

Foreword

Since joining the European Union (EU) in 2007, Romania's economy has made remarkable progress. In 2015, the country achieved one of the highest growth rates of all EU Member States, at 3.7%. This growth is supported by exports, mainly to the EU and strong domestic demand. Local consumption has been significantly strengthened by rising wages, low interest rates, low fuel prices and VAT reductions on food items. Meanwhile, the deficit reduction is contributing to greater macroeconomic stability.

In comparison to many countries, Romania has recovered well from the global financial crisis. Yet the rate of Romanian GDP growth has not returned to the high levels achieved from 2000 to 2008, which peaked at over 8%, while the country continues to confront important economic and social challenges. A quarter of the population is still living below the national poverty line and in rural areas this reaches 70% of the population. Important challenges remain in eliminating the gaps between Romania and other economies, in particular structural problems, such as weak competitiveness. Enhancing competition is essential to improving economic performance.

Against this backdrop, the Romanian government asked the OECD to conduct an assessment of regulatory constraints on competition in three key sectors of the Romanian economy: construction, freight transport and food processing. Together, these three sectors account for just over 12% of GDP and almost 10% of employment.

By scrutinising 895 pieces of legislation, the OECD Competition Assessment Project identified 227 problematic regulations and 152 provisions where changes could be made to foster competition. It is never possible to quantify entirely the benefits arising from enhanced competition, but OECD calculations estimate that the total effect from rising expenditure, increased turnover and lower prices for the Romanian consumer could be in the region of EUR 434 million per year, equivalent to 0.27% of GDP.

Full implementation of the recommendations resulting from the assessment would do much to enhance the competitiveness of the Romanian economy, stimulate productivity and promote economic growth and job creation.

I congratulate the Romanian Competition Council and the Romanian Chancellery on the efforts they have undertaken to reinforce competition law. These are courageous, necessary steps towards building a better future for all Romanians.



Angel Gurría
Secretary-General, OECD

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Bohaltea, Construction Inspector, State Inspectorate for Construction; Cristian Paul Stamatiade, Chief of Service for Construction Regulations; Mihaela Bontea, Superior Counsellor, General Directorate for Regional Development and Infrastructure, Ministry of Regional Development and Public Administration; Aurelia Mogoşiu, Deputy Director, National Agency for Public Procurement; Eduard Badea, Chief of Service Regulation, National Agency for Public Procurement; Georgeta Briciu, Counsellor, Animal Food Safety Directorate, National Sanitary Veterinary and Food Safety Authority; Daniela Lulea, Counsellor, Romanian Standards Association; Raluca Antonescu, Senior Commissary, National Authority for Consumer Protection; Florina Sora, Superior Expert, National Authority for Mineral Resources; Dragos Negoita, Director, Chancellery of the Prime Minister; Cristina Amarazeanu, Chief of Service, EC Financing Contracts, National Company of Highways and Roads; Aurelian Nastasia, Engineer, EC Financing Contracts.

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The report was edited by Michael Saller, Project Leader and Senior Competition Expert at the OECD Competition Division in the Directorate for Financial and Enterprise Affairs.

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