

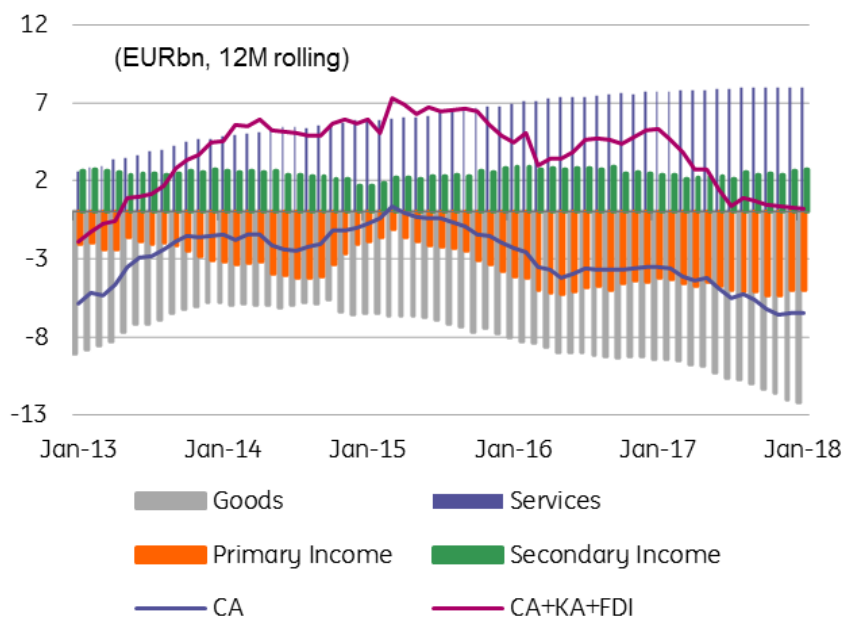
## Romania: Current account continues to deteriorate

With the trade gap for goods increasing by c.30% in Jan-2018 compared to Jan-2017, the overall external position barely remained positive at EURO.2bn



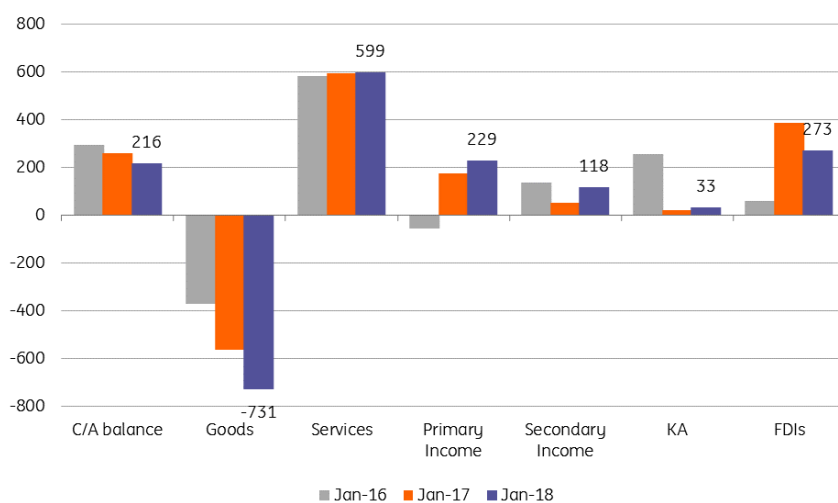
Despite the good external demand, strong private consumption is leading to sizable imports and thus putting pressure on the trade gap. The total current account surplus came out at EUR216m, c.16% lower than in Jan-2017. The services component remained almost flat compared to same month last year at EUR599m while the primary and secondary income accounts posted a joint surplus of EUR347m, likely on lower dividend outflows and increased EU funds absorption.

## C/A structure and external position



Source: NBR, ING

## January C/A balance (€m)



Source: NBR, ING

Overall, we are still comfortable with our projection for C/A widening peaking-out and expect the C/A at -2.8% of GDP in 2018 as we look for a slowdown in consumption. Our forecast does not include eventual new tranches for the defense system. Hence, it could come 0.3-0.4ppt of GDP wider, but still post a modest improvement from a year ago.

## Author

### Valentin Tataru

Chief Economist, Romania

[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.