

## **6 Nord Vest (North-West) Region**

### **Demo-geographic characteristics**

North-West Region has a surface of 34,159 km<sup>2</sup>, accounting for 14.3% of the total surface of the country. It comprises six counties (NUTS 3): Bihor, Bistrita-Nasaud, Cluj, Maramures, Satu Mare and Salaj. The North-West Region's population was 2004 of 2,738,461 inhabitants (12.6% of country's total population) and an average density of 80.1 inhab/km<sup>2</sup>. The dynamics of the region's population is characterized by a natural increase of -2.2‰ (2004), with the lowest value registered in Cluj (-3.1‰) and the highest in Bistrita-Nasaud (0.3 ‰), the only county in the region that registered a positive natural increase.

The urbanization rate was, in 2004, 52.8%, but at sub-regional level there were large differences, the rate varying from 36.2% (Bistrita-Nasaud County), to 66.4% (Cluj County).

From a physical-geographical point of view, 28% of the regions' surface represents mountains, 30% hills and 42% plains and large valleys.

North-West Region's network of localities comprises of 42 towns and cities and 1,802 villages, grouped in 398 communes. Out of the towns and cities, four of them have a population over 100,000 inhabitants (Cluj-Napoca – 298,006 inhabitants, Oradea – 206,235, Baia Mare – 141,253 and Satu Mare – 116,632), nine between 20-100,000 inhabitants and 29 less than 20,000 inhabitants. Territorially, towns and cities are concentrated mostly in Maramures (13), Bihor (10), and Cluj (6) counties, the other three counties having only 5 (Satu Mare), respectively 4 towns for each of them.

### **Employment and migration**

The share of employed population in the total population of the region was, in 2004, of 41.1%. Intra-regional disparities are close related to the industrialization level, the most and earlier industrialized counties – Cluj and Bihor – have a higher share of employed population (44.3% respectively 45.1%), while the less and later industrialized counties – Satu Mare and Bistrita-Nasaud – have a lower share (38.3% and 36.6%). The analysis of employed population, by economic sectors, shows the high rate of population employed in services sector, in Cluj and Bihor counties, but also the high occupancy in agriculture, in the rest of the counties.

In all the counties of North-West Region, an important share of the active population is still employed in state-owned enterprises. For this reason it is foreseen an increase of unemployment rate in Salaj, Satu-Mare counties, as well as in Maramures County, caused by the restructuring of state-owned enterprises that are registering losses. This situation requires active measures in order to employ persons that will lose their jobs, among which the measures for professional reorientation of the population, in compliance with the local needs of labor market, have to be a priority.

The industrialization level influenced the unemployment rate too. Because of the last years industrial restructuring, Bistrita-Nasaud and Cluj Counties registered the highest unemployment rate – 6.4%, respectively 5.1%. The low unemployment in the western counties (Bihor and Satu Mare – less then 3%) is due to the higher foreign investments that partially diminish the industrial restructuring effects.

A direct consequence of the industrial restructuring and the increasing unemployment is the appearance of a unique phenomenon in Europe, namely the migration of the population from urban to rural areas, and therefore the rural population increases constantly in all the regions' counties. In present (2004) there are three counties with more than 50% rural population (Bistrița-Năsăud – 63.8%, Sălaj – 59.3%, and Satu Mare – 53.8%).

Another consequence of the industrial restructuring and increasing unemployment is the emigration of the population, mostly of the young ones, the Region facing a real “brain exodus”. Numerous rural settlements (especially from Maramures and Satu Mare) have a low share of young population, but they flourish through building activities financed by the young people working abroad.

### **Regional economy**

North-West Region participated, in 2002, with a share of 12% at the national GDP, from this point of view being placed third among the eight Romanian development regions (after Bucharest-Ilfov - 21% and West - 13% regions, but with the same share as North-East and South regions).

The contribution of the three economic sectors at the formation of the regional GDP, indicate a share of 16.3% of the primary sector, 35% of the secondary and 46.7% of the tertiary one, registering an increase in the share of services at the same time with a decrease in the share of agriculture. The relative maintenance in the share of secondary sector is due to fact that the disposals from industry have been partially compensated by the evolutions in the constructions –where an extraordinary dynamic in the last period has been registered.

Inside the region, there are obvious development disparities, measured by the contribution of the counties to the regional GDP: Cluj – 35.6%, Bihor – 25.8%, Maramures – 14.3%, Satu Mare – 11.9%, Bistrita-Nasaud – 9.1% and Salaj – 7.2%.

In North-West Region there are several differences regarding the economic development of the six counties: the southern and northern counties, namely Cluj, Bihor and Satu Mare are industrialized (food, light, wood, machine building industries) and economically more stable then the counties in the Centre and East (Bistrita-Nasaud, Maramures și Salaj, wood-furniture and light industry, non-ferrous, gold and silver bearing ores), and where the last trends contributed to the loss of the competing capacity in several sectors. In

accordance with the economic and social analyses, the poverty poles are located in Maramures and Bistrita-Nasaud County.

The areas in industrial decline cover large parts of Maramures, Satu Mare and Bistrita-Nasaud County, in other words the Apuseni and the Northern mountain area. Still, this area has important resources: complex ores, gold and silver bearing ores (Satu Mare, Maramures), bauxite (Bihor), salt (Maramures, Bihor), building materials (Bihor, Cluj), wood (Maramures). The mining sector restructuring affected the extractive sector and led to massive dismissals and therefore Baia Mare-Borsa-Viseu areas were designated as disadvantaged regions. In Baia Mare, according to a survey, the non-ferrous industry is threatened to be closing down because it greatly pollutes the atmosphere. In order to revitalize those areas, investment in both infrastructure and equipments for resources' exploitation are needed.

Although forestry represents an important sector of the region, the insufficient controlled clearings (Bistrita-Nasaud, Maramures) and the inexistence of a coherent programme for forestations and building forest-roads towards the middle of the basins, led to the continuous diminishing of the forest area. The insufficient capitalization, loss of the external markets, non-adaptation to the qualitative requirements have caused either the closing down of many furniture enterprises or their functioning at low parameters.

## **Infrastructure**

### *Transport*

At Regional level, the transport, environment and energy infrastructures are better developed than in other regions, but currently in a precarious situation caused by the lack of investments for decades.

Located at the cross of North-South and East-West communication axes, the region has a dense road network (34.7 km/100 km<sup>2</sup>). Related to the overall economic development level, Maramureş (25.0 km/100 km<sup>2</sup>), Bistrița-Năsăud (28.1 km/100 km<sup>2</sup>), counties have the smallest public-road networks.

### *Public Utilities*

In North-West Region there are discrepancies between the counties regarding the electric supply network. There still exist isolated non-electrified villages, hamlets or households, concentrated especially in the Apuseni Mountains area and in the northern mountain area. In Maramures county there are big dysfunctions, both in the rural and in the urban area (Sighetu Marmatiei, Borsa, Seini, Targu Lapus, and Viseul de Sus), as well as in Bistrita Nasaud county and, in a certain degree, even in Satu Mare and Cluj counties (Satu Mare, Negresti-Oas, Tasnad, etc.).

The majority of counties in the district are confronted with drinkable water supply problems. The municipal drinkable water network isn't developed enough in order to satisfy the population needs, both in the rural and in the urban area. The pollution of phreatic layers due to non-ferrous residuum infiltrations in Maramures County highly

jeopardizes the population's health, even in the conventional networks areas, but where the treatment installations are insufficient or out of date.

The water resources in the rural localities in Transylvania Plateau are reduced and undrinkable because of the gas domes and the salt deposits. These areas need urgent works for centralized water supplying networks.

The environment quality in the region is highly affected by the negative impact of economic activities. The main polluters are: the sedimentation powders in Cluj and Salaj counties; ammonia in Bistrita-Nasaud, Maramures, Salaj; sulfur and cadmium dioxide in Cluj and Salaj counties; fluorine and its compounds in Satu Mare, copper metal powders and lead.

At the end of 2004, the number of localities with drinkable water supply installations in the region was 324, and the total simple length of the water distribution network was of 7114 km. A major problem in the rural area is the lack of the drinkable water protection – from a total of 1844 localities, only 40% are connected to the drinkable water protection.

The public centralized sewerage system represents a problem for the whole region. The number of the localities with public sewerage installation was of 100 at the end of 2004 (3 less compared to 1995), and the total simple length of the sewerage network had 2241 km (extended with 291 km compared with 1995).

The most of the urban treatment plant were built 25 years ago. They are in an advanced usage level, having also an insufficient treatment capacity for the wastewater. The existing sewerage network in the rural areas represents only 4% out of the total, percent that places the region, from the point of view of the population access to the basic infrastructures, among the lasts positions in the country.

#### *Environment*

The region must tackle the following deficiencies regarding the waste management:

- The existing deposits are sometimes placed in sensitive areas (close to houses, to the ground and underground waters, to entertainment areas);
- The waste deposits are not adequately organized for the environment protection, leading to the water and soil pollution in the respective areas;
- The current waste deposits, especially the urban ones, are not proper operated;
- The collection of the housing waste from the population is realized unselective.

#### *Education*

Educational infrastructure comprises 914 schools, 212 high schools and 5 vocational and apprenticeship schools, characterized by the need to accelerate the process of their conversion and adaptation to the present needs of the labour market, since the existence of a qualified labour force is a basic condition for attracting investments and especially the foreign ones.

### *Health*

As refer to the health infrastructures, best placed are Cluj, Bihor and Maramures counties, both as number of hospitals (22, 15 respectively 9), and as number of beds per 1,000 inhabitants. For these infrastructures to ensure an efficient medical assistance is necessary to provide them with specialized staff and also to ensure their maintenance and adequate technical endowment.

### *Social services*

Three out of six counties of the region (Bihor, Salaj and Cluj) do not have any home care institutions, There have been identified several buildings which need rehabilitation and modernisation for different types of beneficiaries. Children are protected in family type institutions (63.51%) or residential services (36.49%). At the end of 2004, there were 8298 children with disabilities, out of which only 355 were benefiting from reintegration services.

### **Areas in difficulty**

In the North-West Regional Spatial Planning several problem areas have been identified. These are characterized by precarious socio-economical conditions, differentiated according to the each area's local specific:

- Codru's area, situated at the crossing of Maramures, Satu Mare and Salaj counties, is characterized by: a high number of households without electricity, precarious social endowments, generalized subsistence economy, road ends, etc.
- Barcau coal basin, including localities Ip, Sarmasag, Chiesd and Popesti, where the economic profile of the localities has destructured because of some mines closure or reduction of activity
- Cluj County's mountain area (Maguri-Marisel, Belis, Valea Ierii), confronted with the continuous degradation of the technical infrastructure, ageing population, growing illiteracy or chaotic exploitation of local resources.
- Beius „county” (Nucet-Vascau-Steii-Beius area) affected by industrial restructuring and environment degradation because of the uranium exploitation at Baita Bihor
- Turda-Campia Turzii area with massive dismissals and environment problems caused by the binder industry.

Besides these areas, other ones with similar problems exist, but they can improve their socio-economic and environmental conditions, trough the valorization of the local potential.

### **Development potential**

North-West Region has a varied and territorially differentiated development potential. Thus, from the large cities (Cluj-Napoca, Oradea, etc) to the outermost areas of the region, can be identified local resources based on what to realize their sustainable development.

If the large urban centres have many resources and development opportunities, in the isolated areas, besides the negative effects of their status, and a positive aspect also exist, represented by the preservation of the folk customs and traditions, that can be valorised by tourism.

Moreover, the region has a considerable tourism potential: archeological sites, natural protected areas, glacial and barrier lakes, caves, spa resorts and appropriate conditions for mountain, leisure tourism. There are also many ethno - folklore areas that provide for the development of agro tourism in Maramures, Cluj and Bihor. Being closed to Central Europe and having an original relief (caves, gorges), a favorable climate, reduced altitudes (about 1800 m), Apuseni mountains have the chance to become an important attraction for the sightseeing tourists who love the nature and wish for simple accommodation conditions.

In 2004, the valorisation of the above tourist potential was realized mainly through the 427 accommodation units in the region, meaning 8.9% of the national accommodation units. Related to the regional distribution of accommodations units, these concentrate in Bihor and Cluj counties, with 53.4% from the total. Due to their high tourist potential, of above two counties concentrate 64% of total tourist arrivals in the region and also 71,5% of total number of overnights stays in the region.

**NORTH-WEST REGION**  
**Indicators to characterize the development level and the economic potential**  
**- 2004-**

INDICATORS	Region	Counties <sup>1</sup>						Romania
		BH	BN	CJ	MM	SM	SJ	
<b>I. Population, employment, unemployment</b>								
I.1 Total population (absolute figures)	2738461	596961	318558	686825	516562	371759	247796	21673328
Urban population (%)	52.8	50.4	36.2	66.4	58.1	46.2	40.7	54.9
Rural population (%)	47.2	49.6	63.8	33.6	41.9	53.8	59.3	45.1
Migration sold	-2815	-115	-434	-166	-1202	-602	-296	-10095
<b>I. 2 Employment</b>								
Active population in total population (%)	42.9	46.1	39.1	46.7	40.3	39.1	40.4	40.6
Employed population in total population (%)	41.1	45.1	36.6	44.3	38.4	38.3	37.9	38.0
Employed population by economic sectors:								
Agriculture (%)	35.1	34.6	40.2	25.9	39.9	41.6	40.1	32.0
Industry (%)	30.3	31.7	27.6	32.0	28.6	30.3	27.4	30.0
Services (%)	34.6	33.7	32.2	42.1	31.5	28.1	32.5	38.0
<b>I.3 Unemployment</b>								
Unemployment rate by December 31 <sup>st</sup> 2004 (%)	4.2	2.1	6.4	5.1	4.6	2.0	6.2	6.3
Feminine unemployment rate by December 31 <sup>st</sup> 2004 (%)	3.8	1.7	7.2	5.0	3.8	1.4	5.3	5.6
Percentage of unemployed not benefiting from indemnities by 31 December 2004 (%)	59.8	60.2	52.7	65.4	61.3	62.1	50.4	59.3
<b>II. Economic development</b>								
II. 1. GDP / inhabitant (2003) – euro	2338.9	2681.5	1909.4	2964.2	1745.3	2051.4	2012.7	2420.5
II. 2. Labour productivity (2003) - euro	4531.4							4625.3
II. 3. FDI (mil euro)	1035							15040
II. 4. Business infrastructure (industrial parks)	2	-	-	1	-	-	1	36
<b>II. 5. SMEs</b>								
SMEs / 1000 inhabitants (No.)	20.9	24.1	16.1	28.0	16.1	17.1	15.5	19.3
Total SMEs (absolute figures)	57319	14359	5101	19259	7139	5427	3321	418499

<sup>1</sup> BH (Bihor), BN (Bistrița-Năsăud), CJ (Cluj), MM (Maramureș), SM (Satu Mare), SJ (Sălaj)

Out of which : Manufacturing (%)	16.0	13.7	22.6	13.8	21.0	16.5	15.9	13.6
Constructions (%)	6.9	5.4	5.1	7.4	7.1	10.1	7.3	6.2
Services (%)	74.6	78.2	69.0	77.4	69.9	69.1	73.9	77.5
SMEs structure by size:								
Micro (%)	87.8	88.7	87.7	88.7	86.2	86.0	87.0	88.0
Small (%)	9.8	8.7	10.1	9.2	11.6	11.2	10.4	9.6
Medium (%)	2.3	2.5	2.1	2.0	2.2	2.8	2.6	2.4
Atractivity rate <sup>1</sup>	39.8							
<b>III. Infrastructure</b>								
III. 1 Transport								
Public roads density /100 sqkm (%)	34.7	39.1	28.1	39.6	25.0	36.4	40.9	33.3
Modernised public roads in total public roads (%)	27.2	21.8	23.2	22.8	34.2	48.6	19.5	26.3
III. 2 Public utilities								
Localities with water supply network in total number of localities (%)	43.9	37.6	25.1	48.8	72.6	29.3	50.9	
Localities with sewerage network in total localities (%)	5.7	5.7	5.0	7.3	10.2	3.9	2.1	
III. 3 Education								
Number of schools	1524	348	89	395	291	241	160	14396
III. 4 Health								
Number of hospitals (**)	60	15	3	22	9	5	6	425
III. 5 Social services								
Number of institutions providing social services	519	15	19	18	24	434	9	13747
III. 6 Tourism								
Accommodation units (no)	427	85	24	143	98	57	20	3900
Existing accommodation capacity (places)	24576	10591	2915	5095	2697	2234	1044	275941
Functioning accommodation capacity (places – day)	6,699,830	29401130	807967	1658574	671340	367869	253980	53,988,640

<sup>1</sup> Survey, Romanian Business Digest 2005