

## Prognosis Commission revises downwards estimate for economic growth this year to 4.3%

**The National Commission for Strategy and Prognosis (CNSP) revised downwards to 4.3% the prognosis for economic growth for this year, as opposed to the previous estimate, which was 4.6%, taking into consideration the inflationary shock of the last trimester of last year and the 5th wave of coronavirus.**

The institution also highlights that it has not taken into account the conflict determined by geopolitical tensions on the border with Ukraine.

The GDP is estimated at 1,315 billion RON current prices this year.

According to the CNSP, the final consumption will slow down its growth to 3.6% this year, from 5.3% in 2021, and investments (gross formation of fixed capital) are forecast to go up by 9.1% from 5.1% last year.

Furthermore, the impact of electricity and natural gas price hikes was reevaluated over the inflationary trajectory for the current year, which lead to an upwards prognosis of consumption prices. Future evolutions indicate a growth slowdown in February, due to the the new provisions coming into effect regarding the level of capping as well as consumption quotas, followed by a peak in April. Small increases are provided in the month of July and at the start of the cold season.

Estimates indicate an inflation of 9.5% at the end of 2022, matching the yearly average of 9.9% and have not taken into account other means of supporting the population, which will be quantified in the next prognosis, the quoted source mentions.

According to the data from the National Institute of Statistics, published on Tuesday, the Romanian economy has gone up by 5.6% last year. In the last trimester of 2021 the GDP has gone down by 0.5% from the previous trimester, but has gone up by 2.2% from the similar period of 2020.