

## BNR anticipates 2.1pct inflation at the end-2020, 2pct in Q3 2022

**The National Bank of Romania (BNR) anticipates Romania's consumer price index (CPI) inflation to fall to 2.1% at the end of this year, down 0.6 percentage points from the previous forecast, and 2% in Q3 2022, according to the bank's November Inflation Report.**

"Since the release of the August 2020 Inflation Report, more significant disinflationary pressures have materialised, induced mostly by exogenous components of the consumer basket, namely volatile food prices and fuel prices. Hence, the annual CPI inflation rate is anticipated to fall to 2.1 percent at the end of this year, i.e. a significant 0.6 percentage point revision compared with the previous forecast. At the same time, under the impulse of the aggregate demand deficit in the economy and the gradual weakening of labour market resilience, sharper corrections will be reflected in the dynamics of the annual core inflation rate as well, which is seen reaching 2 percent at the projection horizon (2022 Q3). For the end of next year, the current baseline scenario reconfirms the previously projected value for the annual CPI inflation rate (2.5 percent), whereas the annual core inflation rate forecast was revised slightly downwards (by 0.1 percentage points to 2.1 percent)," reads the report.