

WORLD RANK: **51** | REGIONAL RANK: **29**

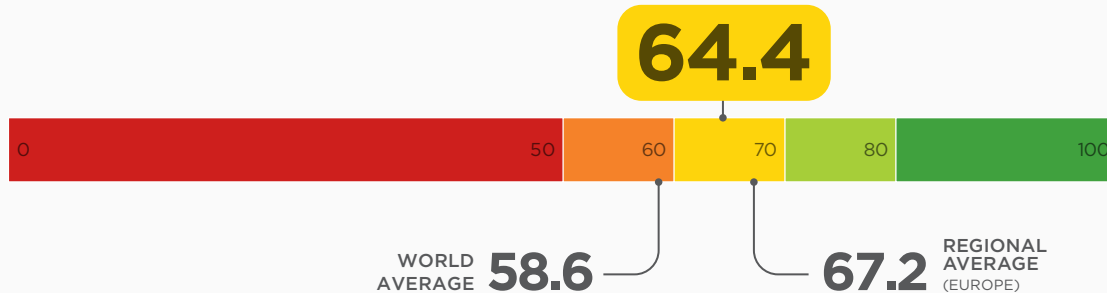
ECONOMIC FREEDOM STATUS: **MODERATELY FREE**

# ROMANIA

Romania's economic freedom score is 64.4, making its economy the 51st freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 0.1 point from last year, and Romania is ranked 29th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Romania's economy is considered "moderately free" according to the 2024 *Index*.

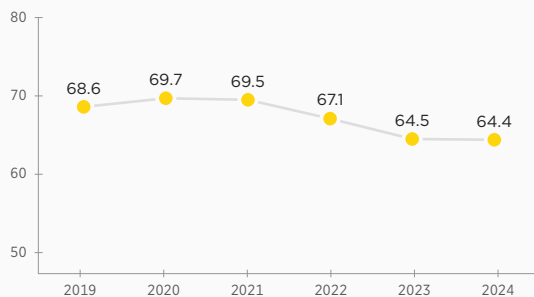
The Romanian economy has benefitted substantially from its openness and flexibility over the past decade, but deeper institutional and structural reforms in such areas as the labor market and management of public finance are still needed. The judiciary remains inefficient and vulnerable to political interference, and corruption still undermines long-term economic development. The process for business registration and operation has been streamlined, but efficient bankruptcy procedures have not been fully implemented. Relatively high inflation has weakened overall monetary stability.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +21.5

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
19.1 million

**GDP (PPP):**  
\$737.0 billion  
4.7% growth in 2022  
5-year average growth rate: 3.4%  
\$38,703 per capita

**UNEMPLOYMENT:**  
5.2%

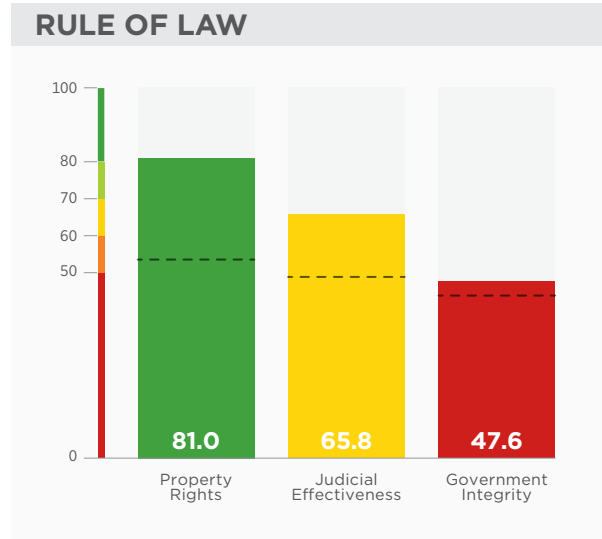
**INFLATION (CPI):**  
13.8%

**FDI INFLOW:**  
\$11.3 billion

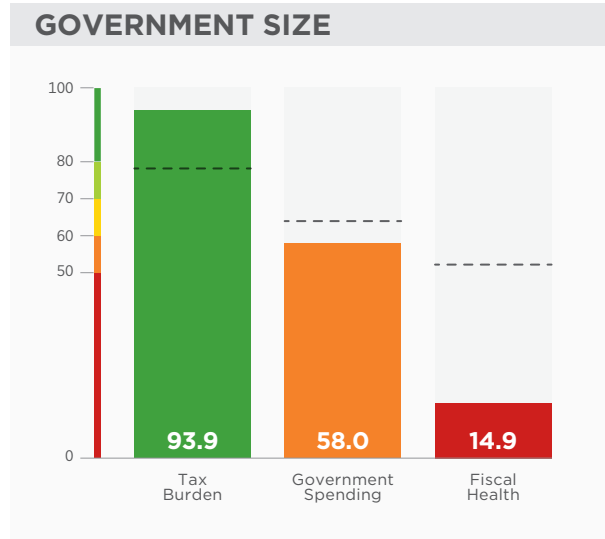
**PUBLIC DEBT:**  
50.5% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

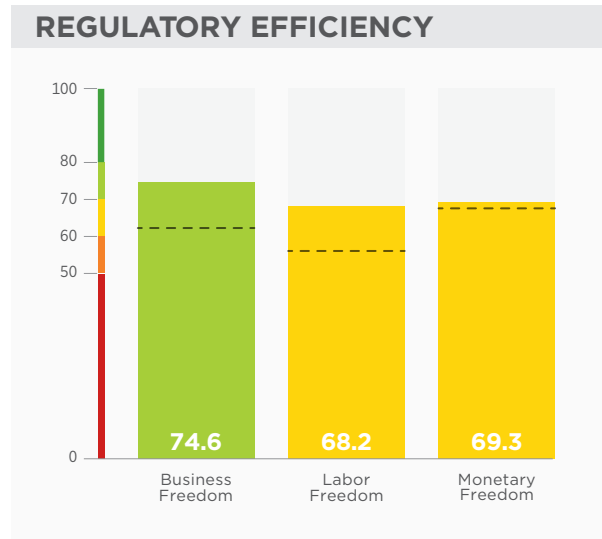
# 12 ECONOMIC FREEDOMS | ROMANIA



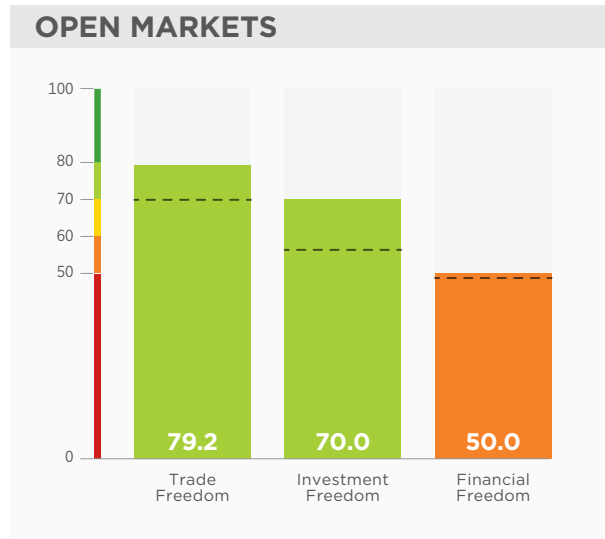
The overall rule of law is relatively well respected in Romania. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 10 percent, and the top corporate tax rate is 16 percent. The tax burden equals 15.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 37.4 percent and -7.4 percent of GDP. Public debt amounts to 50.5 percent of GDP.



Romania's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.9 percent, and more than 600 EU-mandated nontariff measures are in force. Despite progress, the regulatory system tends to discourage more dynamic foreign investment. The financial sector continues to grow, driven primarily by banking.