

Article | 26 February 2026

FX ROMANIA

Romania: Fiscal consolidation and diversification of sources

Fiscal consolidation continues, with the deficit seen at 6.4% of GDP, slightly above target but still improving. Gross borrowing needs are rising modestly, with lower net ROMGB issuance and strong retail bond demand helping ease pressure on local markets, supported by funding diversification



Bucharest, Romania, which looks to be the most interesting country in the CEE region in terms of the shift in Eurobond issuance this year

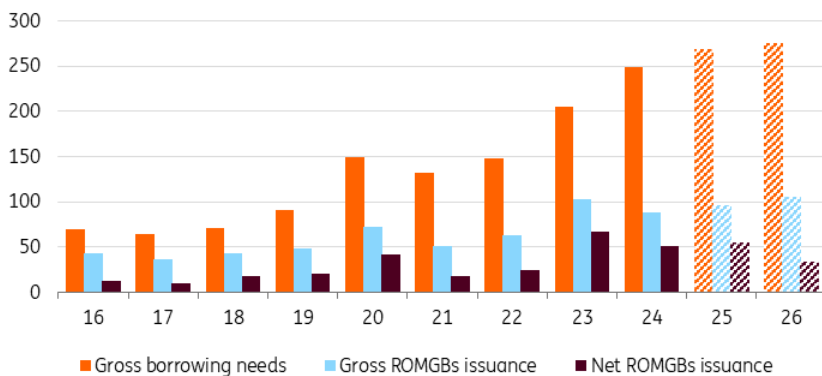
Fiscal policy: the real test of fiscal measures

The fiscal consolidation initiated by the government after the election brought the public finance deficit to 7.7% of GDP (in cash terms) last year. The MinFin indicates a deficit target for this year of 6.2% of GDP. This year's budget depends on the government's ability to push through further fiscal and reform measures. However, overall, we see the story moving in a positive direction, but in our forecast we see a deficit slightly higher than the government indicates at 6.4% of GDP.

Either of these results should be, in principle, welcomed by rating agencies, and we think that

an outlook improvement is on the table if the deficit improves at a better than expected rate. Otherwise, any rating uplift is more likely a story for 2027, once the fiscal adjustment proves resilient to planned changes in government leadership.

Gross financing needs and ROMGBs issuance (RONbn)



Source: MinFin, ING estimates

Local issuance: trying to keep pressure off the local currency market

Although the state budget for this year has not yet been fully presented, the Ministry of Finance provides some funding figures for our preliminary estimates. We forecast gross borrowing needs to increase slightly from RON268.3bn to RON275bn (+2.5%, 13.4% of GDP), mainly due to high domestic and foreign maturities. Gross issuance of ROMGBs will increase from RON97.0bn to RON105.5bn (+8.7%). On the other hand, net issuance will decline from RON55.8bn to RON33.4bn (-40.1%).

Since last year, the Ministry of Finance has been trying to diversify its sources of financing as much as possible, and we should see efforts to avoid pressure on the ROMGBs market this year. Therefore, we expect another strong year for retail bonds with issuance around RON50bn (RON47.3bn last year), with risks to the upside potentially offsetting some ROMGBs issuance.

The rest of the borrowing needs should be covered by FX issuance and other FX sources, mainly EU money and private placements or loans. However, recent years have shown fiscal risks and issuance on both sides, which remains the case this year, depending on the success of fiscal consolidation.

Financing needs for 2026 (RONbn)

	MinFin	ING
State budget		130.0
Domestic redemptions		117.0
Foreign redemptions		28.0
Total financing needs	265-275	275.0
ROMGBs issuance	} 160-170	105.5
ROMGBs EUR-denominated		5.0
Retail bonds		50.0
T-Bills issuance		10.0
FX issuance		51.0
EU money		30.6
Supranational loans and private placements		23.0
Gross borrowing requirement		275.0
Net ROMGBs Issuance		33.4

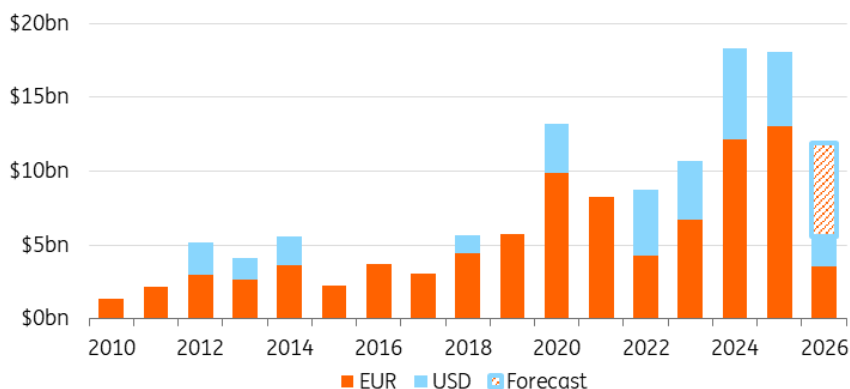
Source: MinFin, ING estimates

FX issuance: long-awaited improvement in the technical picture

Romania looks to be the most interesting name in CEE in terms of the shift in Eurobond issuance this year. Following two record years when issuance surpassed \$18bn (more than €15bn), the combination of fiscal tightening and large expected EU fund inflows makes the government's plans for lower gross and net Eurobond issuance (€10bn and €6.75bn respectively) much more credible than in previous years.

As in previous years, the risk of some fiscal slippage, as per our deficit forecast, does leave scope for slightly higher Eurobond issuance than planned, especially given the remaining uncertainty over the timing of further EU disbursements.

Romania EUR & USD international sovereign bond issuance (USD equivalent)



Source: Bond Radar, ING estimates

The delayed budget has meant a slower start to the year than normal, before the

announcement of a long-awaited deal this week in USD and EUR, raising \$2bn and €3bn respectively. This multi-currency deal makes sense, across USD and EUR, with the government in recent years accepting investor concerns about the significant volume of EUR issuance acting as a technical headwind and trying to remain active in the USD market.

While all maturing debt this year is EUR-denominated (€3.25bn), meaning gross issuance should also see a skew towards EUR, net issuance will likely be more evenly split between EUR and USD.

Author

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United

THINK economic and financial analysis

States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.