

## IMF downwardly revises its 2022 economic growth estimates for Romania to 2.2pct

**The International Monetary Fund (IMF) has significantly revised its estimates for the growth of the Romanian economy this year, from 4.8% last autumn to 2.2% in its latest "World Economic Outlook" report published on Tuesday.**

According to the new IMF forecasts, the Romanian economy will slow down from 5.9% in 2021 to 2.2% in 2022, and speed up to 3.4% in 2023.

The draft budget for 2022 is built on an economic growth forecast of 4.6%.

By comparison, Bulgaria is expected to grow by 3.2%, while the economies of Hungary and Poland are expected to advance 3.7% in 2022.

For Romania, the new revised IMF figures are slightly more optimistic than the World Bank's forecast, which in early April predicted that the economy would make a modest advance of 1.9% this year as a result of rising risks from the crisis in Ukraine. Also, in its February 10, 2022 forecasts, the European Commission estimated that the Romanian economic growth will slow down to 4.2% this year, and speed up in 2023 to 4.5%.

In terms of inflation, the IMF has also significantly revised its estimates, predicting that Romania will witness an average annual price increase of 9.3% in 2022, two and a half times more than the 3.4% forecast last autumn. Price growth should slow down to 4% in 2023.

About Romania's current account deficit, last autumn the IMF was expecting a deficit of 5.5% of GDP, while now it is predicting it to widen to 7% of GDP and slightly shrink in 2023 to 6.5% of GDP.

In February 2022, Romania's National Economic Strategy and Forecast Board revised its GDP growth forecast to 4.3%, from 4.6% as previously estimated, taking into account the inflationary shock of the last quarter of 2021 and the wave five of the coronavirus pandemic.

Romania's economy advanced 5.9% in 2021 from 2020.