
Slowdown signs - Romanian unemployment could increase up to 8pct

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According to the White Paper of the Romanian Businessmen Association on prospects for the national economy in 2010, Romania could record an unemployment figure of 8%, in the context it lost about 4 million jobs in the latest 20 years, with current nonofficial estimates on the black market amounting to 1 to 1.5 million people.

Compared to the average estimate of unemployment of 7% to 7.3% by AOAR, there are possibilities unemployment to worsen up to 8%, if the lack of incentives is maintained in the economic environment and if the parafiscality growth will continue, as the proposed extension of tax to fuel the social security and unemployment budgets.

Others worsening factors named by the AOAR were maintaining a restrictive labor market, lack of incentives to create new jobs, measures which discourage SMEs, like the replacement of the 3% tax on revenue with the 16% tax on profit, maintaining bureaucracy and high administrative costs (for instance, there was recorded a 20% growth in local taxes in 2010), increase in the inadequacy degree of workforce qualification and inefficient re training programs.

(Sourced from www.financiarul.ro)

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