



# THE "DOBRESCU" MACROMODEL OF THE ROMANIAN TRANSITION ECONOMY\*

-YEARLY AND MONTHLY FORECAST-

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## Macromodel estimates for the Romanian economy in 2006

The current scenario was elaborated using the macromodel of the Romanian economy, version 2000.

The exogenous variables were defined according to the following assumptions:

- the inflationary expectations continue to weaken, so that the expected index of the nominal gross domestic product registers a decrease ;
- the foreign capital inflows (foreign direct and portfolio investments and financing from the European Union) are increasing;
- the trade policies aim at stimulating exports and tempering the imports dynamics;
- the coefficients for assessing the general consolidated budget incomes and expenditures were correlated (by means specific to the macromodel) with the parameters of the latest Economic Pre-accession Programme for the interval 2005-2008;
- the foreign environment is relatively stable, and no possible shocks induced by it were considered ;
- the monetary policies (increase in the monetary base, increase in the minimum reserve requirements) stay prudent;
- the projections of the population aged 15 and above and of the labour force are according to the current demographic forecasts.

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\* Source: Emilian Dobrescu: *Macromodels of the Romanian transition economy*, third edition, The Expert Publishing House, September 2000.

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**2006 Yearly Forecast**

*Rates to 2005 (%)*

Indicators	2006 Forecast
Gross domestic product, current prices	14.1
Gross domestic product, 1990 constant prices	5.9
Domestic aggregate demand, current prices	13.8
Domestic aggregate demand, 1990 constant prices	-4.4
Investment	7.7
Export of goods and services	5.2
Import of goods and services	12.7
Foreign trade surplus (+) or deficit (-), bill. USD	-10.038
Unemployment rate (%)	7.1
Current gross domestic product deflator	107.7
Consumer price index (yearly average)	107.8
Consumer price index (December 2006/December 2005)	108.6

**Monthly Forecast**

Indicators	July 2006	Aug. 2006	Sept. 2006	Oct. 2006	Nov. 2006	Dec. 2006
Export of goods and services, bill. USD (Cumulative from the beginning of the year)	19.135	21.626	24.568	27.144	29.874	32.527
Import of goods and services, bill. USD (Cumulative from the beginning of the year)	22.897	25.998	29.375	33.113	37.039	42.566
Monetary base (M0, % as against December 2005)	73.6	70.4	67.4	64.5	61.8	59.1