



NATIONAL COMMISSION FOR STRATEGY AND PROGNOSIS

The medium-term forecast 2022-2026, the winter version

The Winter Forecast 2023 covers the estimates of a reduced number of macroeconomic indicators in line with the version presented by the European Commission and precedes The Spring Forecast.

The current scenario regarding the evolution of the Romanian economy on the medium term was achieved in the context of maintaining the risks that were anticipated from the previous edition of the macroeconomic forecast, taking additionally into account the statistical data of the economic growth from the third quarter and the latest developments from September-November 2022 period regarding the high-frequency indicators. The data on the gross domestic product for the year 2021 were also updated with an increase of the nominal value from the provisional to the semi-definitive level by 5.5 billion lei, a leap that will also be reflected in the period 2022-2026.

As a whole, **the economic growth, in volume terms, for the year 2022 was positively adjusted by 0.3 percentage points, from 4.6% to 4.9%**, thus at the level of the last quarter the dynamics of the economy being estimated to exceed the expectations. On the supply side, the increase of the economic growth during this period was supported by the acceleration of the production in the construction sector, probably by more than 15% at an annual rhythm, as a result of the achievements recorded in the field of engineering constructions.

On the demand side, the positive results were reflected in the ascending revision of the dynamics of gross fixed capital formation, an impact that was, however, relatively diminished by the negative contribution of the net export. Furthermore, the possibility of intensifying the investment process from the last part of the previous year was anticipated and named as a positive factor in The Autumn Forecast scenario, the option being however to keep a cautious version.

The acceleration of the import of goods and services in the second part of the last year led to a widening of the current account deficit in 2022, from -8.8% in GDP to -9.4%, as a whole.

As concerns the current year, as well as the medium term evolution, the previous estimates regarding the economic growth were maintained, its rhythm being further supported by a significant contribution from the construction sector, as a result of a more efficient absorption and use of the European funds.



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Regarding **the social indicators**, it is worth mentioning the adjustment of the salary earnings dynamics in 2023 (+1.2 percentage points), determined by the increase of the minimum gross salary from the construction sector and by the salary increases from the budgetary sector, according to the legislation in force. In real terms, these additional wage increases compensated the effect of increasing the inflation rate, as an annual average, the purchasing power in 2023 maintaining the same dynamics as in the previous version of the forecast.

The consumer price increase in 2022 exceeded the estimations (+1.2 percentage points for the inflation at the end of the year and +0.3 percentage points as an annual average), the differences being reflected in October and November and they were determined by higher price increases in non-food goods and market services. The effects of this acceleration are also reflected in the increase of the inflation forecast, as an annual average for the current year, although the estimate for the end of the year still remained at 8.0%.

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The detailed projections for the period 2022-2026, which will take into account the developments from the first months of 2023 will be presented in The Spring Forecast, estimated to be published in the period April-May, this year.