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PRESS RELEASE

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Evolution of Gross Domestic Product in the third quarter and during 1.I – 30.IX.2006, of investments and dwellings and evolution of main short term economic indicators in October 2006 and during 1.I. – 31.X.2006

Gross Domestic Product estimated for the third quarter of 2006 was 92662.9 million lei (RON) current prices increasing, in real terms, by 8.3% as against the same quarter of the previous year. In the first nine months of 2006 gross domestic product was 229571.6 million lei (RON) current prices, by 7.8% more than in the same period of the previous year.

I. Gross Domestic Product by categories of resources and uses

- provisional data -

	Achievements - million RON current prices - third quarter of 2006	In % as against the third quarter of 2005	Achievements - million RON current prices – 1.I - 30.IX.2006	In % as against 1.I. - 30.IX. 2005
Agriculture, forestry and fishery	10898,0	105,2	16079,8	103,5
Industry	22385,7	108,0	59276,4	107,1
Construction	6310,8	119,2	13307,7	117,7
Services ¹⁾	42570,9	108,5	112797,7	107,8
Gross value added – total	82165,4	108,6	201461,6	107,8
Net taxes on product ²⁾	10497,5	106,0	28110,0	107,2
Gross Domestic Product	92662,9	108,3	229571,6	107,8
Actual final consumption	76673,1	111,2	201563,4	111,0
Actual final individual consumption of private households	67583,1	112,4	180425,0	112,0
Expenditure for final consumption of private households	58159,0	114,6	158314,2	113,7
Expenditure for final consumption of non-lucrative institutions in the service of private household	753,2	101,2	1844,9	102,3
Expenditure for final consumption of general government	8670,9	100,0	20265,9	100,8
Actual collective final consumption of general government	9090,0	102,9	21138,4	102,6
Gross capital formation	25907,3	-	53068,9	-
of which:				
Gross fixed capital formation	26267,3	115,6	53852,0	113,7
Net export of goods and services	-9917,5	-	-25060,7	-
Export of goods and services	28882,9	111,0	82722,8	111,4
Import of goods and services	38800,4	121,2	107783,5	119,1

Note: Volume indices are calculated under comparable conditions.

1) Comprise activity of trade, transport, post and telecommunications, tourism, hotels and restaurants, general government and defense, education, health and social assistance and other services rendered to the population and to economic units.

2) Represent the difference between taxes on product to the state budget (VAT, excise duties, other taxes) and subsidies on product paid from state budget.

In the first nine months of 2006, the growth of gross domestic product was mostly determined by higher volume of activity and implicitly, of gross value added in industry (+7.1%), construction (+17.7%) and services (+7.8%), whose contribution to gross domestic product was estimated to 80.8%.

We should point out that agriculture, whose contribution to gross domestic product formation became important in the third quarter, significantly influencing the gross value added estimated for the first nine months of the year (7.0% in GDP during 1.I - 30.IX 2006) increased its activity volume by 3.5%.

Actual final consumption registered a growth by 11.0% during 1.I - 30.IX.2006 as compared to the same period of the previous year. The increased of the actual final individual consumption of private households (by 12.0%) was determined in particular by higher volume of goods' sales through retail trade (+22.7%).

Gross fixed capital formation (GFCF) registered a growth of 13.7%, investment rate determined by its ratio to gross value added in the economy being 26.7%. In GFCF, investments represent 90.2% of total value.

Current account deficit increased in the first nine months of 2006 as against the same period of the previous year as a result of quicker growth of imports of goods and services (+19.1%) as compared to exports of goods and services (+11.4%), this having a negative impact over gross domestic product dynamics.

Investments and dwellings

Investments in the national economy during 1.I. - 30.IX.2006 registered a growth by 14.1% in comparison with the same period of the previous year. **Investments in new construction works** increased by 17,7 % and **investments in transport equipment and means** registered a growth of 9.6%, as against the same period of the previous year.

During 1.I. - 30.IX.2006, 20730 dwellings were finished, by 2544 dwellings more than in the same period of 2005. Most of finished dwellings, since the beginning of the year until September 30, 2006, were built from population funds (89.7% of total finished dwellings).

On September 30, 2006, 100668 dwellings were under various execution stages of construction works, out of which those from budgetary funds represented 11.8 %.

Out of total dwellings under various construction stages, 3.0% are finished and not received, 39.3% are under finishing stage, 32.9% are under execution stage of structures, while 24.8 % of total represent work to set the foundations.

II. Evolution of main economic indicators in October and during 1.I. – 31.X.2006

- %

	October 2006 as against :		1.I - 31.X.2006 as against 1.I - 31.X.2005
	September 2006	October 2005	
Industrial production – total (unadjusted series)	103,7	110,2	107,4
- of which:			
Mining and quarrying	104,1	101,7	103,2
Manufacturing	102,9	111,5	108,0
Electric and thermal energy	117,1	104,2	105,4
Labor productivity in industry	103,8	113,3	111,2
Turnover - industry – total	105,4	111,0	105,8
Construction works	112,0	119,3	118,4
Turnover– retail trade ¹⁾	99,7	124,7	125,2
Turnover – trade with motor vehicles ²⁾	106,1	110,4	118,1
Exports FOB of goods	101,9	115,8	116,0
Imports CIF of goods	114,7	126,0	124,7
Commercial deficit (FOB/CIF balance)	138,7	143,6	145,3
Turnover – market services for the population	95,8	130,4	110,4

Growth rates for the main indicators of October 2006 as against October 2005 did not point out significant evolutions in comparison with September 2006 as against the same month of the previous year. However, it should be mentioned the increase in the growth rates of turnover in industry from 1.4% in September to 11.0% in October 2006, export of goods from 6.4% to 15.8%, respectively of import from 18.8% to 26.0% and therefore the growth of deficit in absolute terms.

As a result of main short term economic indicators evolution in October 2006, bounded by the same trend registered in the previous months, the situation per total during 1.I. – 31.X.2006, as against the same period of the last year is practically kept in the same limits.

III. Sectoral evolutions

In October 2006, as against September 2006, industrial production registered per total a growth by 3.7% , due to the increase of production in all industrial sectors: +4.1% in mining and quarrying, + 2.9% in manufacturing and + 17.1% in electric and thermal energy, gas and water.

As concerns the evolution by broad industrial groups, the growth of production per total was mainly due to the increase of production with 8,2% in energy industry, here being pointed out the

¹⁾ Except trade with motor vehicles and motorcycles.

²⁾ Comprise: wholesale and retail trade, maintenance and repair of motor vehicles and motorcycles, retail trade of fuel for motor vehicles.

production, transport and distribution of electric and thermal energy, gas and water (+22.0%) and by 5.7% of production in intermediate goods industry.

Growths between 10% and 30% were registered for the following manufacturing divisions: medical, precision, optical apparatus and instruments, watches and clocks (+27.0%), textile products (+20.7%), tobacco products (+13.7%) and publishing, printing and reproduction of recorded media (+10.1%).

In October 2006, industrial production is higher than in October 2005 by 10.2%, this growth being sufficient to maintain the **growth rate of 1.I – 31.X.2006 period as compared to the same period of the previous year (107.4%)**.

In the first ten months of 2006, **main resources of primary energy** amounted to 34.7 million tons equivalent oil, increasing by 2.3% as against the same period of 2005, as a result of higher domestic production by 0.7% and of import by 4.6%. In the same period, **final consumption of electric energy** was by 2.9% higher than in the same period of 2005 and public lighting and domestic consumption registered growths with 7.3%, respectively 6.3%.

Pointing out a growth of 19.3% in October 2006 as against the same month of 2005, **construction works** further keep an accelerated rate in the whole period since the beginning of the year, with a slight growth trend (118.4 % for the first ten months as against 117.8% for the first nine months).

During 1.I – 31.X.2006, it should be mentioned that a production level higher than the general average is registered, by construction type, for engineering construction (121.6%) and by structure elements, for maintenance and current repairs works (125.4%) and for new construction works (117.3%).

In October 2006, in comparison with October 2005, **turnover obtained by enterprises having retail trade as main activity** (except trade with motor vehicles and motorcycles) was higher by 24.7% (+32.0% for food goods, beverages and tobacco and +19.3% for non-food goods).

During 1.I. - 31.X.2006, turnover volume was by 25.2% over the level registered during 1.I. - 31.X.2005, higher growths being obtained both for sales of food goods, beverages and tobacco (+29.8%) and for sales of non-food goods (+21.6%).

In comparison with October 2005, turnover obtained in October 2006 by enterprises having as main activity **wholesale and retail trade, maintenance and repair of motor vehicles and motorcycles, retail trade of fuel for motor vehicles** was by 10.4% higher due to the growths registered in particular for retail trade of fuel for motor vehicles (+18.5%).

Turnover volume registered during 1.I. - 31.X.2006 was by 18.1% higher than during 1.I. - 31.X.2005. The activity of **market services rendered to the population** registered a growth of turnover in October 2006 as against the same month of 2005 by 30.4% and turnover during 1.I. - 31.X.2006, turnover was by 10.4% higher than the level registered in the same period of 2005.

IV. Evolution of certain social indicators in October 2006

	M.U.	Achieved	October 2006 In % as against:	
			September 2006	October 2005
Number of employees in economy (at end of month)	thou.pers.	4601,7	99,9	101,4
Number of registered unemployed (at end of month)	thou.pers.	453,5	103,0	90,8
Gross nominal average earning	lei	1155	100,6	118,6
Net nominal average earning	lei	866	100,7	116,7
Consumer price index	%	-	100,21	104,80

Number of employees was 4601.7 thousand persons in October 2006, by 6.8 thou persons less than in September 2006, the highest decreases being registered in agriculture, hunting and related services, hotels and restaurants, electric machinery and appliances, post and telecommunications, leather goods and footwear.

According to the data provided by the National Agency for Employment, **number of unemployed registered** at the end of October 2006 was 453.5 thou persons. In comparison with October 2005, number of registered unemployed was lower by 46.2 thou persons. Women represented 42.2% of total registered unemployed.

Unemployment rate registered in October 2006 was 5.1% in relation to total active civil population, decreasing as against October 2005 (5.7%). Female unemployment rate was by 0.9 percentage points lower than male one (4.6% as compared to 5.5%).

Higher unemployment rates were registered in the counties: Vaslui (11.1%), Mehedinți (9.2%), Gorj (9.0%), Ialomița (8.1%), Teleorman (8.1%). The lowest unemployment rates were registered in the counties: Ilfov (2.0%), Timiș (2.0%), Bihor (2.6%), Satu Mare (2.9%) as well as in Bucharest Municipality (2.4%).

Real earning index for October 2006, calculated as ratio between net nominal average earning index and consumer price index was 100.5% as against the previous month, 111.4% as against the same month of 2005, respectively 93.5% in comparison with October 1990.