

RECENT DEVELOPMENTS IN ROMANIA'S TRADE IN CREATIVE SERVICES

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ABSTRACT: *Going through multiple transformation processes over the last three decades, Romania's economy has managed to approach the general positive trends of EU economies, trade in services being one of the representative areas in this regard. This paper emphasises the latest developments in trade in creative services in Romania, in the context of the general increasing evolution of service sector and trade in services as well as their contribution to national economic development. The results of our investigation highlight the positive trends of service industries, in general, and creative ones, in particular, supported by favourable determinants. The infrastructure facilities, as well as the quality skills and human capital stand out, making it possible for Romania to assert itself in the export of software services. Also, the progress in the implementation of digital technologies sustains Romania's performance in exports of creative services related to the information technology services.*

Keywords: *creative services, Romania, trade in services, digital delivery services, IT services.*

JEL Classification: *F23, F43, L86, O11, O14.*

1. INTRODUCTION

The relatively recent concept of creative economy is gaining greater importance globally, capitalizing on some of the most valuable resources, such as human creativity and ideas, on the one hand, and intangible assets such as intellectual property, knowledge and technology, on the other hand. Related to this, a series of creative industries have developed, with complex and high added value economic activities, notably those associated to the creative services. Given their valuable content and high contribution to economic performance, creative services stand out in particular. The internationally recognized creative services are as follows: research and development; software; audio-visual services; information technology services; advertising, market research and architecture; cultural, recreational and heritage services (UNCTAD, 2024a). Given their extensive coverage and especially their support to the value added in all economic sectors, creative services are heavily promoted, their international trade being in a continuous increasing trend (in 2023, the global creative services exports got a new record of USD 1,519 billion, an increase of almost 3 times compared to the 2010 level, coming to represent 19% of global services exports) (UNCTAD, 2024b). However, the distribution of this category of services is uneven, the main benefits of the trade in creative services being achieved by developed countries (in 2023, they dominated the global export of creative services exports with 80%, respectively USD 1,207 billion). At the same time, at the level of the

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structure of creative services group, a high concentration is observed, in which two categories of services, namely software, as well as research and development, account for 72% of global total creative services exports (UNCTAD, 2024b).

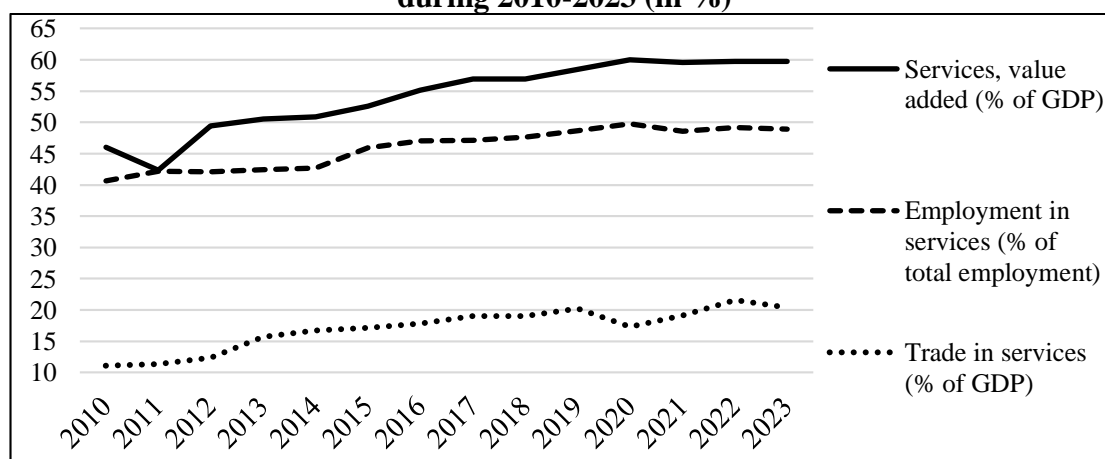
Romanian economy, an Eastern European country that has undergone significant reforms during the last decades, stands out for its service sector developments, even the participation in global trade in services flows in still modest (0.56% in the global commercial services trade and 1.46% in the European Union commercial services trade, in 2023) (WTO, 2025a). Its creative industries are a growing sector that connects modern innovation with its cultural heritage (ERCI, 2025). From software, digital media and design to traditional crafts and performing arts, Romania has managed to become visible in the global creative economy, especially through developments during the last years (UNCTAD, 2024c). This segment of services contributes to Romania's foreign trade, as well as to the its economic growth.

The objective of this paper is to emphasise the relevant recent aspects related to Romania's developments in trade in creative services, underlying the determinant factors that supported their evolutions and also the perspectives of the creative services exports.

2. THE EVOLUTION OF ROMANIA'S TRADE IN SERVICES – GENERAL APPROACH

During the past three decades, Romanian economy has undergone many restructuring processes aimed at macroeconomic development, the accession to the European Union (EU) acting as a major support. As part of this process, Romania has engaged in significant reforms, the most prominent being related to the adoption of favourable foreign business regulations, especially those aimed at trade liberalization and opening up to foreign investments. As a consequence, after intensive transformation processes, the service industries are the most significant structure in Romanian economy, given the services contribution to the value added of GDP (60.7%, in 2023), employment (48.9% of total employment, in 2023), and trade in services of GDP (20.4% in 2023) (WBG, 2025a). The continuation of positive developments in the economy targets the European Union average of these indicators (value added of 65.5% of GDP, employment in services of 72% and trade in services of 30.8% of GDP). The evolution of the main macroeconomic indicators of the service sector highlights its positive progress, which is appreciated for its role to the economic development of the Romanian economy (Figure 1).

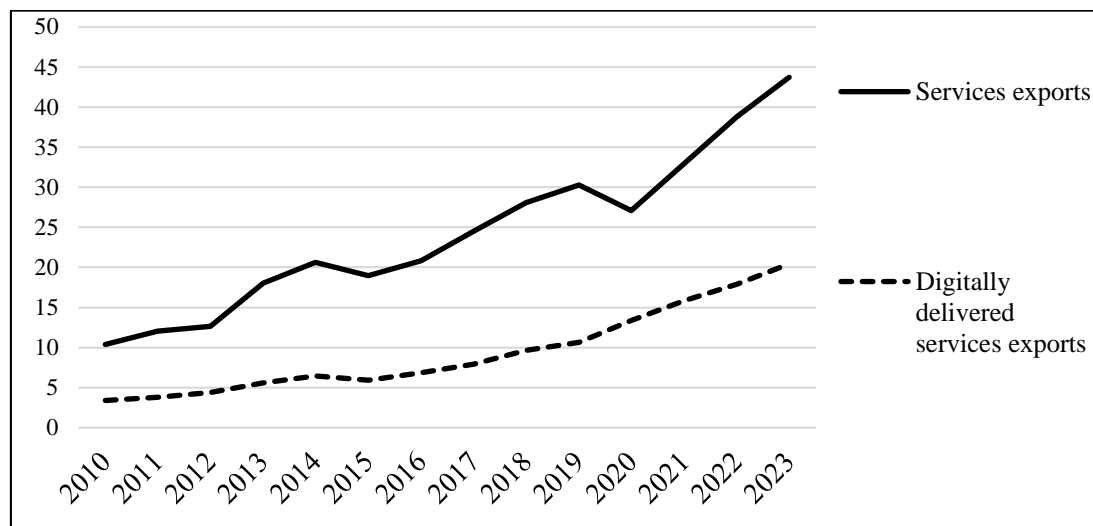
Figure 1. The service sector development indicators of Romania, during 2010-2023 (in %)



Source: Author's representation based on WBG (2025a).

Romania's trade in services has seen upward trends since the 2000s, the data presented in Figure 2 revealing the setting of new records year after year (except in 2020 because of the restrictions imposed during the COVID-19 pandemic), both for total service exports (USD 43.69 billion, in 2023), as well as digital service exports (USD 20.44 billion, in 2023) (WTO, 2025). During this period, Romania managed to maintain a trade surplus in services, having an important contribution in improving the total trade balance (with a very large deficit recorded for goods trade balance) (WTO, 2024a; WTO, 2024b).

Figure 2. The exports of total services and digitally delivered services of Romania, during 2010-2023 (in USD billion)

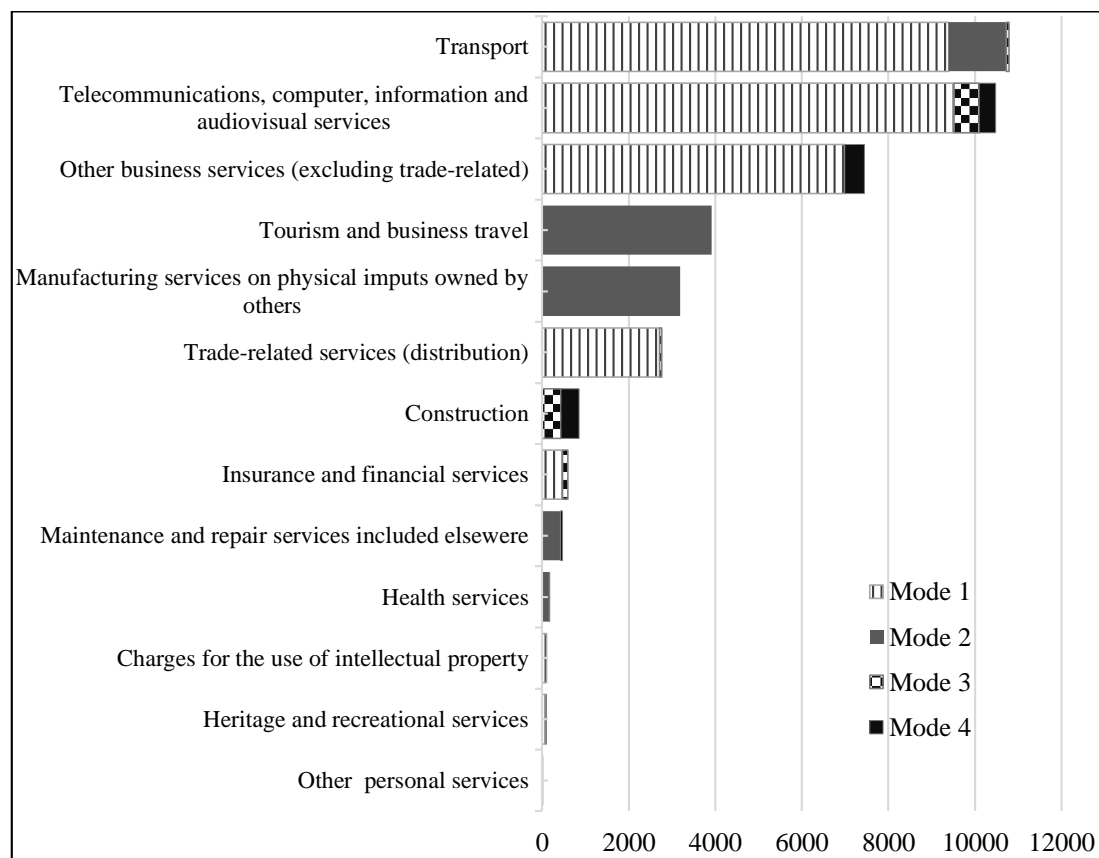


Source: Author's representation based on WTO (2025a, 2025b)

The data on the main categories of exported services, according to the balance of payments classification, reveals that Romania's service exports are dominated by transport (26.4% of total), telecommunications, computer, information and audiovisual (25.7%) and other business services (18.3%), in 2022 (the latest available data) (WTO, 2025a). The analysis of the distribution of service exports across the four modes of service supply (classified by the WTO's General Agreement on Trade in Services - GATS), highlights the intensification of the use of digital technologies. In 2022, 71.6% of total services were exported by mode 1 of GATS (cross-border trade: services provided from one country to another), a significant increase from 57.2% in 2012 (WTO, 2025a).

Given the major challenges of the global economy, Romania's trade in services, as well as trade in digital services, have to ensure and support the resilience and economic competitiveness. Due to the high level of international connectivity of the Romanian economy, the prospects of its trade in services will continue to be influenced by phenomena in the global economy, including the intensification of the use of smart technologies in service industries and geopolitical tensions.

Figure 3: The structure of service exports of Romania, by domain and mode of supply*, in 2022 (in USD million)



Note: *GATS defines four modes of services supply: mode 1 - cross-border trade, mode 2 - consumption abroad, mode 3 - commercial presence, and mode 4 - presence of natural persons (WTO, 1995).

Source: Author's representation based on WTO (2025a).

At the same time, Romania's trade in services, mainly in services intensive in new technologies and human capital, depends on national policies regarding increased investments in education, infrastructure and innovation that will ensure the growth of the competitiveness of service exports.

3. THE TRADE IN CREATIVE SERVICES IN ROMANIA – EVOLUTIONS AND DETERMINANT FACTORS

The creative services make an important contribution to supporting Romania's service exports, this situation being recognised by its position in the top of the main global economies ranked by the share of creative services in total service exports. Accordingly, in 2022, Romania ranked fifth with 28.4% (after Ireland with 65.1%, Israel 36.5%, Sweden 33.7%, and Japan 32.1%). At the same time, in 2022, Romania ranked the second position in the global top of the countries with the highest annual growth rate of creative service exports with 15% (after Israel with 18% and followed by Spain 13%, Portugal 10% and Denmark 7%) (UNCTAD, 2024c).

Taking into account the list of creative services recognized by international organizations (mainly UNCTAD and WTO), the data recorded in the Romania's balance of payments indicates that creative services have a significant contribution to service exports primarily dominated by those included in the large group of telecommunications, computer,

information and audiovisual services (Figure 3) (WTO, 2025a). The data presented in Table 1 reveals a detailed perspective of the export values of Romania's main creative services categories in 2021 (the latest available data), within which software exports lead with 18.3% of total creative services exports. At this level of analysis, it is also relevant to note the main destinations of Romanian exports of creative services, with the data in Table 1 highlighting Western European countries (predominantly Germany, France, Ireland, the United Kingdom, the Netherlands and Switzerland) and the United States in the top positions.

Table 1. The exports of creative services of Romania, in 2021, by main categories and international partners (in USD, %)

Categories of creative services*	Total value (USD)	Share of total service exports (%)	Main export partners	
			Country	Value (USD)
Computer services - software	6,043,566	18.32	Germany	1,261,984
			USA	861,508
			United Kingdom	670,022
Architectural, engineering, scientific, and other technical services	1,663,524	5.04	Germany	430,399
			France	250,623
			Netherlands	107,393
Information services	1,196,815	3.63	USA	241,279
			Germany	191,013
			United Kingdom	182,615
Advertising, market research, and public opinion polling services	1,169,612	3.55	Ireland	231,226
			Switzerland	141,574
			United Kingdom	130,456
Research and development	906,689	2.75	Germany	361,919
			France	207,689
			Ireland	74,513
Other personal, cultural, and recreational services (other than audiovisual and related)	128,091	0.39	France	5,559
			United Kingdom	4,613
			Germany	3,312
Audiovisual and related services	74,513	0.23	France	2,602
			Germany	1,892
			Ireland	473
Total	32,992,541	33.89	-	5,362,664

Note: *The creative services categories are listed as in the ITC classification.

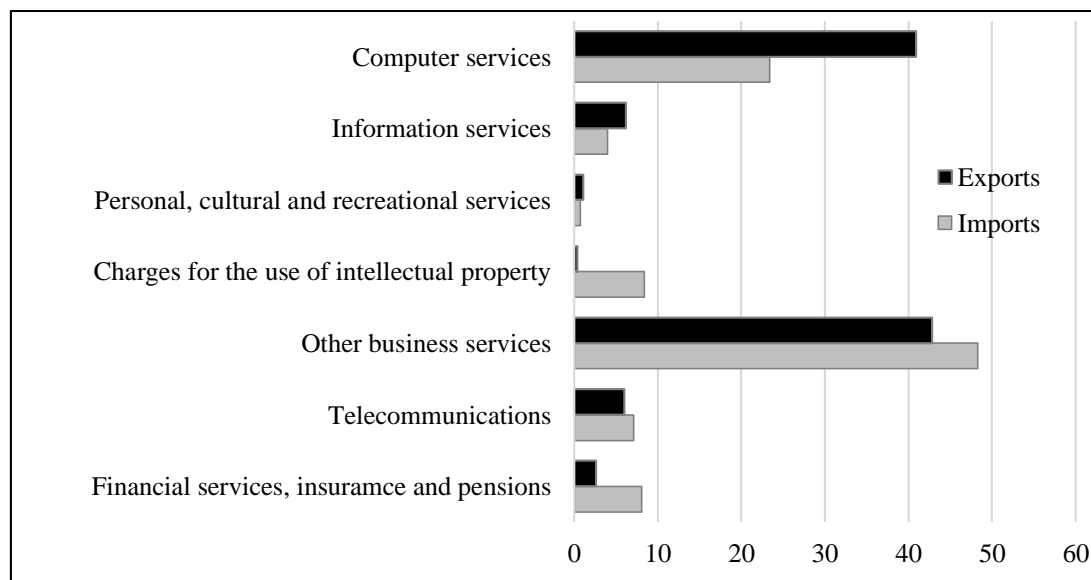
Source: Data extracted by the author from the ITC (2025).

The creative services industries and trade in this category of services are fundamentally related to the level of skills and digital infrastructure. From this perspective, Romania obtains good results in terms of specific indicators, as follows: the mean years of schooling is 11.3 (in 2021, the latest available data), the share of individuals using the internet is 86% (in 2022), and the share of individuals with an internet account is 69% (in 2021) (UNCTAD, 2024c). The value of World Bank Human Capital Index is also relevant in appreciating the conditions for developing creative service industries, in this respect Romania recording 0.6 (in 2020) (WBG, 2025b).

The expansion of creative service exports (mainly software but also the other services) has been considerably supported by the intensification of the development and use of digital tools and recently the artificial intelligence (AI), which have increased the potential for innovation, as well as for getting access to global markets. Digital technologies will have a significant contribution to the future growth of the creative services industries in Romania, in this regard, investments in infrastructure and human capital along with a regulatory framework favourable to their development and use being crucial. The data represented in Figure 4

emphasises that the main categories of services traded by digital means are the creative ones or associated with them, respectively computer services, information services, as well as personal, cultural and recreational services. It is also observed the trade surplus get in the computer services and information services, these results reflecting the Romania's level of specialization in these domains.

Figure 4. The main categories of digitally delivered services exports and imports of Romania, in 2023 (in % of total)



Source: Author's representation based on WTO (2025b).

The growth of Romania's creative service industries has been also sustained by the foreign direct investment (FDI) projects implemented during the last decades with an also major role in modernizing and developing the entire economy. FDI has supported the information technology (IT) services growth, nowadays Romania becoming a significant player in the global IT market, thanks largely to the investment projects of multinational tech companies, in establishing here development and support centres (RAIFT, 2023). These investments have contributed to improving skills and stimulating innovation, essential conditions for the development of creative service industries and also trade in creative services. As a result, Romania has become a hub for IT and software services exports, with the sector representing an increasing share of the country's services exports (according to NBR, in 2024, the group of telecommunication, computer and information services achieved 25.4% of the total service exports) (NBR, 2025).

Foreign companies in IT have been increasingly attracted to Romania due to its good specialized labour force, sustained by the strong university programs in STEM (science, technology, engineering and mathematics) providing high competences in software development and data science, as well as foreign language proficiency. The large number of skilled IT professionals, focused on computer science, mainly in the major cities of Romania (such as Bucharest, Cluj-Napoca, Iasi and Timisoara), has sustained the good results in the export of creative services. Romania scores second highest in the EU regarding the proportion of information and communications technology graduates (6.7% of the total higher education graduates). However, the proportion of information and communications technology specialists of total national workforce is only 2.6%, with an increasing trend during the last years, but still much lower than the EU average (4.5%). The difference between graduates and specialists in information and communications technology is explained to a large extent by the

brain drain (EC, 2023). Also, until 2025, employees involved in computer software development activities benefited from income tax exemption, which represented a supporting factor for the development of this field (PwC, 2025).

The level of communication costs is another major factor in supporting IT-related services. In this respect, Romania is in the first position in terms of competitiveness compared to EU countries, with the lowest level of communication prices (38% compared to the EU average) (Eurostat, 2020). In addition, the development of IT services in Romania is also supported by the high internet penetration rate (88.9% internet penetration rate of the total population, in 2023) and high-speed internet coverage (among the top ten EU countries) (Portal, 2023).

The data regarding the good results of Romania's creative service exports are also supported by the study conducted by NICRT (2018). The analyses undertaken demonstrate the upward evolution of the economic contribution of the creative and cultural industries to national GDP (3.8% in 2018 from 3.3% in 2015), gross value added (4.2%, in 2018 from 3.7% in 2015), turnover (EUR 13,053 thousand in 2018 from EUR 9,334 thousand in 2015), net profit (EUR 1,675 thousand from EUR 819 thousand in 2015) and employment (244,943 in 2018 from 206,881 in 2015). The data in Table 2 reveals that the main creative service industries generate more than 70% of turnover, 75% of net profit and around 70% of the employment, all related to the entire group of creative and cultural industries, in 2018. Among them, IT services are far ahead of other creative service segments, the distance reconfirming the importance of them within the creative services developed in the Romanian economy.

Table 2. Economic performance of the main creative service industries in Romania, in 2018 (in %, EUR)

Indicators	Turnover (% of total creative and cultural industries)	Net profit (EUR*)	Number of employees
Creative services			
IT services	41.5	693,396	108,335
Advertising	14.8	223,514	21,738
Audio visual and media	10.4	206,788	18,569
Architecture	2.6	29,480	9,027
Research	3.3	92,205	12,542
Total	72.6	1,251,108	170,211

Note: *Calculated by the author based on the average annual exchange rate RON/EUR published by National Bank of Romania in 2018.

Source: Realized by author based on NICRT (2020).

As highlighted by the above statistical analyses, in addition to IT services, Romania's export of creative services is complemented by a number of other domains. Among these, the following stand out: digital media and game development (due to a skilled workforce, competitive costs and a growing number of startups); international film productions (given the scenic landscapes and cost-effective services) and festivals; music events and festivals (covering a wide range of musical styles from classical to electronic, with a growing international audience) (ERCI, 2025). Also, in the advertising field, Romania has a well-developed market, thanks to a significant number of specialized agencies, supported by human skills in traditional and digital media.

4. CONCLUZION

Running through multiple economic transformation processes in the last three decades, Romania is making efforts to get closer to the general positive trends of EU economies, trade

in services being one of the representative areas in this regard. The creative services are increasingly significant contributors to Romanian service exports, with 28.4%, in 2022 (ranking it fifth in the world by the share of creative services in trade in services). The annual growth rate of creative service exports of 15 % ranked Romania the second position in the global top of the countries with the highest annual growth rate of creative service exports in 2022.

The IT sector stands out among the creative services exported by Romania, with over 40% of Romania's total service exports in 2023. The development of Romania's creative service has been sustained by the foreign direct investment, especially in IT services, nowadays Romania becoming a significant player in the global IT market. At the same time, other creative services are in rapid growth in Romania, with a presence on the international market, especially in the areas of audiovisual.

All recent results related to the growth of creative services are due to the quality of human capital and skills developed in the Romanian university educational system and also digital enhancements, given that many creative services are internationally traded through digital means. Digital tools and artificial intelligence have the capacity to generate important changes both in the development of Romania's creative services, enhancing their scope and efficiency, and also in their expansion on foreign markets.

The high level of specialization and added value of creative services exported by Romania support the future development of creative service industries in Romania, especially in the context of the latest evolutions of smart technologies with important potential in increasing the competitiveness of creative industries, and of the entire economy.

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