



EDITORIAL EJAFB (5)

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THE CENTERENAY OF THE ROMANIAN ECONOMY EDITORIAL

The Great Union in 1918 was the historical process in which all the historical provinces inhabited by Romanians united in 1918 in the same national state, Romania. Preliminary stages were the Small Union of 1859 of the country of Moldavia with Wallachia and the acquisition of independence after the war of 1877-1878, amid the national rebirth of the Romanians in the course of the nineteenth century. The unification of Bessarabia, Bukovina, and eventually Transylvania with the Kingdom of Romania (the so-called Old Kingdom) led to the formation of Great Romania. It was the purpose of Romania's entry into World War I on the Entente side and was favored by several historical factors:

- The decisive political action of the elites from the Kingdom of Romania and from Austria-Hungary in the favorable period of the end of the First World War

- The collapse of the Austro-Hungarian Empire and the Russian Empire
- The affirmation of the self-determination principle and of the nationalities principles on the international level, in the context of the widespread presence of the national sentiment among the Romanian population.

After the Great Union of 1918, Romania gained significant economic potential due to the new territories acquired after the end of the First World War. Practically, thanks to these territories, certain branches of the economy have grown greatly as potential, namely:

- agricultural area increased from 6.5 million hectares to about 14.5 million;
- the forest fund has grown from 2.6 million hectares to 7.4 million hectares;
- the rail network has increased by more than 250% from 4200 km to 11000 km;



- The power of certain industries has increased by up to 400% (chemical, electrical).

Figure 1- Map of Romania after 1926



Source: https://ro.wikipedia.org/wiki/Rom%C3%A2nia_Mare

Today, after 100 years, Romania traverses its best period of 70 years, although the political situation is not exactly what most Romanians want; Romania has been a member of the European Union for 11 years and of NATO for 14 years, and for almost three decades the Romanians have committed themselves to democracy and the values of the Western world, having as a compass the welfare, prosperity and stability.

The Romanian nation: 1) On December 1st, 1918, the Romanian nation sprang; 2) on December 30th, 1947, the last monarch of Romania, Mihai I, was forced to abdicate by a rising communist regime; 3) Between December 16th and December 26th, 1989,

after almost five decades of totalitarianism, the Romanian revolution ended the oppressive regime in the years following the Second World War; 4) January 1st, 2007 Romania enters the great European family of democracy, peace and prosperity.

From the development point of view, Romania's economy grew by 4% in the first half of this year, compared to the same period in 2017, after it advanced in the second quarter of this year by 1.4% in real terms compared to the previous quarter, according to data submitted by the National Institute of Statistics (NIS).

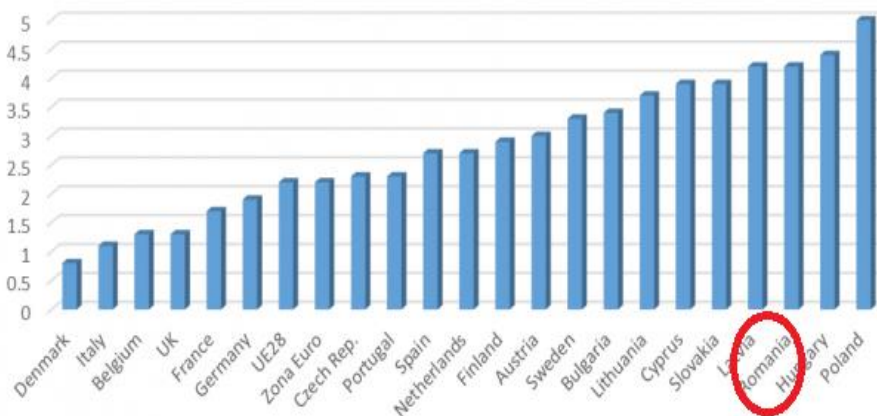
Compared to the first quarter of 2017, GDP grew by 4.1% on gross series and 4.2% on seasonally adjusted series. In the



first three months of this year, Romania's Gross Domestic Product posted a 0.1% increase in real terms compared to the previous quarter, up to 226.281 billion RON in current prices. Compared to the same quarter of the previous year, GDP growth was 4% on gross series and 4.2% on seasonally adjusted series. The World Bank recently announced that Romania's economy will see a 5.1% gain in 2018, but warned that this growth is outpacing. A 5% economic growth is also foreseen by the International Monetary Fund, while the European Bank for Reconstruction and Development (EBRD) estimates an increase of 4.6% in 2018 and of 4.2% in 2019. The National Prognosis

Commission indicates a 6.1% GDP growth in 2018, followed by increases of 5.7% in 2019 and 2020 and by 5% in 2021. In 2017, Romania recorded an advance of 6.9% over the previous year, in 2016 increased by 4.8%, the highest rate in 2008, 2015 increased by 3.9%. (<https://www.capital.ro/economia-romaniei-a-crescut-cu-4-1.html>). In the second quarter of this year, Romania had an important economic growth, one of the largest in the European Union, as confirmed by Eurostat and other specialists. From the macroeconomic indicators perspective, Romania's economy is at its potential level in the middle of 2018.

Figure 2. GDP growth in the second quarter of 2018 compared to the second quarter of 2017



Source: <https://www.ziarcicaz.ro/realitatea-bate-propaganda-cand-vorbim-in-cifre-despre-economia-romaniei>



The European Commission estimates show a potential GDP growth rate of 4.3% in 2018, well above the EU average (1,7%). This evolution reflects that, in the long run, the country's growth prospects are two and a half times over the European average, among the best in the EU. In June 2018, exports increased by 16.2% compared to June 2017. Imports increased by 11.7%. The change in dynamics was mainly driven by trade with EU countries (<https://www.ziarbica.ro/realitatea-bate-propaganda-cand-vorbim-in-cifre-despre-economia-romaniei>).

According to NIS, the average number of employees reached the maximum of the last 20 years, with 4,916.2 thousand persons in the first 6 months of 2018. 89.9 thousand new jobs were created in January-June 2018, and the unemployment rate (3.48% in June 2018) is historically minimal.

The annual inflation rate has entered a downward trend. Inflation declined significantly in July also due to the basic effect of a 6.8% increase in tariffs on electricity in July 2017. Public debt fell from 37.4% of GDP in 2016 to 35% in 2017. In May 2018, it reached 34.86% of GDP. It's the minimum of the last four years.