
EC CONCERNED WITH ROMANIA'S BUDGET DEFICIT, CURRENT ACCOUNT GAP AND INFLATION

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The European Commission (EC) is worried about Romanias fiscal slippage particularly as there were situations when the Government failed to observe national legislation such as the fiscal responsibility law 69/2010 or the law on corporate management 109/2011, Isabel Grilo, director of the European Commissions Directorate General for Economic and Tax Affairs commented on June 14, local Agerpres reported.

She presented in Bucharest the recommendations sketched by the EC under the European Semester report to be further endorsed by the EU Council.

Grilo expressed concerns about the widening budget deficit, current account deficit, and inflation.

The EC official appreciated Romanias economic growth after years of moderate advance but stressed at the same time that this growth is not sustainable since it is based on fiscal stimulus and consumption. Investments do not cause the budget deficit, cutting taxes and raising wages do, which is why we need to be worried about the sustainability of the growth itself, she explained.

Romanias budgetary planning has regularly ignored the provisions of the national fiscal framework, the EC noted in the report drafted on June 5. Romania departed from the medium-term budgetary objective in 2016 and has been on a divergent path since, the EC says, issuing updated recommendations for tighter fiscal consolidation.

<https://www.romania-insider.com/european-commission-romania-deficit>

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