
ANALYSIS OF THE EVOLUTION OF CAPITAL INVESTMENT IN ROMANIA

Prof. Gabriela Victoria ANGHELACHE PhD.

Bucharest University of Economic Studies

Assoc. Prof. Mirela PANAIT PhD

Petroleum-Gas University of Ploiești

Abstract

In this paper, the authors focus on the capital investments that were made in the Romanian economy. In the article, measures are proposed, that are supposed to be able to increase the investments, as the capital in-flows are more than likely to support the development of the Romanian economy, more important in the recovery period, following the full impact of the economic-financial crisis. This is also true for any national economy in Europe. The research includes an analysis based on indicators, such as the number of countries developing investments in Romania, the number of companies established with foreign capital.

Key words: capital, investment, return, sector, financial resources

JEL Classification: E22, F21

Introduction

Social and economic results achieved by Romania after 2010 shows an unprecedented drop. Unit indicators on which it can be evaluated quantitatively and qualitatively, the economic development marks an upward trend compared to previous periods.

Foreign exchange reserves of the National Bank have increased slightly, satisfactory at the end of 2015, by attracting a quantity of existing currency at the population.

A simple calculation leads to the conclusion that at present, among the population are about eight-nine billion euro/dollar that are not deposited in bank accounts.

Although exports will remain at a high level, maintaining the trend shown in recent years, however, due to increased imports, the trade balance will remain weak.

Obtaining new loans will depend on how Romania will act in the process of European integration and will depend on European funds and attracting foreign direct investment.

Since 1990 and until now was recorded a constant deficit of foreign trade balance.

In the circumstances presented, there is virtually too many saving measures. Among them: attracting foreign capital investment in Romania would be one desirable but uncertainty evolution of the Romanian economy and lack a coherent legislative framework does not stimulate foreign investors.

Regarding the economic recovery by capital investment, we mentioned attracting foreign capital investments as important growth prospect of real domestic capital is more difficult to believe that will be the best solution.

In the present situation, neither private companies that appear consolidated will not be able to launch the privatization process due to lack of financing. It cannot be used any purpose loans in the form of capital investment, not only because of the law, but also because of the high interest rates charged by commercial banks.

In this context, the attraction of domestic and foreign investment is a real forward way in any economic situation, both in Romania and in the world, and Europe in particular.

It is understandable that foreign investment would have major effects: replacing loans that have to repeal Romania; refurbishment companies and autonomous administrations; introduction of a new management model; ensuring the qualification and specialization of personnel; using own foreign market segments of the investing, thus eliminating foreign competition; raising the production quality and, not least, decentralization of activities and development of market economy.

Literature review

Aguiar and Gopinath (2007), Baxter and Kouparitsas (2005) develop on the business cycles, Justiniano, Primiceri, and Tambalotti (2010) analyze the correlations between investments shocks and cycles. Aisen and Veiga (2013) analyse the impact of political instability as influence factor on the economic growth. Anghel (2013) describes the management and analysis of portfolios. Anghel, Anghelache, Stanciu and Popovici (2016) approach the investment-related decisional process. Anghelache, Anghelache and Sacală (2016), Anghelache, Manole and Diaconu (2016) have analyzed the dynamics of capital investments in Romania, Anghelache and Armeanu (2008) were preoccupied with modeling the evaluation of investments projects. Anghelache, Jweida, Popovici and Stanciu (2016) have studied the influence of foreign direct investments and export, while Anghelache and Manole (2015) focused on the correlation GDP-investments. Ebner and Bocek (2015) develop on support for investments in intangible assets, Okhrimenko and Manaenko (2014) treat the characteristics for determinants of investment support. Eckhardt, and Nunnenkamp (2007) have analyzed the impact of FDI on development, at regional level, in developed country. Gennaioli, Ma and Shleifer (2015), Greenwood and Shleifer (2014) develop on expectations, and expected outcomes in the context of the investment process. Popielas (2012) uses the investment funds case to describe EU-level harmonization of services. Radev (2014) develops on economic growth.

Methodology and data

• Increased investments, an objective necessity

As known, the renewal of fixed assets, their improvement, developing new production capacities that come to the international technological requirements, is a priority for any economy that wants to maintain balance and to enroll in a constant process of development at a macro level.

In countries like Romania, which has been in the process of transition to a market economy, the need to attract investments in areas that are suitable to develop is an objective necessity.

Romania like other eastern European countries, inherited an integrated developing industry in which production capacities were working interdependently and ensured at a qualitative level more or less appropriate products needed on the internal market and a surplus for export markets that accepted quality products.

Since 1990, it began a long process of transformation of the Romanian economy in one super-nationalized in a market economy. This idea is not only beneficial, but essential to provide a new revival of Romanian industry.

From these intentions to concrete ways in which we tried to implement the economic reform and privatization is a way somewhat longer.

We recall that in 1990 were issued two hypotheses addressed in their association, giving an overall picture on the level of the Romanian economy in that period, representing also the tenets of reform strategies, restructuring and privatization elaborated later.

On the one hand, we talked about agriculture “record productions” and many other objectionable aspects, making “the big bet with agriculture”.

Twenty-six years after launching this bet, it can be concluded, with great disappointment and growing concern, that this bet was not abandoned, but basically shattered by a reality that makes agriculture to regress from all points of view (equipment, agro technical, results, etc.) to a comparable stage, possibly with the inter wars period.

On the other hand, about axiomatic industry have been said that it would be “a bunch of old scraps,” the fruit of a “megalomaniac” concept.

Now we find that these irons are old and terribly rusted, without something special to be implemented in their place in the spirit of the art of the end of the millennium.

An important aspect, which should have considered by those who took over the destiny of the national economy, is the need to continue, complete and put into operation investments that are in progress at the time.

Unfortunately, in many such cases, the works were interrupted, delayed or stopped, inducing heavy losses both businesses involved and the overall economy.

Considering this, the evolution of the investment was different from other sectors of the economy.

Thus, in a first stage after 1990, it was noted a sharp drop in investment funds centrally distributed, germs of the private capital cannot replace the void left by the discontinuation of new activities and devote the money from the state budget in this area.

So, the first three to four years after 1990, highlighted the allocation of funds for some upgrades, private equity focusing on investments in the refurbishment (mainly by imports of machinery and other fixed assets in general) or building production capacity or sales of reduced size.

Of course, this is a feature of the market economy, but in this way were wasted resources in investment projects in progress.

In a second stage, it appears that the resources created in the privatization process were directed to investments, a process that could be supported under a stimulated fiscal legislation.

Upon this background, the investments, even during the economic crisis, internal and international, have maintained at a constant level, with minor increases from a period to another, until 2008, when the effects of the economic crisis started. The fact that investments were directed to imports of machinery is specific, disregarding the Romanian industry’s ability to become, through retrofitting, competitive at an external market level. Under these conditions, the recovery of the Romanian industry, of the economy in general, in the context of legalities and requirements of the market economy not only remains a dream, but at the level of degradation, both of large industry and of other sectors, the process gaining an irreversible trend. It is clearly showing the trend and higher share of investment in fixed assets, compared with those allocated to construction. The main investments made in the period under review were directed to manufacturing industry, electricity, agriculture and the tertiary

sector (trade, post and telecommunications, public administration). Investments in the public sector, whose main destination is the infrastructure works, were oriented towards areas of national interest: electricity, mining and quarrying, manufacturing, and also in the field of post and telecommunications. A growth is noticed in programs of European interest and share of investment increased for machinery. Private sector investments, which are growing, were oriented towards the purchase of transport equipment, mostly imported. In this sector, the investments were directed mainly in tertiary sphere, especially in trade.

- **Factors affecting investment growth**

A highly significant example in this respect would be the programmatic objective, of high acuity and actuality, to which it were subsumed, by the political class, efforts, steps and decisions of sacrifice that Romania's accession to the Western economic and political structures European, namely the European Union and NATO.

In the context of the new geopolitical situation and economic situation in Europe, adherence to these structures represented, even aside from the theme anyway hyperbolized, the "reintegration of Romania in Europe", an objective with profound objective determinations, economic and political, as important and much desired by the Romanian people.

How to address the issue of accession by Romania, on the one hand, and the two structures, on the other hand, however, was different.

It is understandable that both NATO and the European Union have accepted in their entourage a country - Romania - which has economic stability, has a well established infrastructure in place and also has a quiet social and domestic policy checked and guaranteed, which is clearly stated performance criteria, valid for all former candidate countries.

These criteria induce necessarily a causal link, meaning that their performance leading to accession, which in turn has become a prerequisite for a better stability in terms of economic, political and social, due to be possible new developments of structure, superstructure and infrastructure of the country.

We believe it was the wrong opinion of those who thought that integration into the European Union and NATO is a kind of panacea for all problems and only as a second thought they considered the development of infrastructure and other macroeconomic activities.

We summarize the situation after the year 1990: the economic restructuring process could not have, undoubtedly, as first consequence, the emergence and rising unemployment. Hence, new problems for Romania, which was not used to officially have the word "unemployed" in use. In parallel, the inflation embryo was created, the falling national currency, the highlight of the poor quality of Romanian products whose access to European markets became increasingly difficult, and general economic decline became inevitable.

In this context, the strategy to force, only by political means, entering the European Union and NATO was the only option. Today Romania is NATO member and starting with the 1st January 2007 European Union member. However, sensing what will follow the "two accessions," especially in the context of the policy of the new president of Romania, a twenty-three year retrospective of the journey makes sense, if only for archive. We think it would have been more interesting if it was started from the dismissal of the labor force, which became the unemployed social

class, that can be used with high efficiency to achieve at least one of the criteria for accession, namely infrastructure development in our country.

The State, as owner of industrial activities, such as production of cement, bitumen and other products necessary for the development of pavements, roads etc., including necessary equipment, could with maximum ease, immediately after 1990, switch to use the labor force of the unemployed and improve this element of infrastructure.

What would have happened?

First of all, a number of companies or agencies that were either privatized at questionable sums or went into production difficulties and financial resources would become highly profitable by exploiting and capitalizing on the domestic large amounts of products. Thus, at least cement factories in Fieni, Hoghiz, Medgidia and other activities would be carried out with a high profitability, which would have been likely to create, through profits, revenue sources for the state budget.

On the other hand, the use of labor made available for the construction of these infrastructure elements would have suspended the payments from the budget of state social insurance in the form of unemployment benefits or compensations and other amounts that are given to the unemployed.

Of course, in this way, it would become easier to move a large number of people from the sphere of productive activity, mining etc., which, as time goes on, are no longer effective, in the work of infrastructure development, through a useful and efficient process of labor force converting.

In these circumstances, it would have been easy for Romania to have a better infrastructure, to have absorbed most of the unemployment created and thus to face fewer social and economic problems.

In such a situation, it would be easy to assume that the EU and especially NATO, concerned to be present in the area have appreciated that Romania has an infrastructure enviable and would think very quickly of the need to draw Romania in the constellation of EU and NATO member states, so as to create conditions relating to Moldova, Ukraine, Turkey and the Asian region.

But these developments have not registered, being probably more effectively privatize important sectors of production of cement, bitumen production, etc., in amounts that may be discussed again at any time, thus creating great difficulty repairing the infrastructure in our country. Because of this, we were left behind.

It is easy to assume in this context that EU countries had figured out other means for the acceptance of Romania in European Union structures, mentioning often the possibility to postpone taking a positive decision.

At decision-making levels of the EU accession of Romania was placed in private terms. Those groups of countries have realized that Romania's accession will require substantial financial efforts on their part to modernize only infrastructure elements and Romania is not ready to access such funds.

Nobody believes that privatization of infrastructure is a bad thing. Worse is that from 1990 until now, infrastructure was not privatized, but neither was modernized by using internal resources which Romania had in abundance or later, using EU funds.

Turning to substantive reform and privatization in Romania, it is not difficult to see that in all countries, but especially those who were also in the process of transition to a market economy, maintaining a mixed economy was a necessity.

Therefore, privatization of certain sectors should be done only when the conditions have been created for this process to be done efficiently and profitably for macroeconomic system. Unfortunately, large businesses, some producing for export, were slowly but irreversibly, left derelict, currently indebted to the state budget, social insurance budget and to other agencies.

Others were privatized in a hurry, with limited participation of foreign investors without a competition, so proceeds are not at the level that would have required the performance of these companies or agencies, not to mention missed privatizations because of lack of creditworthiness of investors insufficiently checked beforehand (you might appreciate the fact that the deterioration of business was the result of “intentions” to bring them below the “zero” and then privatize the property to whom “it should”).

It is easy to give examples such as: IMGB, Dacia, ROMCIM, Romtelecom, dramatic TEPRO privatizations of steelworks Resita, Galati, Hunedoara - to see now the progress of these privatizations - not to mention a number of chemical fertilizer producing factory whose privatization has not meant a qualitative leap for achieving outstanding production and recovery of such companies, but their liquidation.

We appreciate in this context it is not yet late to take the necessary steps to increase the attractiveness to stakeholders with availability of funding to participate in the privatization process or investing with partners in our country amounts to ensure balance and, especially, the prospect of recovery through internal and / or external investment activities

• Attracting foreign capital investments - a priority

We mentioned above that vital solution to stop the economic decline and strengthen the recovery process is to attract foreign capital investment given that real growth using domestic capital cannot be brought about. Investing domestic capital on account of bank loans cannot be considered because of both legal provisions and the high level of interest charged and, why not, because of the very crisis that looms increasingly evident in the banking system.

In this context, attracting capital and foreign investment is the only real way forward in any economic situation, both in Romania and in the world in general and Europe in particular. Unfortunately, in this area it was done too little, and in many cases when something was done was done just the opposite.

National law and fiscal policy were the two main obstacles to foreign capital entering the Romanian market.

Once things have settled somewhat and a number of foreign investors have expressed a wish to place investments in Romania, a new bomb was triggered.

Wishing to balance the budget, not to correct the budget, in order to bring additional revenue the way of simple arithmetic was used.

It means that something was added to excise duties, VAT was introduced on some transactions etc., without making a thorough simulation to see the effect of measures taken. The bitter conclusion is:

- investors take a longer time to extend analysis and try to anticipate;
- measures do not have the desired effect, on the contrary, it has stagnated exports, and - potential investors are still waiting;
- state budget revenues come from exaggerated income tax and not concrete economic income;

- external image is affected, and our expectations are removed;
 - Romania's new status of EU member changes the situation somewhat, but still remain within our power to thoroughly prepare projects on which to access the funds available to Romania

It is clearer than ever that the need for foreign capital in Romania is vital, given that for a variety of reasons, but also because legislation which is not appropriate, the potential for foreign capital shows greater restraint in penetrating the Romanian market.

Incorporation of trading companies with foreign participation subscribed share capital during 1991-July 2016

Data tranzacționării	Indice BET Plus (puncte)	Indice BET (puncte)	Indice BET_FI (puncte)	Indice ROTX	Volum	Număr tranzacții	Valoarea totală a tranzacțiilor - milioane lei -	Capitalizarea bursieră ^{a)} - milioane lei -
01.07.2016	960,20	6487,06	26614,62	12334,49	5693079	3907	17,0	120265,2
04.07.2016	960,36	6483,82	27105,51	12302,90	14442250	4054	21,7	119395,1
05.07.2016	963,93	6513,14	27297,27	12291,12	19874004	4250	19,1	118316,7
06.07.2016	952,75	6434,22	27096,51	12122,05	12371468	4631	16,5	116624,9
07.07.2016	959,02	6476,58	27268,52	12259,21	8762547	3387	16,4	118363,0
08.07.2016	958,99	6472,60	27375,16	12292,05	11013826	3507	19,9	119109,8
11.07.2016	961,94	6488,52	27959,70	12345,49	7803170	3913	18,2	119786,2
12.07.2016	967,52	6530,36	27544,41	12503,75	13803077	4507	18,6	121778,6
13.07.2016	974,47	6577,90	27418,33	12515,74	13247836	4185	19,0	121384,9
14.07.2016	974,92	6580,40	27517,29	12810,54	37301652	5106	40,2	126109,0
15.07.2016	980,10	6614,60	27694,10	12881,36	11157293	2812	14,2	126544,9
18.07.2016	981,55	6623,23	27814,85	12930,82	15480281	2609	15,1	128559,0
19.07.2016	984,52	6645,06	27790,82	12974,36	16878028	3032	29,0	129025,6
20.07.2016	987,76	6664,72	27937,33	13049,42	16193653	3348	17,1	129663,0
21.07.2016	983,47	6634,63	27878,14	13011,51	19120630	2882	20,6	129909,5
22.07.2016	983,57	6636,03	27962,25	13028,14	16940974	2997	21,4	130123,3
25.07.2016	985,50	6654,22	27827,24	13025,51	16579527	3225	16,4	129623,5
26.07.2016	985,76	6655,22	27890,57	13024,15	20852053	3400	17,8	131233,7
27.07.2016	996,41	6727,32	28133,69	13141,38	14827479	3796	23,2	131625,9
28.07.2016	992,33	6694,09	28186,58	13060,74	21121363	3825	39,6	131230,1
29.07.2016	997,05	6725,19	28291,20	13146,56	17748012	3389	25,1	131788,5
Total / Total					331112282	76762	446,1	

^{a)} inclusiv capitalizarea bursieră a Societăților de Investiții Financiare (SIF).

Sursa: Bursa de Valori București.

Data source: National Statistic Institute and ONRC, Statistic Bulletin no. 7/2016.

Foreign direct investment in 2009 due to the negative impact of the crisis, were only 3,512.610,5 billion euro in 2010, 3,914.440.6 billion euro, 3,329,432.4 billion euro in 2011, 2,856,416, 6 billion euro in 2012, 2,355,803.8 billion euro in 2013, 3,877,239.8 billion euro in 2014 and 1,239,305.8 billion euro in 2015. In 2016 it shows a decrease of foreign capital, located at the figure of 913 887, 0 million euro.

It is hard to imagine why in 2009-2012 other attempts were not made to stimulate foreign investments, while the social and political situation was an additional barrier in the way of those who would have dared to invest in Romania.

There should be no deductions for the purposes of legislating incentives to attract foreign capital and encourage the domestic capital because everything is invested in Romania by Romanian companies irrespective of the origin of subscribed capital which is national wealth.

The number of countries that have invested in Romania is decreasing.

Throughout the period after 1989 and so far there have been invested 43,722,777.3 billion euro, which does not mean much given that such participation is

not, in fact, payments in foreign currency holdings but as subscriptions capital and, most times, capital in nature.

It showed that investment of foreign capital participation in the form of registering new companies have been slow. Thus, the restrained investment of traditional countries like the US is surprising, companies that have invested little in Romania. From the neighboring countries, excepting Hungary, Turkey and Moldova, and them with frail participation, other countries are practically absent.

If for Eastern and Central European countries, faced with their own problems of we can find a logical explanation of the phenomenon, for countries such as Greece, where our fleet and Romanian communications system “traveled”, a small share in the total foreign investment in all these years is likely to raise some eyebrows.

Among them stands out the group of Arab countries which, though they have a large share in terms of number of companies registered in their own name in particular, together totaling less than 3% of total foreign capital invested. This explains a number of negative phenomena (tax evasion, running seemingly unprofitable activities, etc.).

If we compare the trade deficit, namely higher exports and lower imports, with total investments as equity in companies, it is easy to see that by working unbalanced, over 90% of total investments were canceled by practicing imbalanced external trade. The situation is interesting if we discuss how start-ups were registered in 2010-2016, in Romania.

We find that in a number of counties, such as Tulcea, Vaslui, Bacau, Gorj, Buzau, Teleorman and other such investments, as capital subscribed in foreign currency at formation of new companies, missing or is at a level very low in total of such investments. There are some exceptions, such as Bucharest, Ilfov, Prahova, Timis, Cluj, Brasov, Constanta, falling to meaningful participation in capital formation by subscription and shares in foreign currency, but the situation is totally inadequate in the general context presented.

The fact that “big investors” coming from developed countries are often established Romanian citizens in those countries is not to be neglected. In this way, the homeland, regardless of their motivations, is in itself commendable and worthy of being encouraged, however, in relation to the content and objectives of foreign portfolio investment in Romania, the results are far from the hoped effect.

It is also reported that, through such investments, Romania could not find a source to provide at least maintaining, if not revitalize its industrial development. If we compare the investment of foreign capital through participation in the establishment of companies in our country with other countries in Eastern and Central Europe, we find that Romania is last at such rankings.

This is another proof that must be rigorously put the question of how this activity is reshaped and redirected.

The evolution of domestic capital investment

We analyzed until now just how were made investments of foreign capital in our country. This does not mean that attracting domestic investments has to be neglected. Although the Romanian capital had to be given greater attention, in fact, investing domestic capital has been hindered due to lack of funds, the impossibility of

participation of individual citizens or legal entity at some projects, either independently or in collaboration with foreign companies. Unfortunately, either populism or from ignorance, since 1990 has been stepping on the wrong foot in this area. Thus, for instance, the famous “shares” (about 38 billion lei in 1990, meaning about five billion US dollars) passed automatically from the production (source of funding) in the sphere of consumption. This change was made due to a lack of productive activities and stocks of goods needed by the population, which had a double negative effect: firstly, decreased development funds, and secondly, there was a surplus of money without coverage products and services at the price level of 1990..

Existing social sides in 1990 would have been converted into shares, thus constituting the embryo of the privatization in Romania. Simultaneously, thus not posing signal inflation in our country by disrupting the relationship between the low volume of goods and services, on the one hand, and money supply particularly large available to the population in the short term, at the time, the the other part. On the basis of such situation, the legislation regarding trading companies, although positive in its essence, could not only create the affirmation of free enterprise and market economy mechanisms, which, however, in the absence of domestic capital real and consistent, not could generate large developments. Maintaining a long period of mixed structures of the economy by the coexistence of private sector in training, accounted for almost exclusively by small and medium enterprises, a sector state or mixed to the major business units, subject in turn of successive tumbersome formulas privatization was not capable to conferr on the national economy, the positive trend that was assumed by the reform process. On the contrary, as time passed and under the impact of economic policy measures, especially tax large economic units were capitalized and depreciated so that their privatization has become, regardless of the method envisaged, difficult or, at best formed in derisory conditions. Simultaneously, the private sector, represented by small and medium enterprises, faced in turn with the same measures, recorded after the initial effervescence same process of disinvestment and decline.

Illustrative regarding this phenomenon is the contribution of the private sector from the state budget and state social insurance budget, contribution which in 2014 was over 64.3% , 63.9% in 2015 and in the first seven months of 2016 was 64.3%.

In the process of privatization it can not be putted the problem of massive loans considering that the national currency is expensive, positive real interest rates charged by commercial banks are very high, and investments can not only bring benefits in a future period. It is understandable therefore why even those with great desire and ability to participate in the privatization process blurs their ambitions and thoughts, seeing the danger is in such a perspective.

It is therefore of utmost importance as now, the process of privatization, reform and economic restructuring to go to the actual analysis of the current situation on the capital market in our country, characterized by a lack of attractiveness for foreign capital that is intended to be invested in Romania, as well as lack of funds faced by operators in our country. In the long term, it is inefficient that the amounts resulting from the privatization process to be used as revenue to the state budget instead of being concentrated in funds to provide refurbishment and preparation of companies for privatization.

Of course, it is much easier to do the same, but the danger is that our country is drained and more financial resources capable of being used in the privatization

process. It should be also noted that practically all major privatizations have high work volumes included or open to the prosecution. Not to mention some files that were closed by the holy “prescribing” the facts.

Conclusions

In this article, we have analyzed what was until now and less of what will be. In the context of developments in the period 2000-2016, it is feared that it will still be difficult to recover “ the drifting boat” called national economy. Foreign investment will depend on the perspective of the “new government” to have a national economic recovery program and the existing internal resources, tax exemption for reinvested profit etc. There is a danger to consume small financial reserves that exist to increase public debt reduction and degradation in the long term, some components of the wealth, so to further restructure of the national economy to become more difficult, if not impossible

It requires the development and implementation of a system to support the private sector in case of small and medium enterprises through measures such as:

- improvement of legislation in the field of attracting foreign capital investment, providing outstanding facilities and government guarantees for those who come with major projects of interest to the national economy of Romania, and targeted amounts to be invested are millions of euros
- to take into consideration that privatization of some infrastructure elements or of companies, which, even if they are in financial difficulty, is by providing financing sources, potential for production in the future, be prepared and to create the conditions of a real competition in their privatization;
- for domestic capital it is of utmost importance to create conditions for attracting major investment profits obtained by creating tax incentives;
- should consider the possibility of financing, granting of loans on favorable terms, especially European funds.

In fact, investments realised by Romanian entrepreneurs, resulting in objective, represents the creation of national wealth, so there is no danger if, in judicious conditions loans are granted. Even if these loans could not be redeemed, if the projects were well designed, they can be taken over and further developed.

Such measures must be accompanied by a package of programs to increase productivity and efficient involvement of the working population in the project, necessary and profitable for individuals and for society. It is difficult to quantify now, how they will be allocated sources for investment or will be attracted foreign ones. It remains the area on which it should be given more attention to strengthen and protect domestic capital, who can provide an evolving concrete development of the country.

Bibliografie

1. Aguiar, M., Gopinath, G. (2007). *Emerging Market Business Cycles: The Cycle Is the Trend*, Journal of Political Economy, no.115, pp 69-102
2. Aisen, A., Veiga, F.J. (2013). *How does political instability affect economic growth?*, European Journal of Political Economy, Volume (Year): 29 (2013), Issue (Month): C, pp. 151-167
3. Anghel, M.G., Anghelache, C., Stanciu, E., Popovici, M. (2016). *Fundamentarea deciziei de investiții / The substantiation of the investment decision*, Romanian Statistical Review, Supplement, no.8, pg. 85-93/94-103
4. Anghel, M.G. (2013). *Modele de gestiune și analiză a portofoliilor*, Editura Economică

-
5. Anghelache, C., Manole, A., Diaconu, A. (2016). *Evoluția investițiilor de capital autohton / The evolution of the Autochthonous capital investments*, Romanian Statistical Review Supplement, Issue 4/2016, pp. 21-28/29-36
 6. Anghelache, C., Anghelache, G.V., Sacală, C. (2016). *Aspecte generale privind evoluția investițiilor de capital în România / General Aspects on Developments in Equity Investments in Romania*, Romanian Statistical Review Supplement, Issue 4/2016, pp. 74-82/83-90
 7. Anghelache, C., Jweida Ihab Jweida SL, Popovici, M., Stanciu, E. (2016). *Analiza corelației dintre investițiile străine directe și export / Analysis of the correlation between direct foreign investment and export*, Romanian Statistical Review, Supplement, no. 10, pp. 71-77 / 78-84
 8. Anghelache, C., Manole, A. (2015). *Unele fundamente teoretice privind corelația dintre Produsul Intern Brut și investiții*, ART ECO - Review of Economic Studies and Research, Vol. 6/No. 1, pp. 10-14
 9. Anghelache, C., Armeanu, D. (2008). *Modele de evaluare a proiectelor de investiții publice*, Romanian Statistical Review, Supplement, Trim IV, pp. 10-19
 10. Baxter, M., Kouparitsas, M.A. (2005). *Determinants of business cycle Comovement: a robust analysis*, Journal of Monetary Economics, 2005, 52 (1), pp. 113–157
 11. Ebner, A., Bocek, F. (2015). *Best Practices as to How to Support Investment in Intangible Assets*, WWWforEurope in its series WWWforEurope Working Papers series with number 101
 12. Gennaioli, N., Ma, Y., Shleifer, A. (2015). *Expectations and investment*, National Bureau Of Economic Research Working Paper Series issued in June 2015, Cambridge
 13. Greenwood, R., Shleifer, A. (2014). *Expectations of Returns and Expected Returns*, Review of Financial Studies 27, no. 3, pp. 714-746
 14. Eckhardt, B., Nunnenkamp, P. (2007). *Does Foreign Direct Investment Promote Regional Development in Developed Countries? A Markov Chain Approach for US States*, Kiel Working Paper No. 1374, 2007, Kiel Institute - Working Paper No. 1374 | 2007, pp. 3-30
 15. Justiniano, A., Primiceri, G.E., Tambalotti, A. (2010). *Investment Shocks and Business Cycles*, Journal of Monetary Economics, 57, pp. 132 – 145
 16. Okhrimenko, O., Manaenko, I. (2014). *Determinants Of Investment Support: Principles, Mechanisms, Efficiency*, Economics of Development, Volume (Year): 69 (2014), Issue (Month): 1, pp. 34-40
 17. Popielas, M. (2012). *Harmonization Of Investment Services In The European Union - The Example Of Investment Funds*, Oeconomia Copernicana, Volume (Year): 3 (2012), Issue (Month): 1 (March), pp. 73-88
 18. Radev, Y. (2014). *Economic Growth and Resource Amenity*, University of National and World Economy, Sofia, Bulgaria in its journal Ikonomicheski i sotsialni alternativni, Volume (Year): (2014), Issue (Month): 2 (June), pp. 18-32