

Romania

Rating report

Rating rationale

EU membership, access to EU investment funds: EU membership supports Romania's access to capital markets and provides a buffer to external shocks, including via the availability of balance of payments assistance facilities. Large EU fund allocations, including EUR 22bn in grants and loans under the NextGeneration EU programme (6.1% of 2024 GDP) and EUR 31bn in cohesion funds under the 2021-2027 EU Multiannual Financial Framework (8.8% of 2024 GDP) support the authorities' reform agenda and anchors strategic investment projects over the medium-run.

Robust medium-run growth outlook: Romania's ratings are anchored by its strong growth potential, which we estimate at around 3.5% annually, driven by considerable EU investment funds allocations. After moderating to 0.9% last year amid widening negative contributions from net exports and political uncertainty, we expect economic growth in Romania to remain modest over the medium-term, at 1.3% in 2025 and 0.7% in 2026, in line with headwinds stemming from fiscal consolidation and an unfavourable external environment.

Still-moderate but rapidly rising public debt: Robust nominal GDP growth should partly mitigate the impact of sustained elevated fiscal deficits on public debt dynamics over our forecast horizon. Still, we project the general government debt-to-GDP ratio to rise to around 67% by 2030, from 54.8% at year-end 2024, almost twice the pre-Covid level of 35.0% in 2019.

Rating challenges: i) high fiscal deficits set to average around 5.4% of GDP over 2025-30, after a sizable 9.3% of GDP deficit in 2024, a rigid budget structure, a growing debt-servicing burden and a weak tax base constrain the budgetary outlook and have resulted in high, structural budget deficits and a rising debt trajectory; ii) elevated political polarisation, adding implementation risks to the fiscal consolidation agenda; and iii) elevated current account deficits and exposure to external risks, due, in large part, to fiscal imbalances.

Figure 1: Romania's sovereign-rating drivers

Risk pillars		Quantitative		Reserve currency*	Political risk**	Qualitative****	Final rating
		Weight	Indicative rating	Notches	Notches	Notches	
Domestic economic risk		35%	a+	RON	Romania	1/3	BBB-
Public finance risk		20%	bbb-			- 2/3	
External economic risk		10%	cc			- 1/3	
Financial stability risk		10%	aaa			0	
ESG risk	Environmental factors	5%	a-	[+0]	[-0]	0	
	Social factors	7.5%	ccc			- 1/3	
	Governance factors	12.5%	bbb-			- 1/3	
Sovereign Quantitative Model***		bbb				-1	
Additional considerations						0	

*The reserve-currency quantitative adjustment applies to currencies in the IMF's Special Drawing Rights (SDR) basket.

**The political-risk quantitative adjustment is based on the World Bank's Political Stability & Absence of Violence/Terrorism index.

***Scope's SQM signals an indicative credit rating of 'bbb' for Romania, which was approved by the rating committee.

****The qualitative scorecard analyst adjustments, capped at one notch per rating pillar, are weighted equally with an aggregate adjustment rounded to the nearest integer. For details, please see Scope's [Sovereign Rating Methodology](#).

Foreign currency

Long-term issuer rating/Outlook

BBB-/Stable

Senior unsecured debt/Outlook

BBB-/Stable

Short-term issuer rating/Outlook

S-2/Stable

Local currency

Long-term issuer rating/Outlook

BBB-/Stable

Senior unsecured debt/Outlook

BBB-/Stable

Short-term issuer rating/Outlook

S-2/Stable

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Credit strengths and challenges

Credit strengths

- EU membership, access to substantial EU investment fund inflows, anchoring broad policy continuity
- Robust medium-run economic growth outlook
- Still-moderate public and private debt levels

Credit challenges

- High fiscal deficits, rigid budget structure and comparatively weak tax base
- Elevated political polarisation, adding implementation risks to the fiscal consolidation and structural reform agenda
- Persistent, wide current account deficits and vulnerability to external risks

Outlook and rating triggers

The Stable Outlook reflects the view that risks for the ratings are balanced.

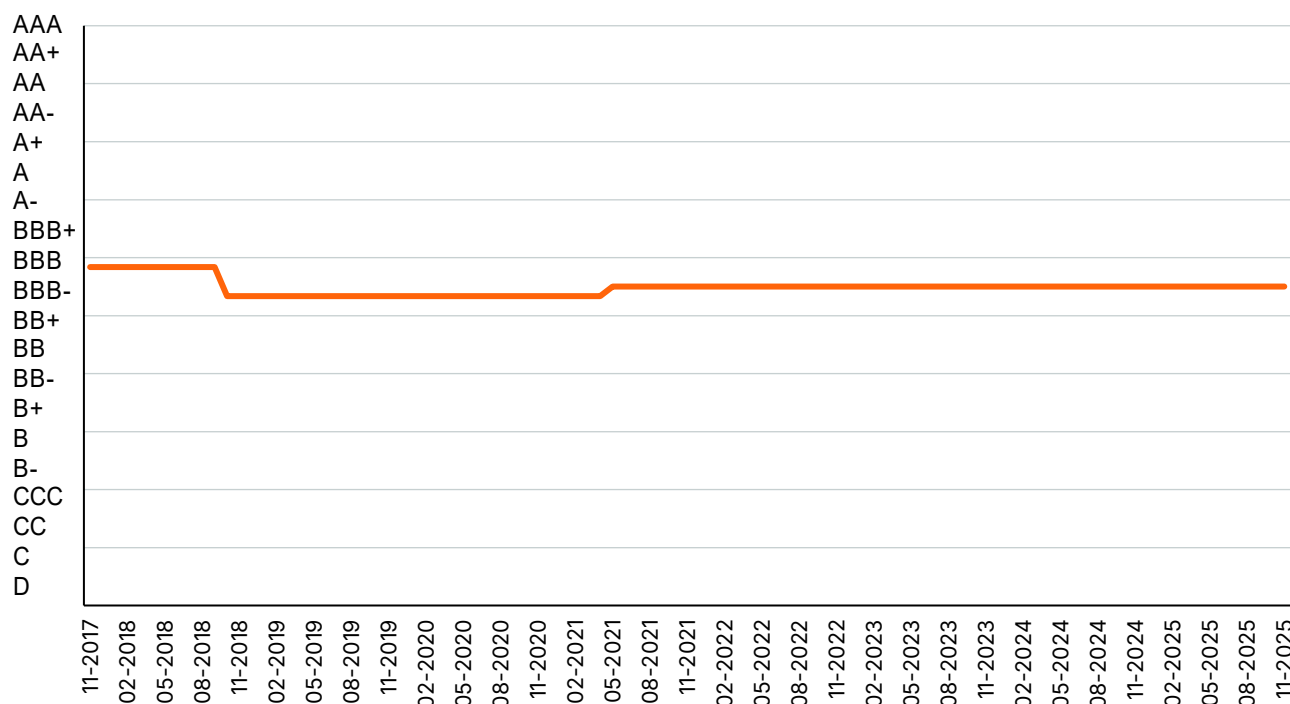
Positive rating-change drivers

- Strengthened fiscal consolidation anchors and stabilises debt-to-GDP trajectory
- Strengthened capacity for reform, including improvements in EU fund absorption
- Sustained reduction in current-account deficit and/or tangible steps in the adoption of the euro to curtail external sector risks

Negative rating-change drivers

- Failure to materially reduce fiscal imbalances
- Failure to acceleration pace of EU funds absorption undermines growth and public finance outlooks
- Increase in external vulnerabilities, such as via continuation of elevated current account deficits, decline in reserves, and/or intensified funding pressures

Figure 2: Rating history



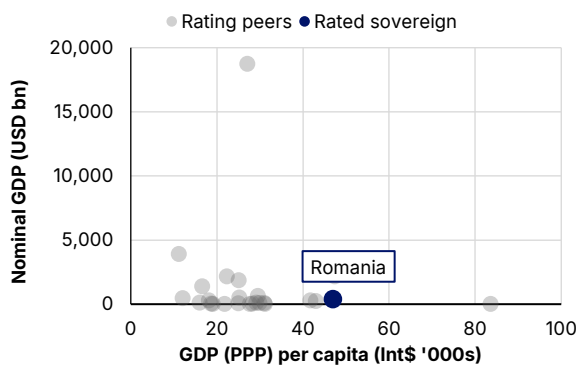
Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment. Source: Scope Ratings.

Domestic economic risk

Overview of Scope's assessments of Romania's Domestic Economic Risk

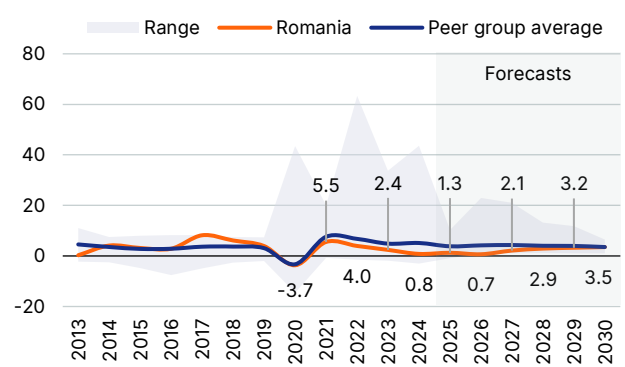
SQM ¹ indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
a+	Growth potential and outlook	Strong	1/3	Strong growth potential; challenges from adverse demographics and slow progress on structural reform
	Monetary policy framework	Neutral	0	Adequate monetary policy and implementation
	Macroeconomic stability and sustainability	Neutral	0	Moderate but improving economic diversification; persistent labour market bottlenecks and regional economic disparities

Figure 3: Nominal GDP and GDP per capita (2024E)



Source: IMF World Economic Outlook (WEO), Scope Ratings

Figure 4: Real GDP growth, %



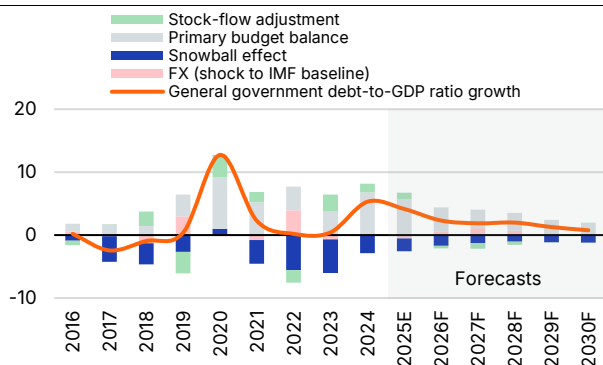
Source: IMF WEO, Scope Ratings forecasts

Public finance risk

Overview of Scope's assessments of Romania's Public Finance Risk

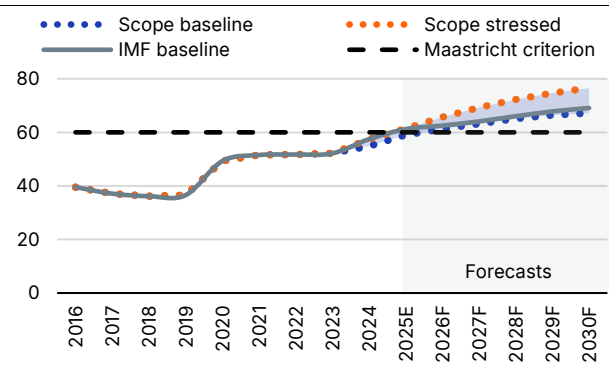
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
bbb-	Fiscal policy framework	Weak	- 1/3	Track record of expansionary fiscal policies and excess deficits, rigid budgetary structure; recent introduction of moderate fiscal consolidation package
	Long-term debt trajectory	Weak	- 1/3	Gradually rising public debt ratio, slow pace of fiscal consolidation and rising debt-servicing burden pose medium-run debt sustainability challenge
	Debt profile and market access	Neutral	0	Higher financing rates than peers, risk from high FX share of debt and comparatively lesser access to lenders of last resort as a non-euro-area EU state

Figure 5: Contributions to change in debt levels, pps of GDP



Source: IMF WEO, Scope Ratings forecasts

Figure 6: Debt-to-GDP forecasts, % of GDP



Source: IMF WEO, Scope Ratings forecasts

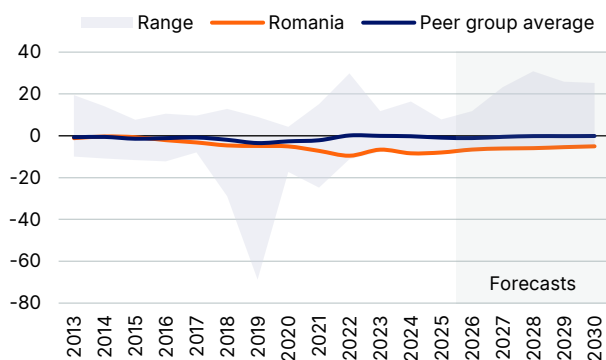
¹ Sovereign Quantitative Model

External economic risk

Overview of Scope's assessments of Romania's External Economic Risk

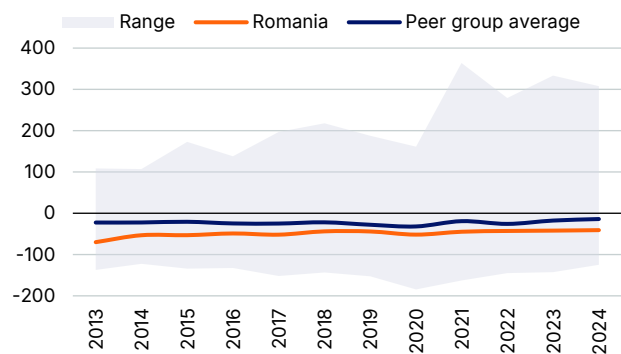
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
CC	Current account resilience	Neutral	0	Structural current account deficits; high investment needs of the economy with comparatively low domestic savings
	External debt structure	Neutral	0	Significant share of external deficits funded through debt-creating flows, though still sizeable share of direct investments in external liabilities (around half)
	Resilience to short-term external shocks	Weak	- 1/3	Improved and adequate reserve coverage, but high external financing needs, reliance on external demand and foreign capital

Figure 7: Current-account balance, % of GDP



Source: IMF WEO forecasts, Scope Ratings

Figure 8: Net international investment position (NIIP), % GDP



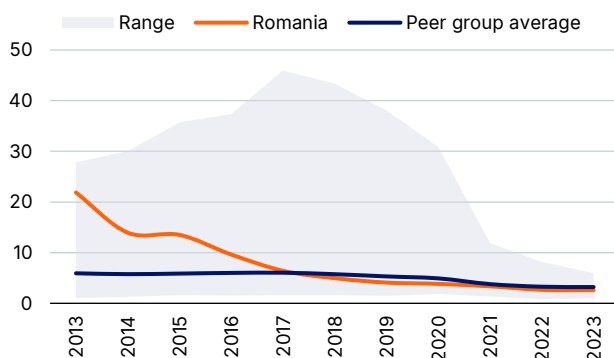
Source: IMF, Scope Ratings

Financial stability risk

Overview of Scope's assessments of Romania's Financial Stability Risk

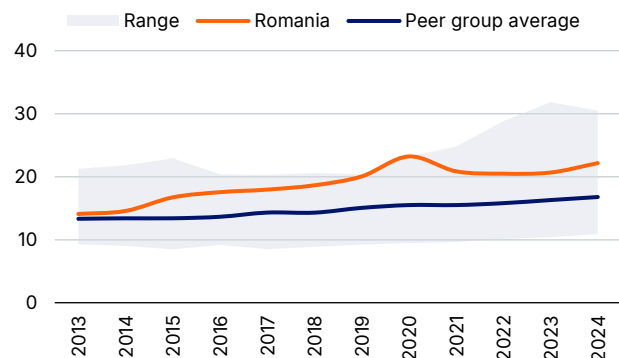
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Banking sector performance	Neutral	0	Well-capitalised and liquid banking sector; strong profitability and adequate asset quality despite recent crises
	Financial sector oversight and governance	Neutral	0	Effective supervision; timely and comprehensive regulatory measures
	Financial imbalances	Neutral	0	Elevated foreign-currency exposure in the banking system; low financial intermediation

Figure 9: Non-performing loans (NPLs), % of total loans



Source: World Bank (WB), Scope Ratings

Figure 10: Tier 1 capital, % of risk-weighted assets



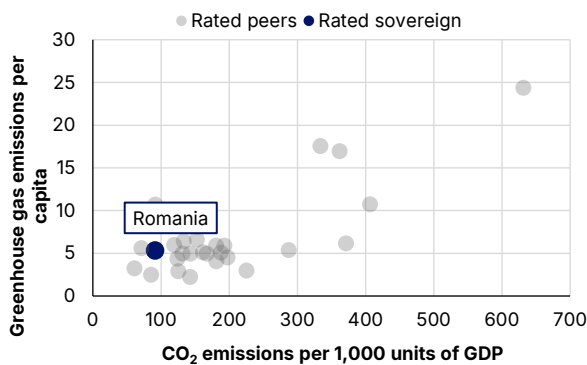
Source: IMF, Scope Ratings

Environmental, Social and Governance (ESG) risk

Overview of Scope's assessments of Romania's ESG Risk

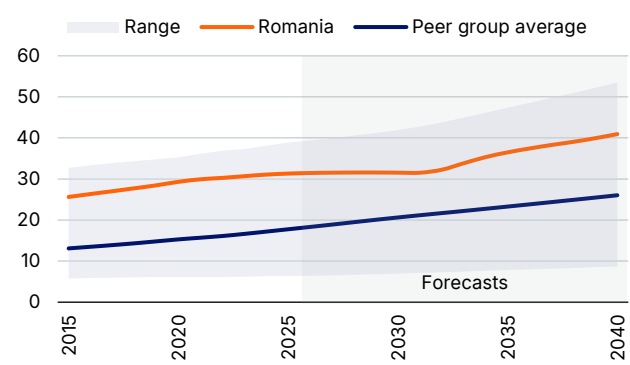
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
bb	Environmental factors	Neutral	0	High carbon intensity of the economy, higher energy self-sufficiency compared to peers
	Social factors	Weak	- 1/3	Elevated poverty and income inequality, adverse demographics trends
	Governance factors	Weak	- 1/3	Governance challenges have moderated following the conclusion of the extended 2024-25 electoral calendar. Still, political polarisation remains high, raising risks of government instability over the medium-term.

Figure 11: CO₂ emissions per capita/GDP (2023), mtCO₂e



Source: European Commission (EC), Scope Ratings

Figure 12: Old-age dependency ratio, %



Source: United Nations (UN), Scope Ratings

Reserve-currency adjustment

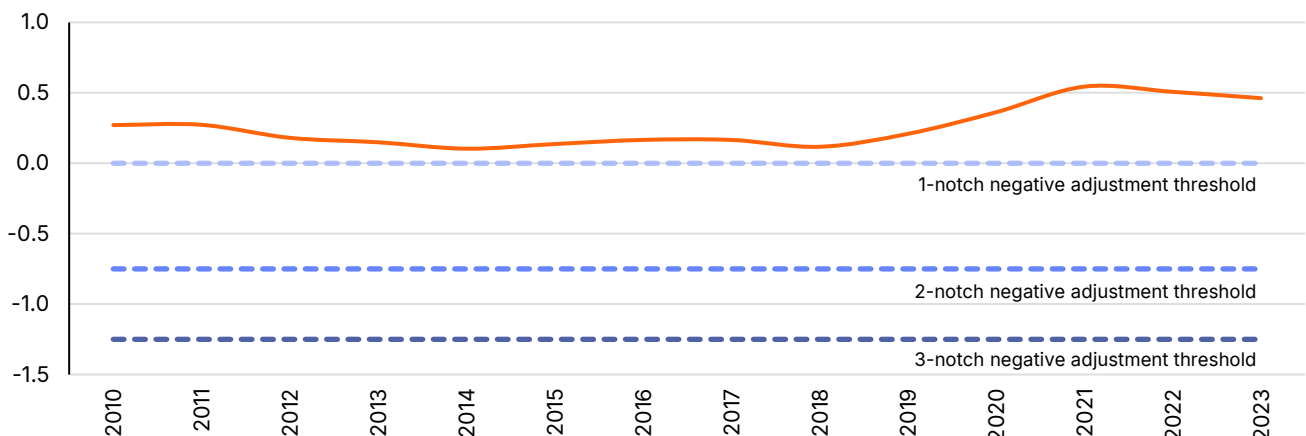
IMF SDR basket and Scope reserve-currency adjustment

Currency	U.S. dollar	Euro	Chinese yuan	Japanese yen	Pound sterling	Other
IMF SDR basket weights, %	43.4	29.3	12.3	7.6	7.4	0.0
Positive adjustment, notches	3	1	1	1	1	0

Source: IMF, Scope Ratings

Political-risk adjustment

Figure 13: WB Political Stability & Absence of Violence/Terrorism index, Romania, three-year moving average



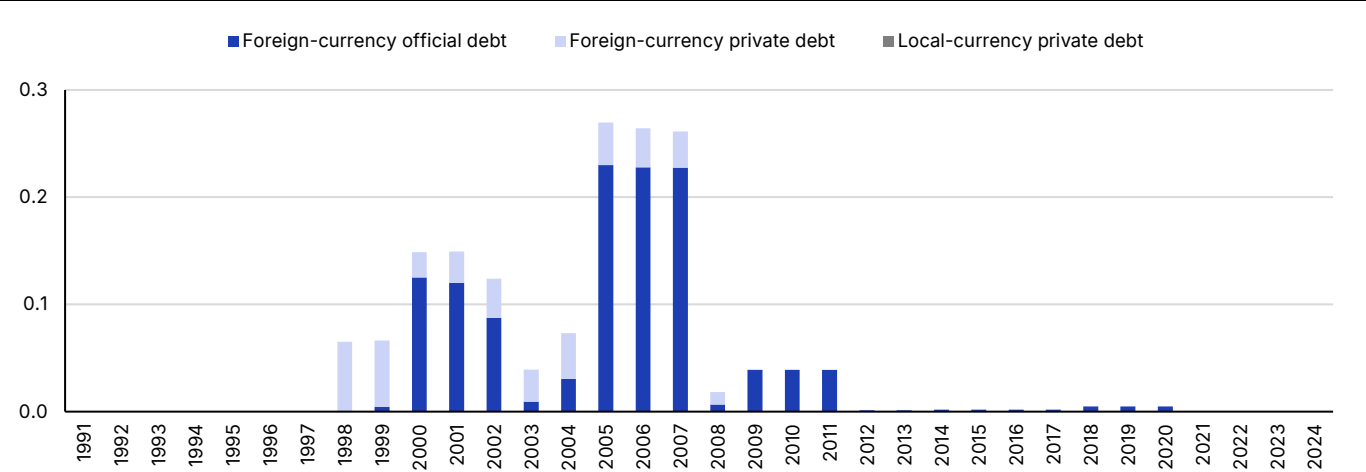
Source: WB, Scope Ratings

Additional considerations

No adjustment was applied to the rating from additional considerations.

Appendix 1. Sovereign default history

Sovereign default history, USD bn



Depicted private-debt defaults may not always constitute a credit event under [Scope's credit-rating definitions](#).
Source: [Bank of Canada–Bank of England Sovereign Default Database](#), Scope Ratings.

Appendix 2. Rating peers

Rating peers are related to sovereigns with an indicative rating in the same rating category or adjacent categories, as assigned by Scope's sovereign quantitative model after accounting for methodological reserve-currency and political-risk adjustments.

Peer group*
Georgia
Greece
Serbia
Turkey

*Select publicly-rated sovereigns only; the full sample of sovereign-rating peers may be larger.

Appendix 3. Economic development and default indicators

IMF Development Classification	Emerging market and developing economy
5-year USD CDS spread (bps) as of 13 November 2025	144.4

Appendix 4. Statistical table for selected SQM indicators

This table presents a selection of the indicators (24 out of 30 – with the governance indicator reflecting a composite of five indicators) used in Scope's quantitative model, in line with Scope's Sovereign Rating Methodology. The metrics and sources for the data presented here ensure comparability across global country peers and may therefore differ from data from national and other select international statistical series.

Pillar	Core variable	Source	2019	2020	2021	2022	2023	2024
Domestic Economic	GDP per capita (PPP), Int\$ '000s	IMF	33.6	34.3	37.9	42.6	45.2	47.0
	Nominal GDP, USD bn	IMF	252	252	287	297	351	383
	Real growth, %	IMF	3.9	-3.7	5.5	4.0	2.4	0.8
	CPI inflation, %	IMF	3.8	2.6	5.0	13.8	10.4	5.6
	Unemployment rate, %	WB	3.9	5.0	5.6	5.6	5.6	5.4
Public Finance	Public debt, % of GDP	IMF	36.5	49.3	51.5	51.7	52.1	57.4
	Net interest payment, % of government revenue	IMF	3.8	4.6	4.8	6.5	6.0	6.5
	Primary balance, % of GDP	IMF	-3.5	-8.2	-5.2	-3.8	-3.7	-6.7
External Economic	Current-account balance, % of GDP	IMF	-4.9	-5.1	-7.2	-9.5	-6.6	-8.4
	Total reserves, months of imports	WB	4.1	5.5	4.3	4.0	5.1	4.9
	NIIP, % of GDP	IMF	-44.1	-51.8	-44.8	-42.9	-42.1	-40.9
Financial Stability	NPL ratio, % of total loans	IMF	4.7	4.5	3.9	3.0	2.9	2.9
	Tier 1 ratio, % of risk-weighted assets	IMF	20.0	23.2	20.9	20.5	20.7	22.2
	Credit to the private sector, % of GDP	WB	24.6	25.7	26.3	25.1	23.1	22.7
ESG	CO ₂ per EUR 1,000 of GDP, mtCO ₂ e	EC	114.4	110.7	111.9	100.9	91.5	91.5
	Income share of bottom 50%, %	WID	15.5	15.5	15.5	15.5	15.5	-
	Labour-force participation rate, %	WB	63.4	64.1	65.5	66.5	66.7	66.6
	Old-age dependency ratio, %	UN	28.5	29.3	29.9	30.3	30.7	31.1
	Composite governance indicators*	WB	0.2	0.2	0.2	0.3	0.2	-
	Political stability, index	WB	0.2	0.4	0.5	0.5	0.5	-

*Average of the following five World Bank Worldwide Governance Indicators: Control of Corruption, Voice and Accountability, Rule of Law, Government Effectiveness, Regulatory Quality.

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Related research

[Romania: election of centrist candidate supports structural reform momentum; fiscal pressures remain](#), May 2025

[Romania: fiscal pressures rise due to domestic political uncertainty and external risks](#), April 2025

Applied methodology

[Sovereign Rating Methodology](#), January 2025

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