

BNR raises to 5.6 pct inflation prognosis for year end

The National Bank of Romania (BNR) has increased to 5.6 pct the inflation prognosis for the end of this year and 3.4 pct for the end of next year, according to a presentation delivered on Monday by the Governor of the National Bank of Romania, Mugur Isarescu.

According to Isarescu, the inflation is "already at 5 pct," and Romania is rather seeing "a temperance of price increases and this is our effort too, to maintain inflation between 5 and 5.5 pct for the year end for that then, due to the base effect the index of consumer prices drops in January under 5 pct to 4 pct and change."

"It's not a prognosis that prices will increase going forward. Our prognosis is that through efforts, including in the monetary domain, we will manage to hold prices somewhere between 5 and 5.5 pct. I am referring to the consumer price index. So the increases in the autumn will be very high," said Mugur Isarescu.

Over the previous prognosis, the estimation for the end of year increases by 1.5 percentage points, and that for the year end by 0.4 percentage points.