

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.*

Key words: GDP, investments, trade balance, development, Timis County

INTRODUCTION

Timiș County is located in the west of Romania and appears on the map of Romania as a border administrative unit, bordering Hungary and Serbia to the west. To the north, Timiș county is bordered by Arad County, to the east by Hunedoara County, and to the south by Caraș-Severin County. Timiș is the largest county of Romania, occupying 8696.7 km², i.e. 3.65% of Romania's surface [1,8].

Being the westernmost county of Romania, at a close distance to approximately 10 European capitals, all within a radius of 500 km, makes it easily accessible thanks to a well-connected road infrastructure. At the local and regional level, there are important national and interregional transport routes on the territory of the county, which constitute development axes [13].

The administrative-territorial organization of Timiș County, according to the last census carried out in 2021, includes: two municipalities - Timișoara (250,849 inhabitants) and Lugoj (35,450 inhabitants), eight cities - Sânnicolau Mare (10,627 inhabitants), Jimbolia (10,179 inhabitants), Buziaș (6834 inhabitants), Făget (6595 inhabitants), Receaș (8347 inhabitants), Deta (5670 inhabitants), Gătaia (5473 inhabitants), Ciocova (5434 inhabitants), and a number of 89 communes with 313 villages [5,10].

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 [2,8].

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 [6].

MATERIALS AND METHODS

The paper deals with the socio-economic status of Timiș County in a national context. In the first part of the paper, we presented aspects related to the territorial administrative organization of Timiș County as well as some aspects related to the economy of the county, based on the national literature in the field. The second part of the paper deals with the socio-economic state of the county. In this sense, the study is based on national and international statistical data processing. The indicators used in this analysis are: total and per capita gross domestic product, foreign direct investments, wage earnings and the unemployment rate.

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.

RESEARCH RESULTS

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 [14,15]. 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 [12].

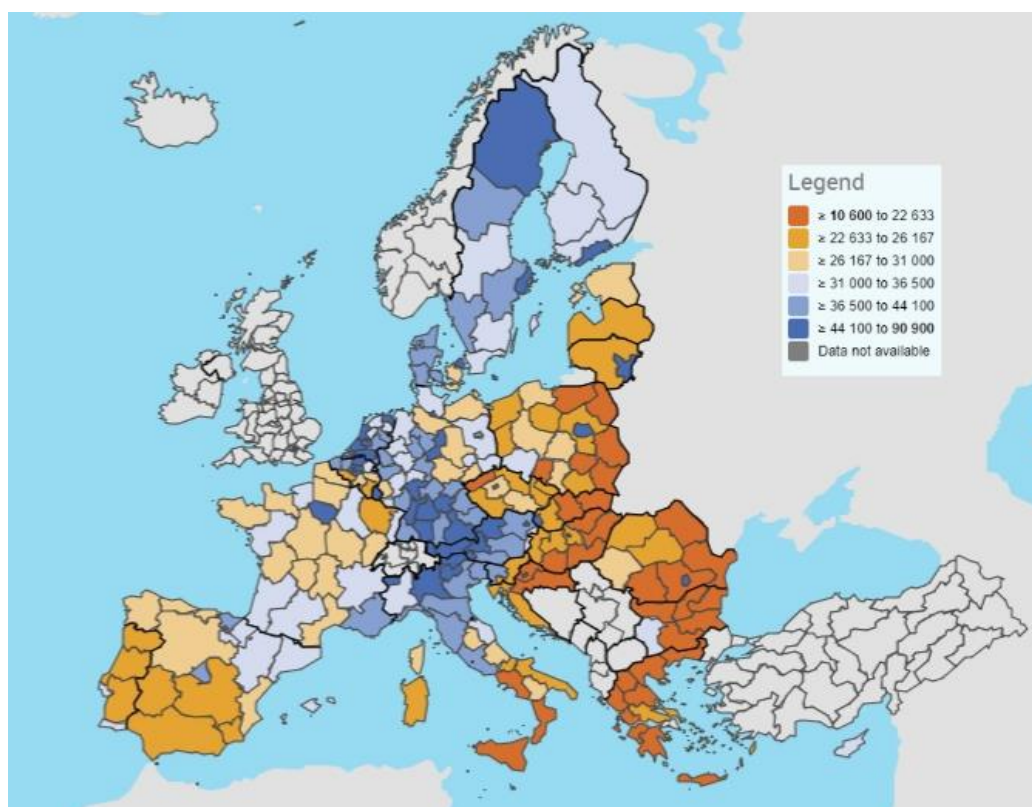


Figure 1. Gross domestic product per inhabitant in EU regions -2020

Source: Eurostat database https://ec.europa.eu/eurostat/databrowser/view/tgs00005__custom_10908458/default/map?lang=en [7].

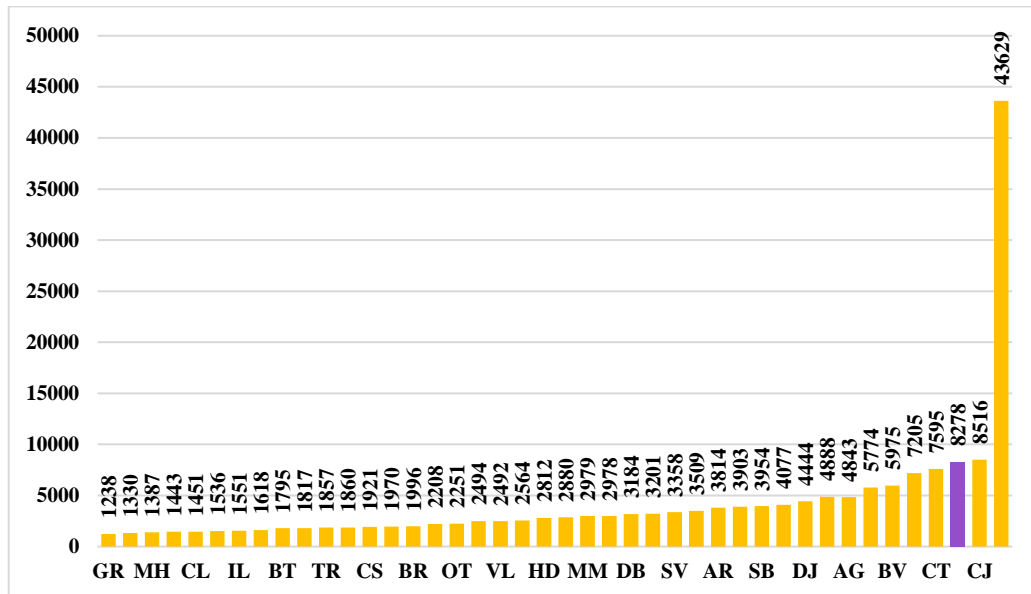


Figure 2. Average gross domestic product per county in the 2011-2021 period, millions of euros

Source: Own calculations based on Tempo online database [9].

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 [3].

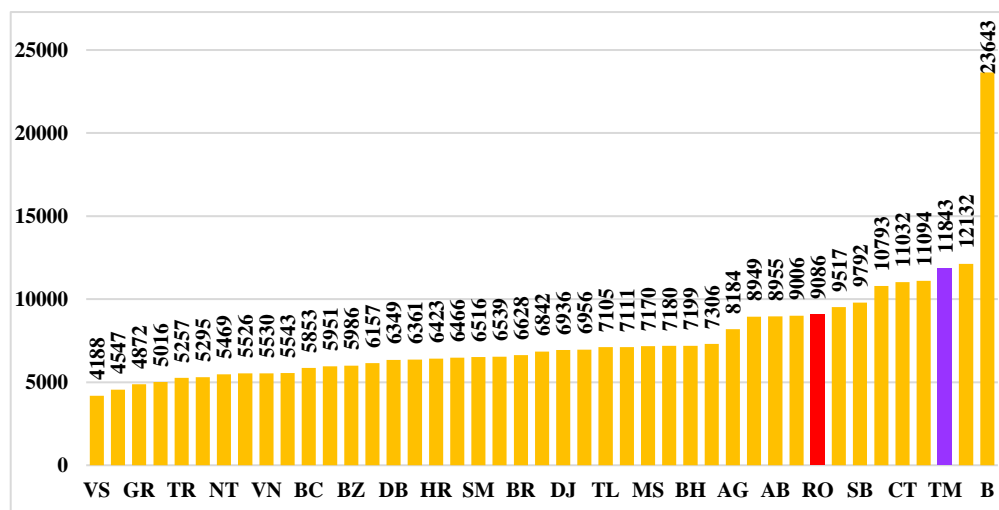


Figure 3. Average gross domestic product per inhabitant by county in the 2011-2021 period, euro/inhabitant

Source: Own calculations based on Tempo online database [9].

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.

Further analyzing the data provided by the National Bank of Romania regarding foreign direct investments, it is found that the gaps are deepening even more between the counties. The balance of foreign direct investments at the national level from 2013-2022 is 75950 million euros. Timiș County is in second place with 4,000 million euros, excluding Bucharest and Ilfov County from the ranking, which includes direct foreign investments of large companies who have their headquarters in the country's capital, even if they carry out their activity in another county.

In the period 2013-2022, the FDI balance had an uneven evolution at the county level. Thus, 18 counties registered a growth rate of the FDI balance higher than the national average of 83.4%, while 24 counties were below this average (seven of them registering decreases in foreign direct investments). Maramureș County recorded the biggest advance, with the balance of investments increasing more than 27 times, from 34 million euros at the end of 2013 to 929 million euros in 2022. Covasna followed, with an increase of more than four times (+301 million euro), Satu Mare and Sibiu, both registering a tripling of the FDI balance, with increases of 532 million euros and 1396 million euros, respectively. In absolute value, foreign direct investments over the 1 billion euro threshold were attracted by the Municipality of Bucharest, which recorded an increase in the FDI balance in the period 2013-2022 of 27040 million euro (+84.2%, a value close to the national average), followed by Ilfov county, with an increase of 434 million euros (+146.1%), Timiș with 2264 million euros (having a growth rate of 76.1%, lower than the national average), Cluj with 1776 million euros (+158.9%), Sibiu with 1396 million euros and Prahova with 1285 million euros (growth rate of only 64.0%) [4].

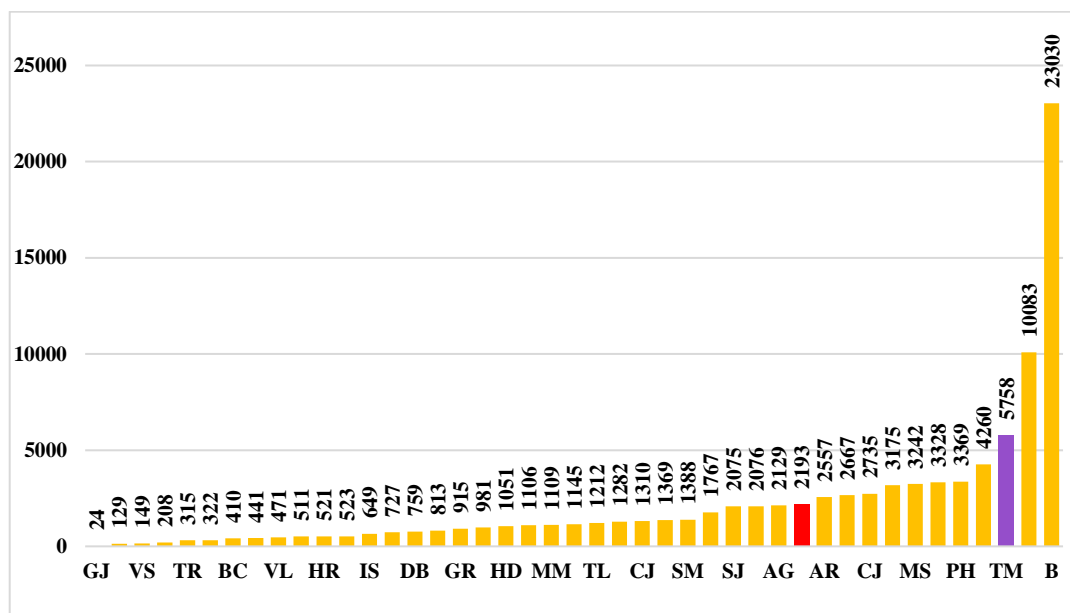


Figure 4. Average foreign direct investment balance by county in the 2013-2022 period, euro/inhabitant

Source: Own calculations based on Tempo online database [4].

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.

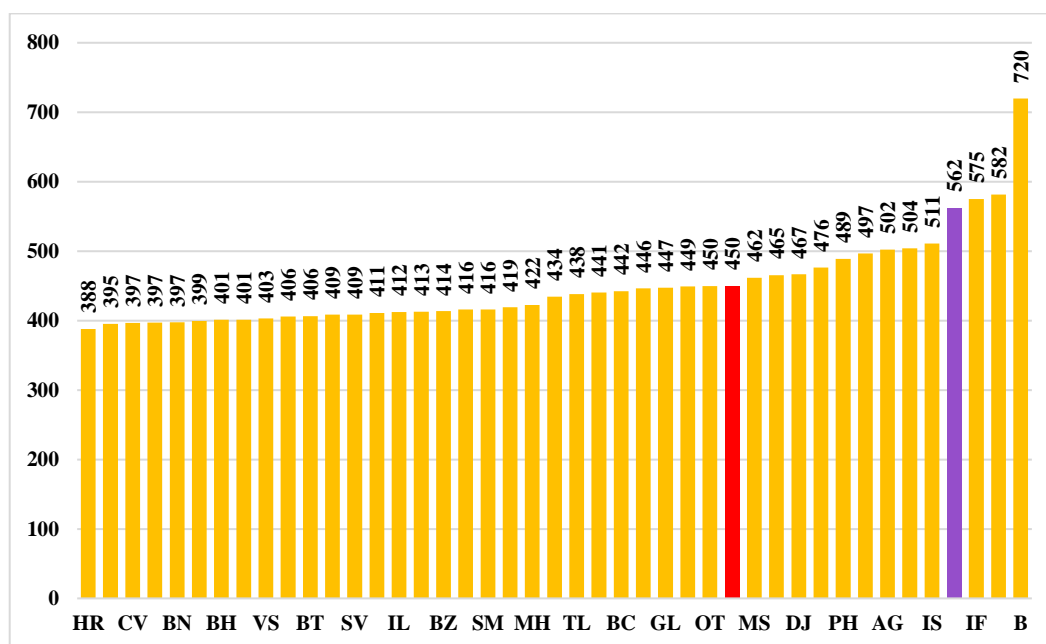


Figure 5. Average wage earnings per county in the 2011-2022 period, euros

Source: Own calculations based on Tempo online database [9,11].

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.

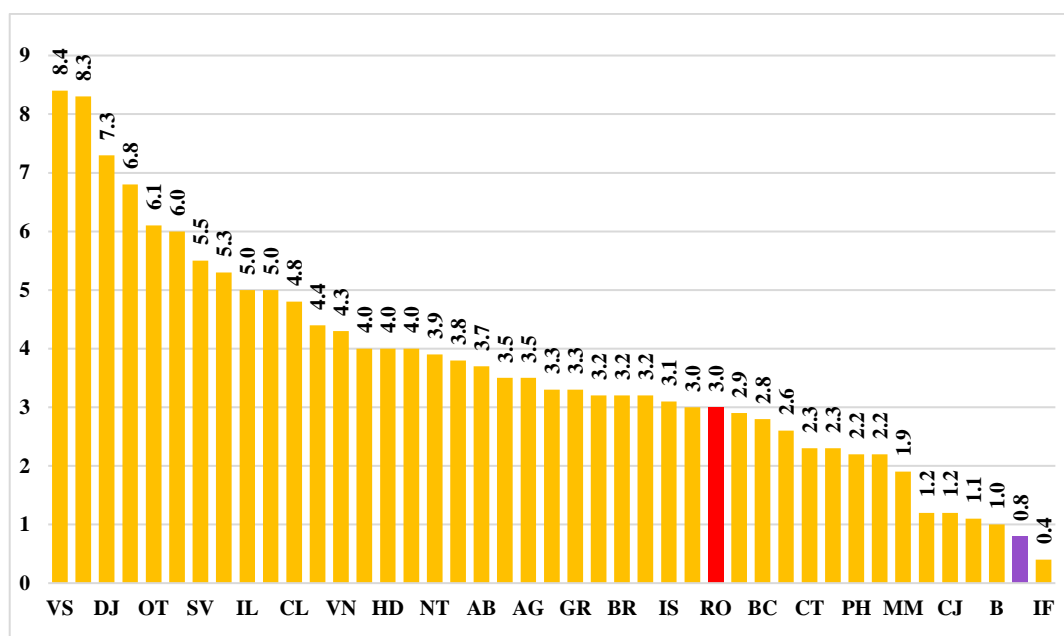


Figure 6. Unemployment rate by county, 2023

Source: Own calculations based on Tempo online database [9].

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. Also, in the other analyzed indicators, foreign direct investments, average salary and unemployment rate, Timiș County ranks first, the gaps between the counties being very large.

According to what was previously presented, we allow ourselves to say that Timiș County represents one of the most important and attractive growth poles in Romania after the Capital, with a high level of well-being of life, compared to the other counties of the country.

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