

Managers are optimistic about Romania's economy

2007-08-29 de [Bogdan Asaftei](#)

Romanian managers are very optimistic about the evolution of the economy in the coming months, according to a survey carried out by the National Institute of Statistics (INS). In August 2007, company managers forecast an increase in construction, retail, services and processing industries in the August-October period, compared to the previous three-month period.

The upward trends have not changed in the past few months, although several economic sectors registered significant drops. For instance, industrial production fell by 2.7 percent in June 2007 from the May level, but managers chose to disregard this data and continued to forecast positive scenarios.

Matei Paun, Managing Partner of BAC Investment Bank (Romania), believes most managers do not have the necessary knowledge when they make such estimates. "Companies and managers lack experience. Of course, large companies have special departments for such analyses and forecasts, but small ones do not. Therefore this is not a great indicator but will improve in time," Paun added.

According to INS, managers estimate an increase in the volume of production in the processing industry. The level of optimism is higher among managers from companies with 250-499 employees. The number of employees in the processing industry will remain stable, responded 79 percent of managers surveyed. The number of employees will increase in the retail, construction, and services segments in the coming three months.

However, things change when prices are involved. The rise in cost of industrial products will be higher than estimated in July, although an exact figure has not yet been announced. In the retail sector, managers who are expecting a bright future for their businesses exceed the pessimists by 39 percent. The analysis was carried out on representative groups including 1,676 companies from the processing industry, 1,254 construction companies, 2,197 retail enterprises, and 2,009 companies from the services sector.

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