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Answer given by Mr Dombrovskis
on behalf of the European Commission
(13.4.2026)

Romania is in the excessive deficit procedure (EDP) since 2020 and had a general government deficit of 9.3% of Gross Domestic Product (GDP) in 2024. Against this backdrop, the Commission has been in regular discussions with the Romanian authorities on how to reduce the deficit in line with the respective Council recommendation. It is up to Romania to decide how to ensure effective action under the EDP, thereby reducing public debt servicing costs and improving fiscal sustainability. On 25 November 2025, the Commission decided to keep the EDP in abeyance, based on the action undertaken by Romania to comply with the targets recommended under the EDP.

The value added tax (VAT) Directive¹ permits Member States to apply reduced VAT rates to the supply of goods and services, subject to the conditions set out in Annex III. This includes restaurant and catering services. Member States have full discretion over whether to apply reduced rates.

The Commission has not specifically assessed the economic and social impact of a potential increase in VAT in Romania's Hotel, Restaurant, and Catering sector but notes that there is broad evidence that lower VAT rates are usually not the best instrument for redistribution or sectoral support.

¹ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, OJ L 347, 11.12.2006, pp. 1–118.