

Population net wealth reaches historic height in 2020 (BNR report)

The population's net wealth is placed at a historic height, registering a growth of 6% in 2020 as opposed to 2019, and real estate assets continue to have a majority weight (75%), according to the "Report on financial stability" published by the National Bank of Romania (BNR).

"The resistance of the population sector to shocks has improved considerably, when comparing with the situation prior to the previous crisis. The population's capacity of facing some unfavorable conditions is also enhanced by consolidating net wealth (6% growth, December 2020, as opposed to December 2019), being placed at a historic height, for both the sector of the real estate assets' owning, but especially on the one of financial assets, covering unforeseen situations," the BNR report reads.

Regarding the population's net wealth, BNR shows that real estate assets continue having a majority weight (75%) based on the increased rate of owning of real estate (95.8%, according to Eurostat). The net value of these assets has gone up by 4.8% in Q4/2020 as opposed to Q4/2019, based on the rise of the real estate index and the depreciation of the national currency, indicating the resilience of the real estate market. This situation is due mostly to the legislation that encourages the owning of the real estate assets rather than (re)investing in productive activities, BNR notes.

"The global debt of the population continued its rising trend, but the growth rhythm has slowed down when looking at the previous year (5.1% in March 2021 from March 2020, in comparison with 7.4% during the same period of last year), being placed at the value of 172.5 billion RON. At the grounds of the evolution there was the increase of mortgages by 10%, whilst the balance of consumption loans was stable. Reported to the GDP, the total population debt has gone up by 0.9 percentage points in March 2021, as opposed to the similar period of 2020, based on the decline of the GDP in the context caused by the COVID-19 pandemic.