ANALYSIS OF THE EVOLUTION OF GROSS DOMESTIC PRODUCT BY CATEGORIES OF USERS

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Abstract

The objective of this article is to analyze the evolution, the dynamics of the gross domestic product of Romania during 2003 - 2014 as well as its uses, amid the global financial and economic crisis effects, the results of the research being considered, including changes of the indicator in European Union countries. Starting from the idea that this macroeconomic indicator is the main benchmark for measuring progress and performance of the national economy, in order to achieve the purpose, we identified the main positive and negative influences affecting its formation in our country and the consequences manifest.

Keywords: *consumption of the households, final consumption of the public administration, the gross forming of fix capital, stocks variation, net export*

In this article we realized a study on the dynamics of GDP from the perspective of developing indicators presented in the following table:

Weight in the Gross Domestic Product of the main categories of utilizations in Romania during the period 2003 – 2014

Indicator/year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014*
Final effective consumption of households	75.70	77.50	78.50	77.90	75.30	74.00	72.70	72.60	72.40	72.70	73.70	74.00
Collective effective consumption of public administration	9.80	7.90	8.30	7.70	7.60	7.70	8.20	7.10	7.30	7.10	6.10	8.80
Gross capital formation	21.50	21.80	23.70	25.60	30.20	31.90	25.60	22.50	22.30	22.20	20.00	19.00
Changes in inventories	0.60	1.80	-0.30	0.90	0.80	-0.60	-0.60	3.50	3.90	4.10	3.50	1.10
Net export	-7.60	-9.00	-10.20	-12.10	-13.90	-13.00	-5.90	-5.70	-5.90	-5.70	-3.30	-2.90

Data source: The National Institute of Statistic

Meantime, it has to be noticed that during the last four year there have been not major fluctuations, the situation recording certain modifications at the level of the year 2014, when the economic situation seems to be entering the right path. When analyzing the data, while considering the evolution for the year 2013, we must underline the fact that the stock variation contributed to a smaller extent as comparatively to the previous year, whereof there are less gladdening prospects from this point of view for the year 2014 while the net export, namely the difference between exports and imports, although recording a reduced effect at the level of the year 2013, was however higher than in the year 2012 as a consequence of the decrease of the deficit of the international trade balance. Under these circumstances, we remark the fact that the contribution to the GDP forming, by categories of utilization, the contribution went to the gross forming of fix capital, the individual consumption of the population households, increasing by 1%, which leads to the following conclusions:
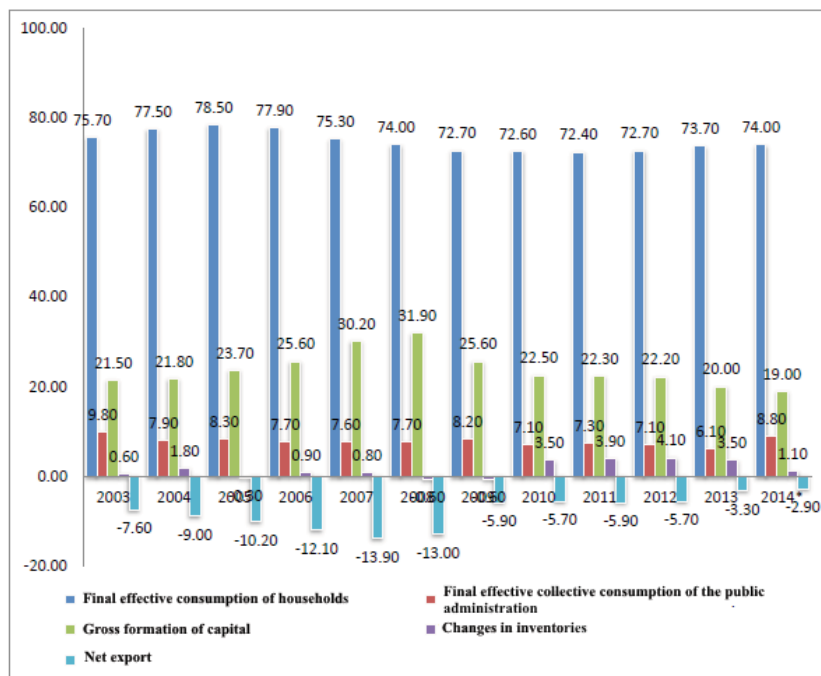
- Positive influences to the GDP achievement from the point of view of the utilizations categories are brought in by both the final consumption of the public administration and the stocks variation, as well as by the net export;
- Negative influence to the GDP achievement has been represented by the actual individual consumption of the households as well as by the gross forming of fix capital.

The analysis of the influencing factors of the GDP forming by utilizations categories can be also emphasized through the analysis of the rhythm in which the utilizations categories taken into account for the GDP achievement played their influence in 2013 as against the year 2012.

The two indicators, namely the individual consumption of the population households and the collective consumption of the public administration, cumulated, have diminished their value. A significant decrease has been recorded as for the net export also.

A negative effect was induced by the rhythm in which the gross forming of fix capital developed. The GDP evolution out of the estimates made for the year 2014 is drawing the way to the economic recovery launching process. If considering the situation of the year 2012, we can allege that during the first half of that year, all the negative effects of the period 2010-2012 have been taken over, followed afterwards by a smooth recovery in 2013, respectively the first half of the year 2014. In 2012, the GDP increase y 1.1% as against the year 2011, with some fluctuations in 2013 when an increase of 1.8% has been recorded for the first half of the year, as against the similar period of the year 2012.

The study of the economic evolution, considering the GDP alteration in the EU countries, points out a particularly serious situation at the European level and, more extensively, at the worldwide level. The contribution to the GDP increase, by categories of utilizations, is detecting the economic evolution in Romania over the period 2003-2014, on the ground of the crisis effects, being graphically represented as follows.

Regarding the GDP forming by categories of resources (as factors of modification) we achieved a structural evolution in order to better emphasize the tendency of the variations regarded during the period 2003 – 2014, by sectors of activities, at a national level.
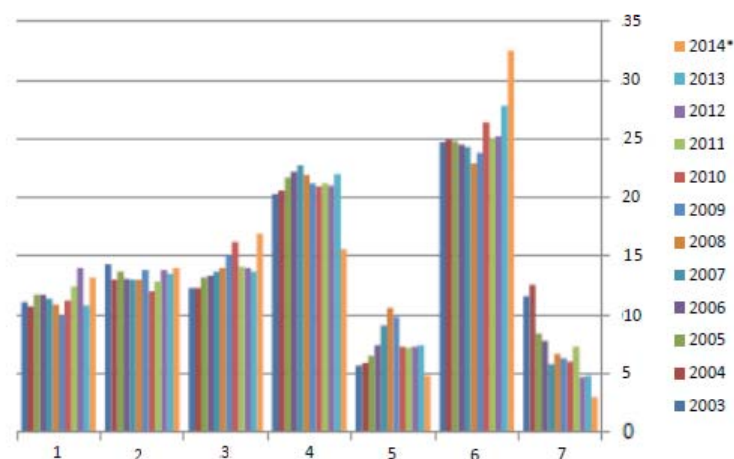
The factors altering the GDP by categories of resources

Table 2

Indicator	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014*
Agriculture, hunting and forestry ; fishing and fish breeding	11.6	12.6	8.4	7.8	5.8	6.7	6.3	6.0	7.3	4.7	4.8	3.0
Industry, including energy	24.7	24.9	24.8	24.5	24.3	22.9	23.8	26.4	25.0	25.2	27.8	32.5
Constructions	5.7	5.9	6.5	7.4	9.1	10.6	9.8	7.3	7.2	7.3	7.4	4.8
Trade; automobiles and appliances repair; hotels and restaurants; transports and telecommunications	20.3	20.6	21.7	22.2	22.7	21.9	21.2	20.9	21.2	21.0	22.0	15.6
Financial activities; real estate, renting and services for companies	12.3	12.3	13.2	13.3	13.7	14.0	15.1	16.2	14.1	14.0	13.7	16.9
Other services activities	14.3	13.0	13.7	13.1	13.0	13.0	13.8	12.0	12.8	13.8	13.5	14.0
Net taxes on product	11.1	10.7	11.7	11.7	11.4	10.9	10.0	11.2	12.4	14.0	10.8	13.2

Similarly to the first half of 2014, in the year 2013 the GDF has been formed on the basis of the activities carried on by the representative branches of the Romanian economy. The difference has been made by the gross added value collected at the level of each and every branch.

The weight of the main categories of resources in forming the Romania GDP during the period 2003 -2014*

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1 - **Net taxes on product**
2 - **Other services activities**
3 - **Financial activities; real estate, renting and services for companies**
4 - **Trade; automobiles and appliances repair; hotels and restaurants; transports and telecommunications**
5- **Constructions**
6 - **Industry, including energy**
7 - **Agriculture, hunting and forestry ; fishing and fish breeding**
) provisional data estimates
Data source: The National Institute of Statistics

The net taxes on product contributed positively to the increase of the GDP for the first six months of 2014, representing 13.2% of the GDP, the services activity contributed with 3.1% to the GDP forming, the constructions entered a slight process of stagnation while the industry recorded a slight increase of 0.7%.

At the level of the year 2014 as well, the agriculture, forestry and fish breeding recorded small contributions to the GDP increase, they representing 3% of the GDP only for the first half 2014.

Thus, during the first half 2014, the same tendencies kept on being maintained, pointing out however that the agriculture showed a slight diminishing.

However, in 2014 there is a slight recovery of the economic situation to be notices. The agriculture keeps on maintaining within normal parameters of influence, with a relatively steady evolution.

Cumulated, the activities run in services, industry, constructions and the net taxes on product, held a significant contribution to the diminishing of the Gross

Domestic Product, a phenomenon of negative impact for the economy of our country which, although re-structured, gave up a series of sub-branches of the industry, turning to the direction of developing the production of services, constructions etc., failing thus to resist the crisis effects, corroborated also with the non –existence of an adequate anti-crisis governmental plan or with the lack of efficiency of the adopted one, agreed upon by the time the crisis effects have been stated out.

The weight of the main categories of resources to the forming of the Gross Domestic Product, at the level of the year 2014, as well as the basic component as to the forming of this macroeconomic indicator are emphasizing a slightly increasing trend as against the year 2013.

The GDP achievement by ownership forms

Out of the analysis performed for the statistical interval 2003 -2014, we notice the fact that during the period 2009-2014, the private sector had a significant contribution to the forming of the Gross Domestic Product, approximately of 72.4 % -76.9 % (Table 3). The higher proportion of the private sector has been generated particularly by the gross added value in the agricultural sector, this proportion being a normal one under the circumstances of baleful natural conditions the agriculture had to face.

Out of a comparative analysis of the evolution as shown by the following graphic, we notice that the weight of the private sector in the Gross Domestic Product structure, particularly for the last period, 2011 -2014, is superior to all the previous periods of the analyzed interval.

The weight of the private sector and of the public sector in the Gross Domestic Product of Romania for the period 2003 - 2014

Table 3

Indicator	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014*
Private sector	67.7	71.5	69.9	69.8	70.2	73.2	72.4	72.8	73.5	75.4	75.9	76.9
Public sector	32.3	28.5	30.1	30.2	29.8	26.8	27.6	27.2	26.5	24.6	24.1	23.1

Over the period 2003 - 2014, for which the analysis is performed, the increase of the proportion of the private sector in the gross added value is pointed out for the constructions, industry and commerce, considering the evolution submitted in the previous chapter.
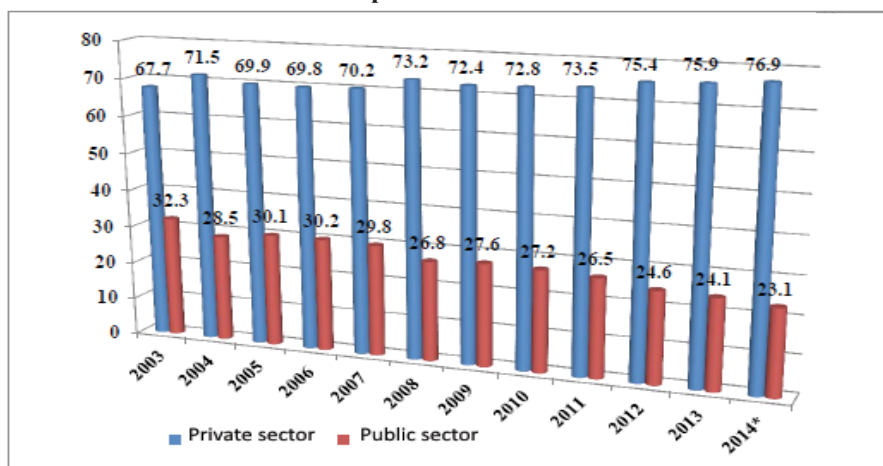
To note also the fact that the weight of the private sector to the achievement of the gross added value by branches of the national economy and, eventually, to the GDP forming, kept on remaining at a high enough level.

It is obvious that the privatization of the state administrations or the extension of the privatizations in the branches already privatized would go to have the expected effect.

Noticeable is the fact that this type of analysis is always a favorable one view that there will always be sectors of activity important for the economy of Romania within which the state must keep its ownership right.

Looking at the graphical evolution of the weight held by the private and public sectors in the achievement of the Gross Domestic Product, we produced the following representation evidencing the extremely significant contribution of the private component in the context of the economic growth:

Graphical representation concerning the weight of the private sector and of the public sector in the Gross Domestic Product of Romania during the period 2003 - 2014

Conclusion

Whereas simple observation of the gross domestic product is not conclusive in the analysis of the national economy performance, in order to forecast the potential for development is necessary to analyze the components, the values recorded in the past and those of other countries. Analysis and forecasting of economic phenomena evolution requires a precise knowledge of their history and identification of patterns with respect to the past, on which can be made predictions with a high degree of confidence on the evolution of the phenomena studied in a time slightly anticipate. Statistical analysis of time series involves using a complex system of indicators that measure the variation in both absolute and relative terms and its average values.

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