



**FUNDAȚIA UNIVERSITARĂ A  
MĂRII NEGRE**  
SUB EGIDA ACADEMIEI ROMÂNE



# Romania and Bulgaria to run EU presidency

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## Geography and geopolitics matters

- Romania and Bulgaria are situated in a very exposed region of the European peninsula
- The security is the permanent key issue for the countries located here
- The national complexity is very large and is complicating the politics of the region
- The context to understand Romania and Bulgaria is the geographical one

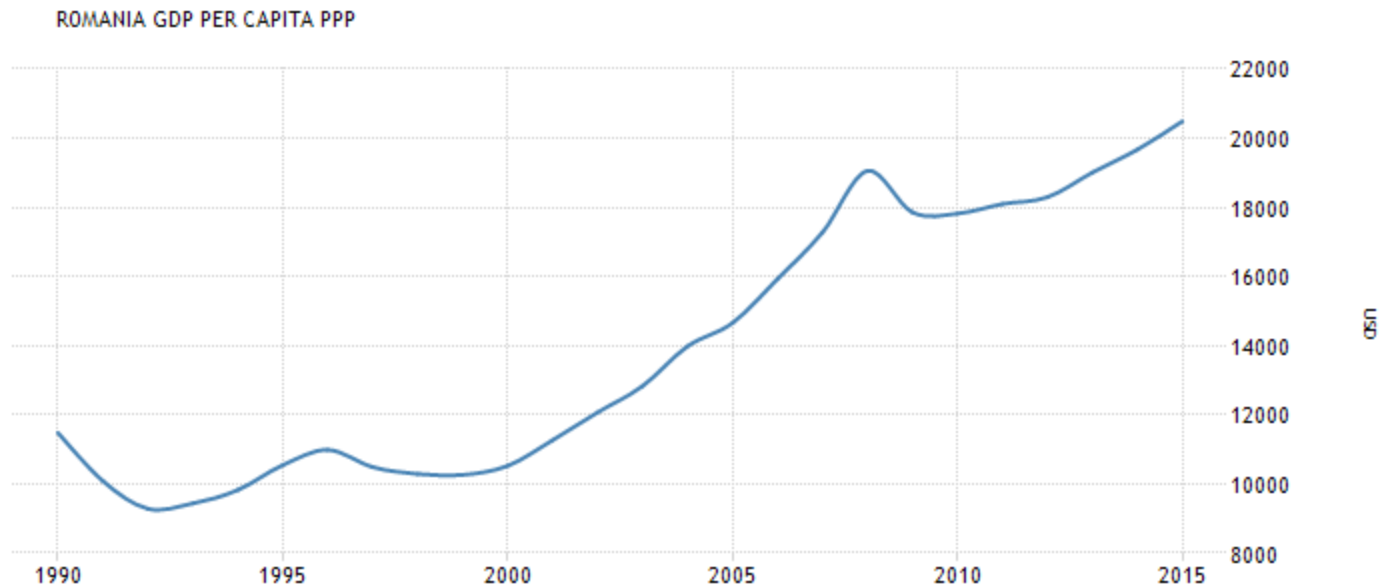
## Security of the market

- Regional security is key to determine the market security and the internationalization and development of the market
- Economic security is bringing growth of the confidence in a specific market
- Security is an economic category to define the basic condition of a market
- Functional regional markets – important contribution to the regional security
- Access to the resources and to the economic development is important in order to reduce gaps and to reduce the risk for a military conflict

## Black Sea region- essential data

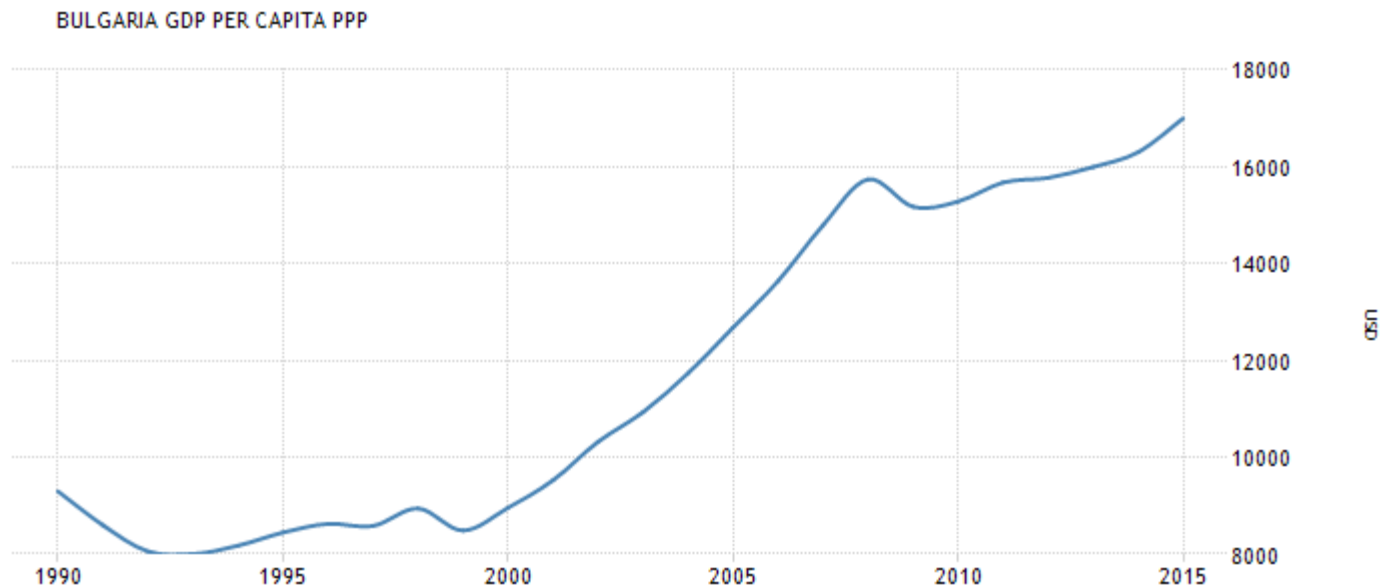
State	GDP- PPP- USD	Global rank	Population	Global rank	GDP/capita PPP USD	Global rank
Russian Federation	3900 bln.	6	145 mil.	9	27000	52
Turkey	2000bln.	13	80 mil	18	25700	45
România	470 bln.	42	20 mil	59	24000	61
Bulgaria	145 bln.	76	7,1 mil	100	20300	62
UKraine	350 bln.	50	42 mil	32	8200	113
Georgia	37 bln.	115	3,7 mil	131	10000	107

## Romania- evolution of economy (GDP/capita, PPP methodology)



SOURCE: TRADINGECONOMICS.COM | WORLD BANK

## Bulgaria- evolution of economy (GDP/capita, PPP methodology)



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## Quality of the economy in the region

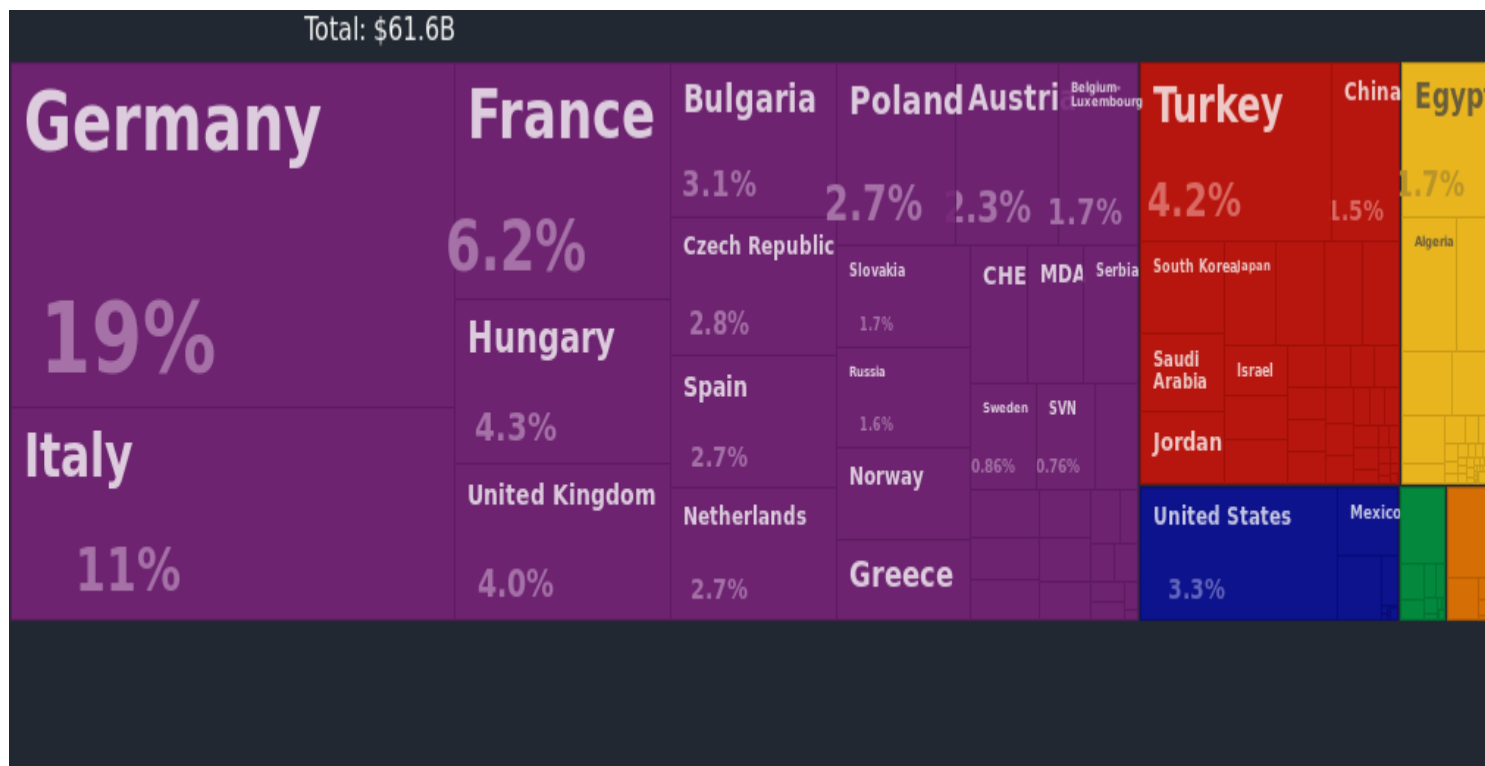
State	Econ. Complexity Index	Global rank	Global competitiveness index	Global rank	Human development index	Global rank
Russia	1,08	26	4,4	45	0,804	49
Turkey	0,24	59	4,4	51	0,767	71
Ukraine	0,73	35	4,0	79	0,743	84
România	0,64	40	4,3	53	0,802	50
Bulgaria	0,43	47	4,3	54	0,794	56
Georgia	0,09	65	4,2	66	0,769	70

## Bulgaria, 65<sup>th</sup> largest word exporter





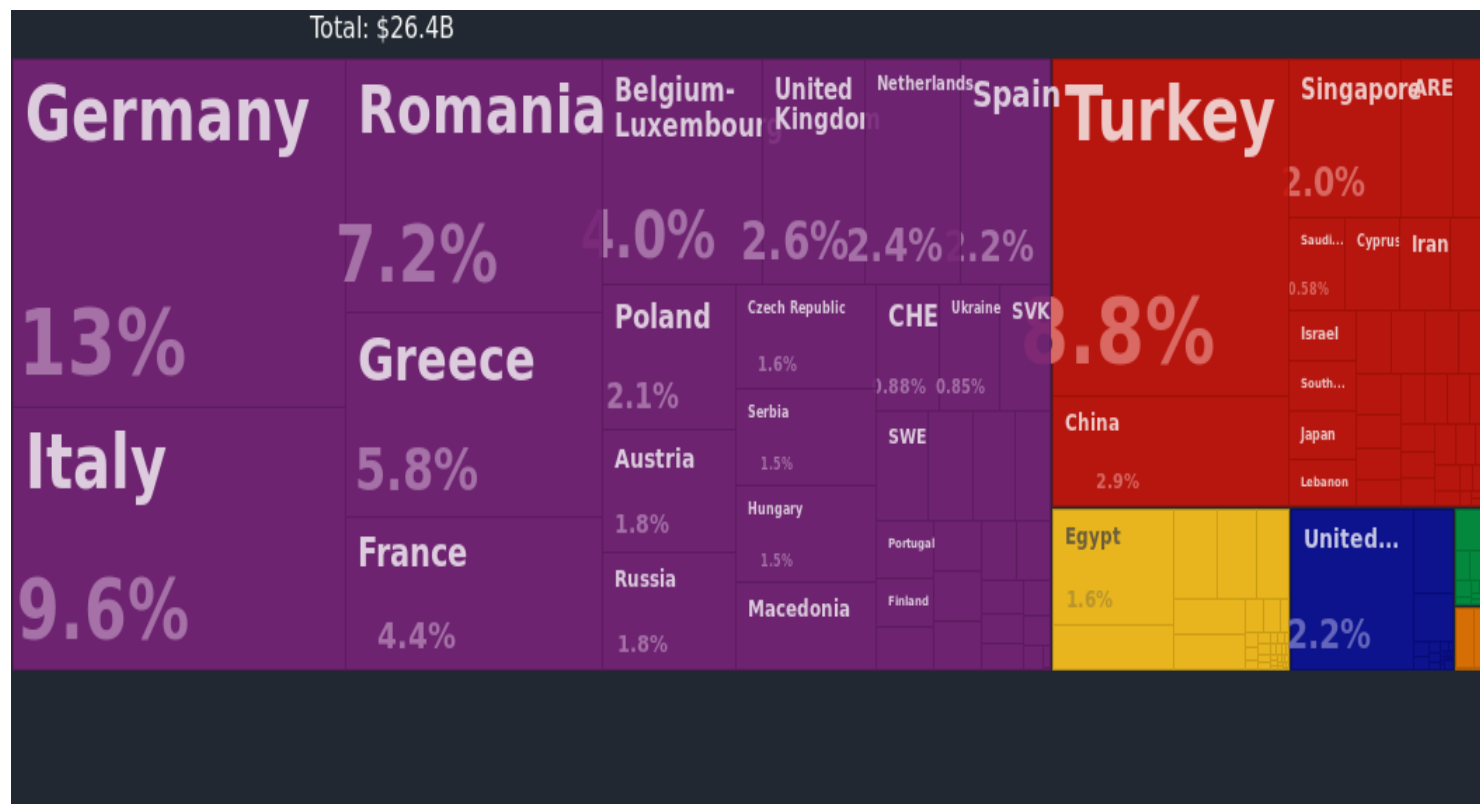
## Bulgaria, 7<sup>th</sup> largest destination for Romanian exports



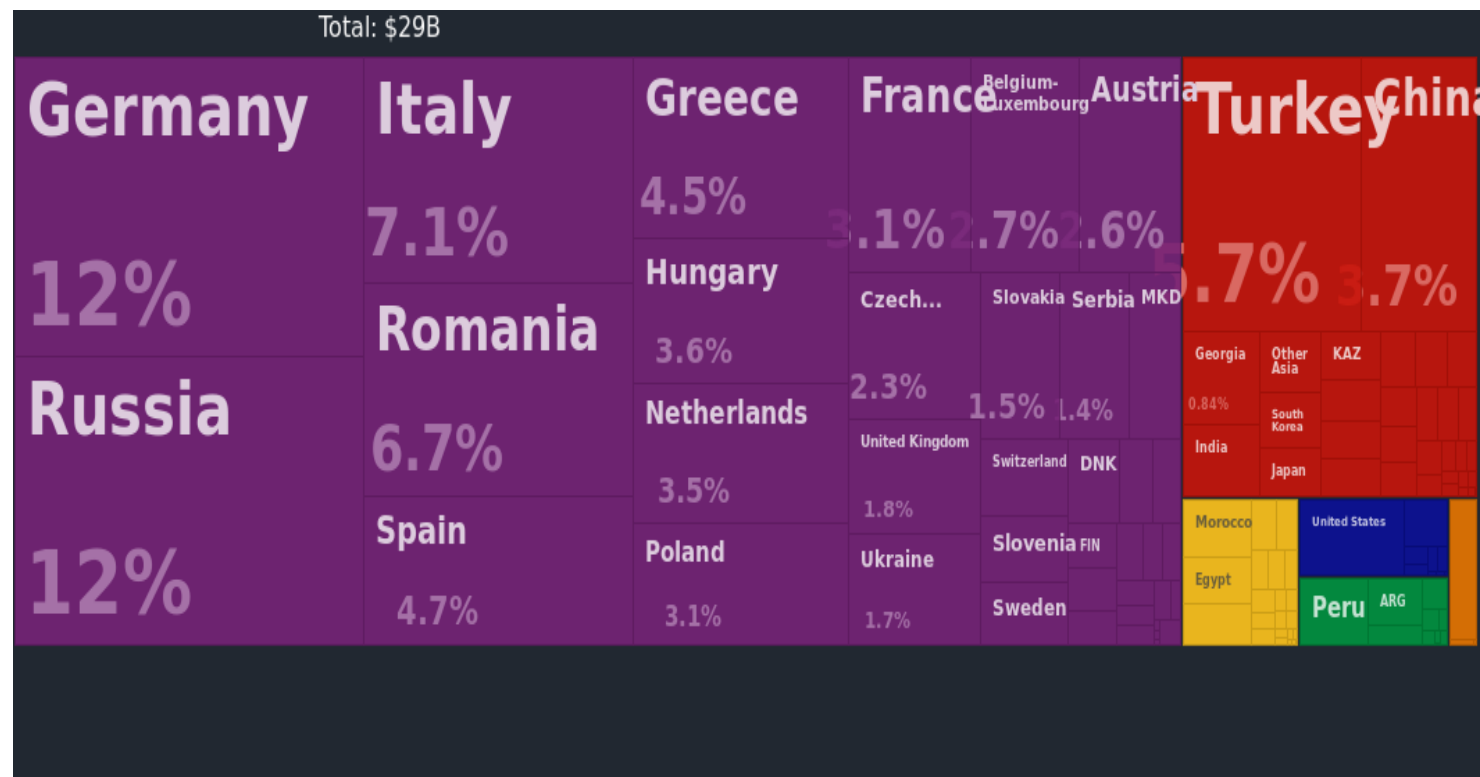
## Bulgaria, 11<sup>th</sup> largest import origin for Romania



## Romania, 4<sup>th</sup> largest export destinations for Bulgaria



## Romania, 4<sup>th</sup> largest import origin for Bulgaria



## Romania and Bulgaria- similar ``life experience``

- Romania is the 44<sup>th</sup> largest exporter of the world , with over 62 billion USD , representing less than one third of the GDP
- Bulgaria is the 65<sup>th</sup> largest exporter of the world, with over 27 billion USD, representing more than half of the GDP
- The most important country for both (Romania and Bulgaria) is Germany. Italy and Turkey also important for both
- Russia relevant for energy resources imports to Bulgaria
- Austria -low relevance for both countries in terms of trade
- Austria- second largest source of direct investments to Romania (about 5 billion USD)
- Austria- the largest foreign investor to Bulgaria
- Bulgaria- much more ``internationalized`` economy, the relevance of export is higher than to Romania

## The EU artificial concept ``Romania and Bulgaria``

- First appearance in the beginnings of 90`s, when both countries choice was the ``continuation policy`` with the replacement of the former communist parties elected as new leadership of countries
- This was a benchmark for both countries; the other former communist countries (Visegrad group plus the Baltic states) moved quickly to the trans-Atlantic world by electing anti-communist leaders
- The West (EU+NATO) decided to integrate first the Visegrad group and Baltic states
- In 1996, both countries turn to anti-communist reforms, moving together to the Western side of the world
- Both countries integrated in the same time to EU (2007) and NATO (2004)
- Both countries remains out of Schengen area and out of Euro-group
- Both countries , subject of Cooperation and Verification Mechanism (CVM), as suspected for large corruption influence in the society

## The real ``Romania and Bulgaria``

- Both countries –host for a very loud minority : the Hungarians in Romania (about 6% of the population) and the Turks in Bulgaria (about 9% of the population)
- The same religious faith for the Romanians and Bulgarians, the Christian orthodoxy. The religious feelings, important for a larger part of the society in Romania
- Same type of problem with a neighbourhood state: Republic of Moldova (80% of citizens are Romanians, speaking Romanian language but artificially-named Moldovans) and FYROM (about two thirds of citizens are Bulgarians, speaking Bulgarian language, but artificially-named Macedonians)
- Similar problem with a neighbourhood country , which ambiguous support for the ``national minorities rights``, Hungary for Romania and Turkey for Bulgaria
- One problem is standing in the shadow of the good bilateral relations: the support from Sofia for the pro-Russian course of the political view of the Bulgarian minority in the Republic of Moldova



## Austria – at a glance

- Republic of Austria is a medium size European state, part of EU-15 since 1995 , but not a NATO member, being a neutral state
- Part of the ``club of riches in the EU``, in contrast with the poorest countries in EU, Romania and Bulgaria
- The 29<sup>th</sup> largest world economy in terms of nominal GDP ( 387 billion USD), with an impressive 416 billion USD in PPP methodology and the 17<sup>th</sup> economic performance on the globe (about 48 000 USD/capita in PPP methodology)
- The 6<sup>th</sup> performance as economic complexity (the index is 1.7) and the 23<sup>rd</sup> HDI on earth. Also a very competitive economy, ranked the 19<sup>th</sup> in the world (5.2)

## Bulgarian EU presidency priorities

- Four priorities:
- 1.jobs, growth and competition;
- 2.migration and security;
- 3.efficient energy union and climate policies;
- 4.the EU on the world scene.
- Bulgaria will put an accent on the development of the European digital market, the training of highly qualified staff in the field of information technologies, electronic trade
- Another accent will be the protection and safety of the European citizens

## Romanian EU presidency as announced until now

- The consolidation of the Romanian profile inside EU
- Jobs, growth and investments
- Entering into Schengen area
- Stable, prosperous neighbourhood of the Union
- Trans-Atlantic partnership
- Consolidation of the EU strategy for Danube Region (SUERD), implementing projects
- Efficient energy union

## Real agenda and priority

- ◉ The negotiation and the conclusion of the negotiations for Brexit- a sixth part of the economy of EU is leaving
- ◉ The equilibrium of power inside EU is dramatically changed
- ◉ Republic of Moldova and FYROM will be on the agenda
- ◉ Relocation of some EU bodies from UK to Romania and Bulgaria
- ◉ EU to renounce for ever to the category ``Romania and Bulgaria`` and to cut the Cooperation and Verification Mechanism

## Energy joint projects –BRUA



## Energy joint projects –AGRI





## Access to resources



## Via Carpathica-the infrastructure joint project





## Romania 2016- Transport master-plan vs. Via Carpatica



## Conclusions

- Is critical for the both countries to define and to promote joint infrastructure and energy big projects
- This is to address the main issue for both states: poverty because infrastructure insufficiency
- Republic of Austria should be ``part of the game`` as being a net foreign investor and home of big contractors and funds
- Time is critical and because internal political calendar , both countries are counting big delay
- The institutional development is poor in both countries