

Romania's Q1 2021 GDP, up 2.9pct in real terms from Q4 2020, 0.1pct from Q1 2020

Romania's Gross Domestic Product (GDP) seasonally adjusted estimated for the first quarter of 2021 is 286.198 billion lei current prices up 2.9% in real terms from the fourth quarter of 2020 and 0.1% from the first quarter of 2020, according to provisional data released by the National Institute of Statistics (INS).

Unadjusted, the estimated Q1 2021 GDP is 225.051 billion lei current prices, down 0.2% in real terms from Q1 2020.

Compared with the provisional version (1), INS mentions that the GDP dynamics remained unchanged, as that of the gross added value increased by 0.1 percentage points.

"The volume of gross value added by branches of activity recorded more important changes in: professional, scientific and technical activities; administrative and support service activities, with an increase in the volume of activity by 1.8 percentage points; industry, with a contraction in activity volume by 0.3 percentage points; wholesale and retail trade, repair of motor vehicles and motorcycles, transport and storage, hotels and restaurants, with a contraction in activity volume by 0.2 percentage points. Net taxes on products were down 0.4 percentage points," according to INS.

In terms of GDP use, significant changes in the contribution to GDP change, between the two estimates, were reported in the expenditure for individual and collective final consumption of general government, from + 0.6% to -0.9%, on a decrease in activity volume from 102.9% to 95.2%; gross fixed capital formation, from + 1.7% to + 2.0%, as a result of a change in its volume of activity from 109.9% to 111.7%.

Romania's economy will grow by 7.4% in 2021 and by 4.9% in 2022, after the European Commission initially predicted in its interim summer forecasts an advance of 5.1% in 2021 and 4.9% in 2022.

The performance of the Romanian economy was solid in the first quarter of 2021. GDP grew at a quarterly rate of 2.8%, supported mainly by private consumption and investment. On the other hand, net exports were significantly negative, reflecting weak external demand and supply chain disruptions, according to the EU executive.

Romania's economy is expected to grow by 7.4% in 2021 and 4.9% in 2022, a higher-than-expected level in the spring, due to stronger-than-expected GDP performance in the first quarter of 2021, according to the European Commission.