

Romania - Economic Growth 2018



Romania's economy grew at a real rate of 4.1% in 2018 versus 2017, a significantly slower pace than in 2017 (7.0%), according to data released by the National Statistics Institute (INSI). The result is lower than what analysts and local officials had predicted.

"The 2018 slowdown from 7.0% in 2017 was slower than our initial forecast of 4.7%, and the official (Government + n.a.) projection of 6.1% at the start of the year. And the weakness is set to continue in 2019. We estimate 2.7% GDP growth while the official forecast sees an acceleration to 5.0%," ING Bank economists said in a note.

"A deterioration in consumer sentiment, weak demand from the main export markets and fiscal uncertainty at home are likely to prove a significant drag on first-quarter GDP growth. The picture for the full year doesn't look much roser: consumers are running out of confidence while businesses are facing higher fixed costs and higher financing costs as well as labor shortages and a volatile investment environment. Meanwhile, supply-side structural reforms are missing or even being rolled back," they added.