

FinMin Citu says budget revision likely ready in second week of November

The Finance Ministry will prepare a national budget revision that could be ready in the second week of November, Finance Minister Florin Citu said on Monday, adding that he received the funding demands from each main public employer.

"Budget revision talks follow and I think I will present it in a few days. We have the October budget implementation report. For each main public employer we have received the funding demands and we will prepare the budget revision, which I think will be ready in the second week of November. The objectives are, of course, to keep the deficit as announced in August, with a consolidation trend for next year. The government revenues give us confidence that we can do that moving forward. The priorities for this year that will stay in place are: healthcare, investments, securing Romania's financial independence. Those were the priorities, it is where we start the budget revision and all the scenarios for 2021 through 2024 start. Investments continued to rise in October as well. It is still true that we have the largest investments in the last 10 years, higher investments than were in the whole year 2016-2017 and I think that, soon, we will have bigger ones than in 2018 all year round," Citu said in an online statement.

He underscored that Q3 2020 economic recovery, a V-shaped recovery, is the baseline scenario for everyone and for rating agencies.

"Economic recovery has been certain since the third quarter. It is the scenario we took up from the beginning, as I told you to trust economic recovery in the third quarter, a V-shaped recovery is the baseline scenario for everyone and for the rating agencies. I have said from the outset that we are a responsible government, that we are not a populist government and that shows this rating reaffirmed by the two rating agencies," said Citu.

Fitch Ratings agency affirmed on Friday Romania's sovereign rating at "BBB-" outlook negative, this being the last note in the investment-grade category recommended for investments, according to Fitch.

Citu announced last week that Moody's agency also affirmed its country rating for Romania in its latest assessment, stressing that Moody's report states very clearly that maintaining the country's rating in the future depends very much on the continuity of these responsible policies implemented by the Government in 2020.

Romanian officials have estimated that the coronavirus pandemic will push the government deficit this year to 8.6% of the Gross Domestic Product (GDP), as the economy should contract by 4%.