

IMF significantly upgrades its estimate of Romanian economy's growth to 6pct in 2021

The International Monetary Fund (IMF) has significantly upgraded its estimates of Romania's economic growth in 2021, which should go up to 6%, surpassed elsewhere in Europe only by a projected 6.4% growth in Spain, according to the IMF April World Economic Outlook published on Tuesday.

Whereas last October the IMF was estimating Romania to record a 4.6% economic growth in 2021, according to the latest outlooks published on Tuesday, Romania's Gross Domestic Product should increase by 6% this year. The IMF also improved its estimates for 2022, to 4.8% growth, up from 3.9% as estimated in October 2020. According to the same estimates, the Romanian economy should outperform the European average of 4.5% this year and 3.9% next year.

The Romanian government have built the national budget for the current year relying on an economic growth of 4.31%.

At the end of March 2021, the World Bank also improved its estimates of the Romanian economy, indicating a GDP growth by 4.3% in 2021, versus January estimates of 3.5% increase in 2021.

In terms of inflation, the IMF revised upwards its estimates, showing that Romania would see an average annual price increase of 2.8% in 2021, as against 2.5% as forecast last autumn, that should decline to 2.1% in 2022.

About Romania's current account deficit, whereas last autumn the IMF bet on a narrowing to 4.5% of GDP in 2021, the international financial institution is now expecting the deficit to narrow very little to 5% of GDP in 2021 from 5.1% of GDP in 2020, and to 4.7% of GDP in 2022.

Globally, after a 3.3% contraction in 2020, the IMF is projecting the world economy to advance 6% in 2021 and a further 4.4% in 2022.