

Central Bank's Isarescu: We are not in recession and I do not think Romanian economy will go in recession

Romania's economy is not and will not go into recession, an economic growth of 2 percent being possible this year, the governor of the National Bank of Romania (BNR), Mugur Isarescu, declared on Thursday at the presentation conference of the Inflation Report.

"We are not [in recession - ed.n.] and I do not think that the Romanian economy will go into recession, but an economic activity around 2 percent, 2 and something percent, about as much as we find in the reports of the Fund and the World Bank, I think that is where we will get. It also depends on the agricultural year. We are not in recession ... We are not preparing for anything bleak. Things are still under control. We have a major problem in the field of taxation, we have to solve it - the field of taxation, as there is where the greatest pressure lies - and it is the one we have to take care of," said Isarescu, when asked if Romania will go into recession.

He added that production and industry are functioning and he did not expect "Romania to become a net exporter of services".

"Unfortunately, we have a deficit on the trade side, unfortunately also in terms of agricultural products, but it can also be explained by the import of technology. But no. Many of the imports that Romania is conducting are made in the big and rich cities of the country. (...) Look at the Christmas promotions! You can't find any Romanian product there. That's how we want to live. Travel abroad. I'm not saying it's bad. Everyone dreamed of it, but this is a reality. However, becoming a net exporter, that is, having a surplus in services due to international transport, I wouldn't have dreamed of it. So, many parts of the economy are working. I'm not ready to give you all the data now, but the economy is working. We have a major problem: it is impossible for 26-27 percent of GDP budget revenues to cover 40 to 40 and some percent of expenditures in the long run. It's been happening since I was Prime Minister, so I know them by heart. The same kind of discussion, we try to get some from one side and push it to the other. That's a structural problem. So, the economy is still working," said Mugur Isarescu.