

Daniel Daianu: Economy could grow 3% - 4.5% in 2021

Romania's economy could grow between 3% and 4.5% this year, and the most optimistic scenario will be all the more feasible the higher the vaccination rate, said Fiscal Council President Daniel Daianu in an interview given to the National News Agency AGERPRES.

The president of the Fiscal Council maintains that the budget deficit target of 7% set by the Government for this year is a very ambitious one, given that 2020 ended with a deficit of 9.79% of GDP on cash, and a 3% reduction in the deficit in one year is very difficult to achieve, "especially since the epidemic is still haunting."

Daniel Daianu states that tax increases are not desirable when the economy is still fragile, but maintains his personal statement that Romania would have needed a solidarity tax, even a temporary one, to help the effort to fight the epidemic and support the economy, for maintaining jobs.

Regarding the possibility for the Central Bank to operate further monetary policy interest rate cuts, Daianu considers that "it is not excluded", but mentions that it is a sine qua non condition for the fiscal/.lkbudgetary consolidation process to be visible this year, with clear measures regarding the structural deficit.