



SOCIO-ECONOMIC STATE OF TIMIȘ COUNTY IN THE NATIONAL CONTEXT

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Abstract: In this paper the authors analyze the socio-economic situation of Timis County in a national context. The gross domestic product, total investments, foreign direct investments, respectively the trade balance, which is positive, place the county on the first places in Romania. The economy is quite well developed and diversified including automotive components, IT, agriculture and food industry. The large number of enterprises absorbs both the labor force from the county and neighboring counties, resulting in an unemployment rate much lower than the national average. All these entitle us to conclude that Timis County represents one of the most important poles of economic growth in the country after the capital Bucharest.

• Introduction

The economy of Timiș County is supported by the industrial tradition, the favorable geo-economic position and the highly qualified workforce. The business environment is multicultural, with an openness to Western entrepreneurial culture, an aspect confirmed by the presence of numerous domestic and foreign investors. The economy has gradually transformed from a predominantly industrial one to a tertiary type one, based more and more on services.

After 1989, the year of Romania's transition from the communist regime to a democratic regime, major changes took place in the structure of industrial activities in the county due to restructuring and re-technological processes. Industrial production currently includes both traditional sub-branches and new, modern and dynamic ones. The main industrial branches that experienced a particular development in recent years in the county were the auto components industry, the electronic and electrotechnical industry, as well as the chemical and petrochemical industry.

• Material and method

The methods used were analysis, synthesis, the method of comparison, deduction and induction. The primary data used in the elaboration of this paper were taken from the National Institute of Statistics, Eurostat, the National Bank of Romania, and from various national and international publications in the field, based on which we made our own calculations and interpretations.

• Results and discussions

The gross domestic product (GDP), the main macroeconomic aggregate of the national accounting, represents the final result of the production activity of resident production units. Timiș County experienced an accelerated increase in the real convergence of the gross domestic product in recent years, bringing the county closer to the EU average. Thus, the gross domestic product per inhabitant of the county is 91% of the EU average, while Romania stands at 72% of the EU average in 2020.

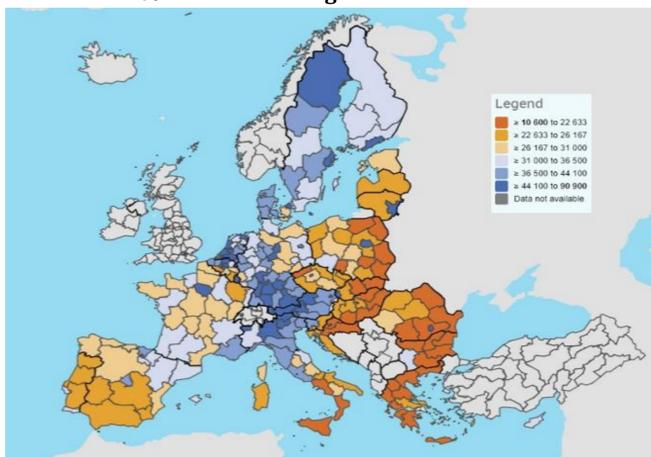


Figure 1. Gross domestic product per inhabitant in EU regions -2020

According to the data provided by the National Institute of Statistics, Timiș County is among the administrative-territorial units with a high economic development in the national context, being positioned on the 3rd place in the national ranking. Thus, the average total GDP from 2011-2021 amounts to 178,663 million euros. With an average GDP of 8,278 million euros, Timiș county contributes 4.63% to the formation of the national gross domestic product. Until 2017, Timiș County held the second position in the national ranking, and since 2018 it is in 3rd place, after Bucharest and Cluj County.

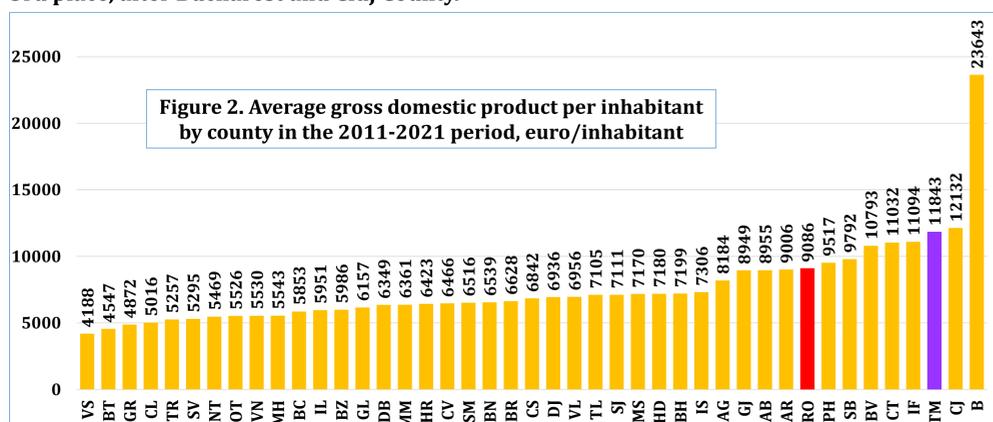


Figure 2. Average gross domestic product per inhabitant by county in the 2011-2021 period, euro/inhabitant

From the analysis of the data on the gross domestic product per inhabitant, it follows that the gaps between the counties are very large. If in the municipality of Bucharest GDP/capita is 23643 lei, in the next ones in the ranking, Cluj, Timiș, Ilfov and Constanța, it is over 11,000 euros/capita, and in the last ones, Vaslui, Botoșani and Giurgiu, it is below 5,000 euros/capita.

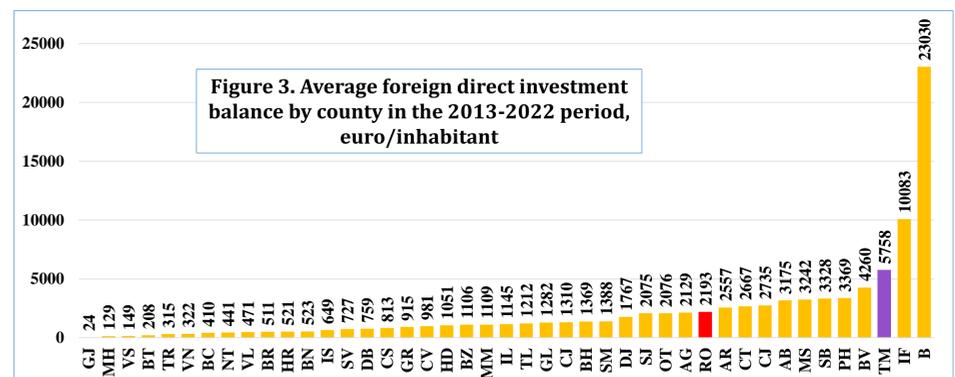


Figure 3. Average foreign direct investment balance by county in the 2013-2022 period, euro/inhabitant

The same gaps are maintained for FDI/inhabitant. In Timiș county, the FDI/inhabitant value is 5758 euros/inhabitant, and in Gorj, Mehedinți, Vaslui or Botoșani they are under 300 euros/inhabitant.

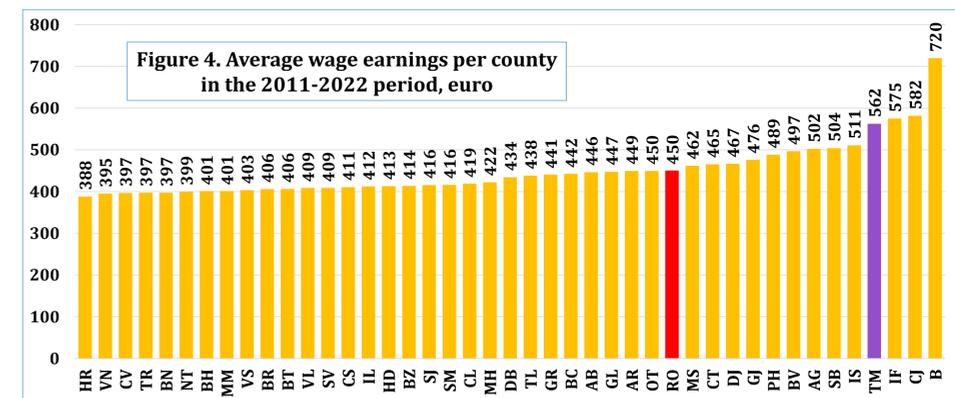


Figure 4. Average wage earnings per county in the 2011-2022 period, euro

Analyzing, further, the average salary income from the 2011-2022 period, it is found that in the counties where foreign direct investments are low, the salary income is also low. At the national level, the average wage is 450 euros, 29 counties being below this threshold, and 13 counties having wage gains above the national average. Timiș County ranks fourth in terms of average salary.

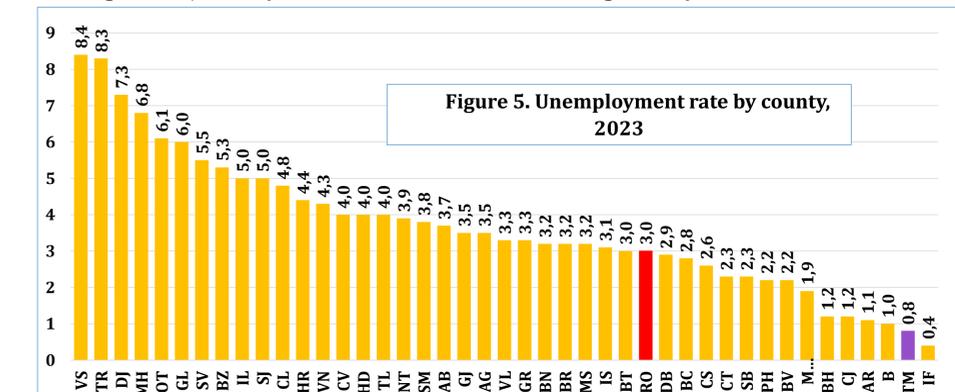


Figure 5. Unemployment rate by county, 2023

Timiș County has a sub-unit unemployment rate (0.8%), occupying the second position, after Ilfov County, in the top counties with the lowest unemployment rate. Only in Ilfov county, which includes the capital Bucharest, the unemployment rate is lower, at 0.4%. The national average is 3% while the highest unemployment rates are recorded in Vaslui, Teleorman and Dolj counties at over 7%.

Conclusions

Benefiting from a series of competitive advantages over other counties, such as location, significant sales market, well-trained human capital, Timiș County is one of the most developed counties in Romania from an economic point of view.

The industrial tradition is balanced by a well-represented service sector, thus, Timiș county having the ability to adapt more easily to economic changes on a national and international level.

Analyzing the degree of economic development of the counties through the prism of the GDP/inhabitant indicator, large development imbalances and strong polarizations between the counties are noted. The ratio of 1:2.8 between Ilfov, Timiș and Vaslui counties demonstrates precisely the profoundly unequal development of the counties over a long period of time, through major economic and social imbalances.