29.19% during the period under review. On the other hand, imports from Romania to India increased steeply by 113.69% in FY 2022-23 followed by another 113.46% increase in 2023-24, but in the year 2024-25 it was 65.65% deficit compared to 2023-24. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was positive at 20.74%.

A snapshot of India's merchandise trade statistics w.r.t. Romania is presented in Table 3 & Figure 2.

TABLE - 3

(Value in USD Million)

Year	Exports from India to Romania	Percentage Growth in Exports	Imports from Romania to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	371.84		193.97		565.81		177.87
2021-22	592.74	59.41	263.10	35.64	855.84	51.26	329.64
2022-23	744.44	25.59	562.21	113.69	1306.65	52.67	182.23
2023-24	1778.05	138.84	1200.08	113.46	2978.13	127.92	577.97
2024-25	1035.93	-41.74	412.17	-65.65	1448.10	-51.38	623.76

Annual

Compound Growth Rate

29.19

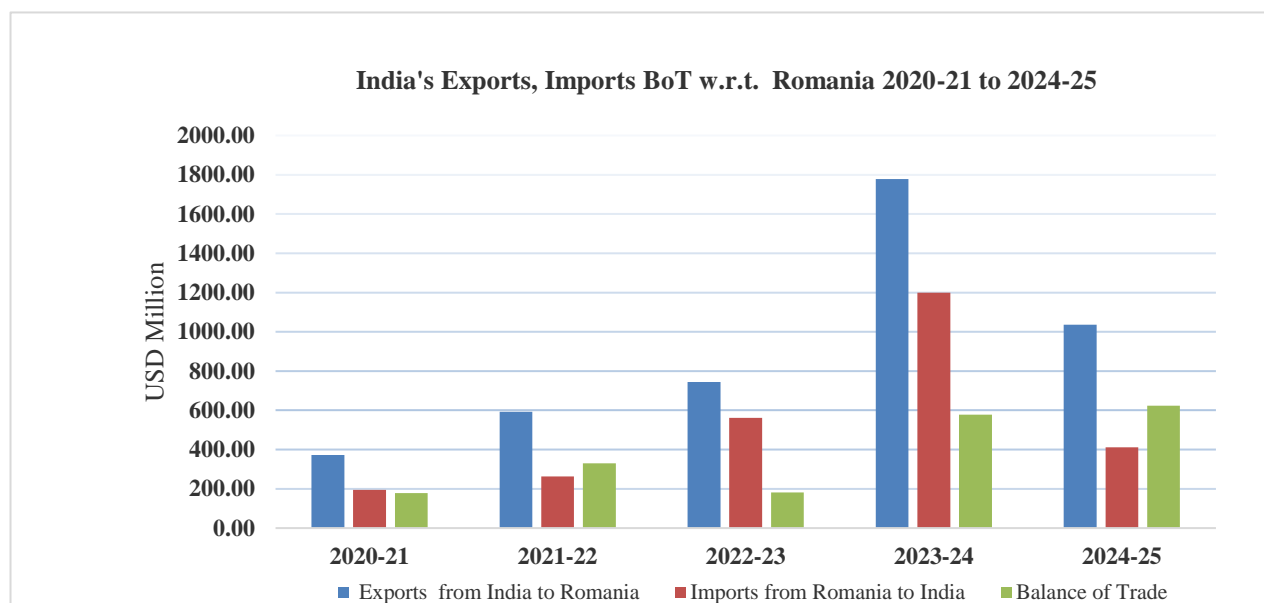
20.74

26.48

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCIS, M/o C&I

Figure 2



10. Additionally, from Table 4 & 5 presented below the following are stated:

a. (i) **Petroleum Products** (ii) **Aircraft, Spacecraft and Parts** and (iii) **Residual Chemicals and Allied Products** occupied the top three slots in India's exports to Romania in FY 2024-25. **Petroleum Products** occupied the bulk 18.42% share of India's total exports to Romania in FY 2024-25.

b. (i) **Vegetable Oils** (ii) **Indl. Machinery for Dairy Etc.** and (iii) **Machine Tools** were the three major commodities in India's imports list from Romania in FY 2024-25, India imported a significant amount of **Vegetable Oils** from Romania with a share of 40.57% of total imports from Romania recorded in FY 2024-25.

TABLE- 4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO ROMANIA
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Petroleum Products	0.54	0.96	189.90	1104.46	190.81	77.78	19681.25	481.60	-82.72
	Share in total export	0.15	0.16	25.51	62.12	18.42				
2	Aircraft, Spacecraft and Parts	0.39	2.45	0.01	0.14	112.62	528.21	-99.59	1300.00	80342.86
	Share in total export	0.10	0.41	0.00	0.01	10.87				
3	Residual Chemicals and Allied Prods.	9.94	6.12	12.73	10.88	81.91	-38.43	108.01	-14.53	652.85
	Share in total export	2.67	1.03	1.71	0.61	7.91				
4	Iron and Steel	70.69	123.41	69.07	76.34	53.04	74.58	-44.03	10.53	-30.52
	Share in total export	19.01	20.82	9.28	4.29	5.12				
5	Other Misc. Engineering Products	3.96	9.50	9.15	9.84	48.29	139.90	-3.68	7.54	390.75
	Share in total export	1.06	1.60	1.23	0.55	4.66				
6	Ceramics and Allied Products	20.05	29.05	26.05	40.19	45.01	44.89	-10.33	54.28	11.99
	Share in total export	5.39	4.90	3.50	2.26	4.34				
7	Electric Machinery and Equipments	29.51	47.35	55.16	62.74	44.47	60.45	16.49	13.74	-29.12
	Share in total export	7.94	7.99	7.41	3.53	4.29				
8	RMG Cotton Including Accessories	4.02	7.39	8.70	17.56	36.12	83.83	17.73	101.84	105.69
	Share in total export	1.08	1.25	1.17	0.99	3.49				
9	Drug Formulations Biologicals	10.39	11.90	11.66	18.24	31.21	14.53	-2.02	56.43	71.11
	Share in total export	2.79	2.01	1.57	1.03	3.01				
10	Products of Iron and Steel	17.95	23.06	20.89	31.49	23.36	28.47	-9.41	50.74	-25.82
	Share in total export	4.83	3.89	2.81	1.77	2.25				
	Total exports to ROMANIA	371.84	592.74	744.44	1778.05	1035.93	59.41	25.59	138.84	-41.74

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE- 5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM ROMANIA
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Vegetable Oils		22.38	274.68	838.33	167.23		1127.35	205.20	-80.05
	Share in total import		8.51	48.86	69.86	40.57				
2	Indl. Machinery For Dairy Etc.	16.37	18.44	21.16	26.74	37.19	12.65	14.75	26.37	39.08
	Share in total import	8.44	7.01	3.76	2.23	9.02				
3	Machine Tools	1.71	3.92	7.71	5.03	33.66	129.24	96.68	-34.76	569.18
	Share in total import	0.88	1.49	1.37	0.42	8.17				
4	Electronic Instruments	19.42	14.90	22.93	22.37	18.39	-23.27	53.89	-2.44	-17.79
	Share in total import	10.01	5.66	4.08	1.86	4.46				
5	Organic Chemicals	19.67	18.00	34.97	27.80	15.02	-8.49	94.28	-20.50	-45.97
	Share in total import	10.14	6.84	6.22	2.32	3.64				
6	Consumer Electronics	0.34	14.74	35.90	23.29	11.55	4235.29	143.55	-35.13	-50.41
	Share in total import	0.18	5.60	6.39	1.94	2.80				
7	Plastic Raw Materials	6.65	12.57	12.04	6.32	10.09	89.02	-4.22	-47.51	59.65
	Share in total import	3.43	4.78	2.14	0.53	2.45				
8	Electric Machinery and Equipments	9.54	5.41	5.24	10.90	8.97	-43.29	-3.14	108.02	-17.71
	Share in total import	4.92	2.06	0.93	0.91	2.18				
9	Electronic Components	6.47	7.62	8.72	12.57	8.82	17.77	14.44	44.15	-29.83
	Share in total import	3.34	2.90	1.55	1.05	2.14				
10	Medical And Scientific Instruments	7.22	9.14	8.69	11.80	8.68	26.59	-4.92	35.79	-26.44
	Share in total import	3.72	3.47	1.55	0.98	2.11				
	Total imports from ROMANIA	193.97	263.10	562.21	1200.08	412.17	35.64	113.69	113.46	-65.65

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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