The Decline of Capital Investments in Romania

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Abstract

In countries like Romania, which was in the process of transition to a market economy, the need to attract investment in areas that are amenable to develop objective is a necessity. Romania, like other Eastern European countries, has inherited an integrated industrial development capacities, working interdependently and ensured the production at a level more or less necessary products, the internal market and a surplus for exports to markets that support the quality of the products in question.

In the context of developments recorded in 2000-2012, there is fear that it will still be difficult to recovered 'Ark adrift', named for the national economy. In fact, foreign investment will depend on the prospect that the 'new Government' to have an anti-crisis program, the recovery of the national economy, and the internal resources of the existing exemption from taxation of reinvested profits etc. In the immediate perspective, there is a danger to be consumed and little financial reserves that still exists, to increase the public debt, reduction and degradation in the long run, some components of national wealth, so that the further restructuring of the national economy will become even more difficult, if not impossible.

Key words: investments, foreign capital, domestic capital, evolution
1. The general framework

Social and economic results achieved by Romania in late 2011 highlights an unprecedented fall. The indicators on the basis of which it can assess, economic evolution marks an uptrend against the previous periods.

The National Bank's foreign currency reserves have seen a slight increase, being reasonable at the end of 2011, by attracting an existing currency amounts from the population.

A simple calculation leads to the conclusion that at present, the population is nedepusă in bank accounts, the amount of about eight-nine billion US dollars.

Given that the exports will maintain at a high level, keeping the trend manifested itself during the year 2011, the trade balance and the balance will continue to remain deficient and not attractive measures will be undertaken leading to attract existing currency bank accounts from the population, completion to ERS rambur due in 2012 will be a bit more difficult and we take on ¬ ¬ mu turi or rescheduling payments arrive at maturity, even though it will not be difficult to obtain, will strike the efforts to implement the measures envisaged in the programme of Government.

This last measure (obtaining new loans or rescheduling the due) will depend on the way in which Romania will act in the process of integration into the European Union will depend on both the European funds and attracting foreign direct investment, as well as Romania's relations with the International Monetary Fund and the World Bank, which are embodied in the loan agreements. To illustrate the above, point out that since 1990 and until now there has been a steady trade balance deficit.

In the circumstances presented, there is virtually too many life-saving measures. Among them: attracting foreign capital investment in Romania would be desirable, but the uncertainty of the Romanian economy and the lack of a coherent legislative framework do not encourage foreign investors. In terms of economic recovery on the capital investments, we mentioned investment attraction of foreign capital because of the prospect of significant growth of real capital autoh-ton is more difficult to believe that he would be the optimal solution.

In a situation where it was, no private companies that consolidated will no longer appear able to engage in the privatization process due to a lack of financial sources. You cannot use any credits for investment in the form of capital, not only because of the legal provisions, but also due to the high interest rates charged by commercial banks.
In this context, attracting capital and domestic and foreign investment is a real evolution in any economic situation, both in Romania and in the world, and in Europe in particular.

It is easy to understand that major foreign investments would have the effects: replacement loans must resort to Romania; autonomous public corporations and companies upgrading; introduction of a new management model; ensuring qualification and retraining of staff; the use of external market segments of those who invest, thus eliminating foreign competition; raising the quality of production and, last but not least, the decentralization of activities and the development of market economy.

2. The main aspects of the evolution of investments

As is known, the renewal of fixed funds, their improvement, development of new production capacity equipped technological requirements internationally is the priority for any economy wishing to remain in balance and to enroll in a constant process of development at the macro level.

In countries like Romania, which was in the process of transition to a market economy, the need to attract investment in areas that are amenable to develop objective is a necessity. Romania, like other Eastern European countries, has inherited an integrated industrial development capacities, working interdependently and ensured the production at a level more or less necessary products, the internal market and a surplus for exports to markets that support the quality of the products in question.

Since 1990, began a comprehensive process of transformation of the Romanian economy from one super-nationalized in a market economy. The idea is not only beneficial, but vital for the assurance of a new industry of Romania to retrigger. From these intentions to concrete ways through which an attempt was made in the implementation of economic reform and privatization is a bit longer.

Remember that in 1990 they issued two assumptions which, in combination, give an overall picture of the level of the Romanian economy during that period, being also in the theses of the strategies of reform, restructuring and privatization developed later.

On the one hand, he spoke of the 'Agriculture' and record productions with many other criticabile aspects, making the 'big bet' with agriculture.

At twenty-three years after the release of this bet, you can find with great disappointment and growing concern, the fact that this market was not abandoned, but basically shattered by a reality that makes agriculture have
regressed, in all respects (agrotehnici, results, etc.), up to a comparable level, possibly with the interbellum.

On the other hand, the industry has argued that it would be axiomatic 'a bunch of old beasts', the fruit of a 'megalomanice'. Now we find that these beasts are old and rusted, terribly without that in place to be implemented something special, in the spirit of the art of the end of the Millennium.

An important aspect, which should have been borne in mind by those who have taken over the destinies of the national economy, it was the need to continue, finish and give the developing investment achievement at that time.

Unfortunately, in many such cases, the works were interrupted, delayed or cancelled, inducing both large losses of the undertakings concerned and the economy as a whole. Against this backdrop, the evolution of investments has been different from other sectors of the national economy.

Thus, in a first step after 1990, it was noted a drastic decrease in investment funds broken down by centralized, private capital cannot fill the germs the gap left by the discontinuation of activities and nealocarea of new monies from the State budget in this area.

Of course, this is a feature of the market economy, but in this way they wasted many resources within the framework of investment projects in the making.

In a second step, it is found that the resources created in the process of privatisation have been directed to the investment process that could be sustained under the tax legislation more stimulating.

Against this backdrop, the volume of investments, even in conditions of economic crisis, domestic and international, has remained at a constant level, with slight increases from one period to another, until 2008, when they triggered the crisis.

Is the fact that investment funds were directed to the imports of machinery, thus neglecting the Romanian industry's ability to become competitive by retooling in the foreign market.

Under these conditions, the Romanian industry, recovery of the economy in general, in the context of the legalities and the demands of the market economy, not only remains a desideratum, but it appears that the level of degradation, both of great industries and other sectors of activity, is exacerbating this process perpetuates the irreversible trend. So the trend, and the share of investment for fixed assets compared to those allocated to the construţiiilor. The main investments made in the period under review have been directed to the manufacturing industry, thermal and electrical industry,
agriculture and the tertiary sector (trade, post and telecommunications, public administration).

The investments in the public sector, whose main target is the infrastructure works, were oriented mainly towards areas of national interest: electricity, mining and quarrying, manufacturing industry, but also in the field of postal and telecommunications administrations. The pace of growth in programs of European interest and the share of investments for machinery. Investments in the private sector, and growing, they were oriented mainly towards the purchase of transportation equipment, mostly imported. In this sector, the investments were directed specifically at the tertiary, particularly in the area of trade.

3. The factors of influence on the volume of investments

An extreme example of meaningful in this regard could be programmatic, objective high acuity and timely, which were subsumed by the political class, and decisions approaches efforts of sacrifice, that Romania's accession to the economic and political structures in Western European countries, the European Union and NATO.

In the context of the new geopolitical and economic situations in Europe, joining these structures represent, even making the theme abstraction anyway seriously embellished, 'Romania's reintegration into Europe', a concept in objective determinations, with profound economic and political, as important and much desired by either. Modalitatea de abordare a problemei aderării, de către România, pe de o parte, și de către cele două structuri, pe de altă parte, a fost însă diferită.

It is easy to understand that both NATO and the European Union have agreed in their Entourage a country-Romania-who have economic stability, to have an infrastructure well made point and also to have a quiet internal political and social tension checked and guaranteed they will be clearly stated performance criteria, valid for all candidate countries.

These criteria are of necessity a causality relation, meaning that their performance leading to accession, which, in turn, has become a prerequisite for a better stability and in terms of economic, political and social, which are possible new developments of the structure, superstructure and infrastructure of the country. Consider că a fost greșită opinia celor care au crezut că integrarea României în Uniunea Europeană și în NATO este un fel de panaceu pentru toate problemele și numai în al doilea rând s-au gândit la dezvoltarea infrastructurii și a celorlalte activități macroeconomice.

Have been talking the situation created after the year 1990 in the following way: the process of economic restructuring he could not fail to have, there's no doubt, as a first consequence, the emergence and rise in the
unemployment rate. From here, new problems for Romania, which was not accustomed to use, officially, the word unemployment benefits. In parallel, there has been created embryo inflation, of fall national currency, highlighting the sharp precarious quality of Romanian products whose access to European markets has become increasingly difficult, and general economic decline has become inevitable.

In this context, the strategy of forcing, only about politics, penetration in the European Union and NATO was the only option. Anyway, today Romania is in NATO and from 1 January 2007 and in the European Union. However, feeling and what is to come of those "two accessions", especially in the context of policy promoted by the new president of Romania, a retrospective review of the space of twenty-three travelled makes sense, if only to archive.

I think he was more fertile if it is stretched from the fact that employment readily available, meanwhile blanket unemployed persons, could be used with high efficiency in order to achieve at least one of the accession criteria, namely development of infrastructure in our country.

The State, as the owner of industrial activities, such as: cement production, bitumului and other products necessary for the development roads, roads, etc., including the necessary machinery, he would have been able with maximum ease, immediately after 1990, To change to use the labor 4,200 employees and further improve this element of infrastructure.

What would have happened?

In the first place, a number of commercial companies or autonomous organizations, which either have been privatized on amounts were questionable, be entered into difficulties of production and of financial resources, would have been very profitable by harnessing and exploiting a large quantities of products. Thus, at least of the cement factories in Fieni town, Hoghiz, Medgidia and other activities should be carried out with a high profitability, which would have been of such a nature as to create, through profits made, sources of income to the state budget.

On the other hand, the use of employment made available for construction of these infrastructures would be react state social security budget for the payment of significant amounts of money, in the form of unemployment benefits or allowances and other amounts which are offered population removed from the labor market.

Of course, in this way, he would have become more easily digest and passage of a substantial number of persons from the scope productive activity, mining, etc., which, with time, are no longer effective, in the
course of their work on the development of infrastructure, By means of an
efficient and effective process for the conversion of the labor force.

In these circumstances, it would have been easy for Romania to have
the benefit of a particular infrastructure, they have absorbed the majority of
unemployment created and thus to be confronted with fewer socio-economic
problems.

In such a situation, it would have been easy to assume that the
European Union and NATO, especially concerned to be present in the area,
it would be appreciated that Romania has an infrastructure worthy of envy
and would be thought of very fast that it takes to attract Romania in EU
member countries and the NATO, so as to create conditions for the Republic
of Moldova, Ukraine, Turkey and the Asian region.

But those developments have not been recorded, being probably
more efficient privatised sectors of cement production, production of
bitumen, etc., on the amounts that can be again discussed at any time, thus
creating great difficulties for the restoration of infrastructure in our country.
Because of this, I was left 'to the end'.

It is easy to assume, that the countries of the European Union have
thought in terms of Romania's acceptance into the EU structures, often
making it possible to postpone making a decision. At the decision-making
levels of the European Union, Romania's accession was in private terms.
These groups of countries have realized that Romania's entry will require
substantial financial efforts on their part to modernise the infrastructure
items only, and Romania is not ready to have access to such funds.

No one believes that the privatization of infrastructure is a bad thing.
Worse is the fact that, from 1990 to the present, no infrastructure was
privatised, but neither has been modernized by using internal resources
which our country had plentiful.

Turning to the substantive issue, the reform and privatization in
Romania, no it's not hard 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 is a necessity.

Therefore, the privatization of certain sectors of activity should be
done only when the conditions have been created for this process to be done
effectively and profitably for macro-economic system.

Unfortunately, some enterprises producing for export, have been on
a slow but irreversible, abandonment, given the currently large debts to the
State budget, social insurance budget and the other Kings. Others were
privatized in great haste, with limited participation of foreign investors,
without a competition, so the amounts collected are not at the level that
would have required the performance of such companies or 1900, not to mention privatisation missed due to a lack of credit has some investors insufficiently check (you could appreciate the fact that the process of degradation of some enterprises was the result of 'intentions' to bring them under the 'zero' value and then privatize the whose property 'must').

It is easy to give examples, such as: IMGB, DACIA, ROMTELECOM, ROMCIM, the infamous TEPRO, privatisation of Resita steel plants, Galați, Hunedoara-see now what book the evolution of these privatisations-, not to mention about a number of factories producing chemical fertilizers whose privatisation has not meant a qualitative leap for special productions and the recovery of such companies, but their liquidation. Many privatisations have been, ultimately true exercises. Now, to get rid of the 'crisis' trauma, trying, in the words of the IMF, to introduce private management or to privatize quickly and past Kings (enterprises) of the State (energy, railways, mining, etc.).

In this context, we appreciate that it is not yet late to take necessary measures to enhance the attractiveness for those interested and with the financial means to participate in the privatisation process or to invest, together with partners in our country, to ensure balance and, especially, the prospect of relaunching activities through internal investments and/or external.

4. The evolution of foreign capital investment

I mentioned above, as a vital solution for halting the economic decline and the strengthening recovery process, attracting foreign capital investments in domestic capital appreciation perspective about the real you can't talk too much.

Development of the domestic capital investment on behalf of bank credit may not be taken into account, both because of the legal provisions in force, as well as due to the high level of interest and, why not, due to the very crisis that looms ever more evident in the banking system.

In this context, attracting capital and foreign investment is the only way the real evolution in any economic situation, both in Romania and in the world in general and in Europe in particular. Unfortunately, and in this area he has done little, and in many cases it has taken something he accomplished just the opposite.

National legislation and fiscal policy were the two major obstacles to the entry of foreign capital in the market system's ™ româ. After things were arranged somewhat and a number of foreign investors have expressed a desire to place investment in Romania, another bomb exploded. In balancing the budget, will not mean the rectification, to bring additional
revenue was kind of resorted to the simple arithmetic. IE has added something to the excise duties, VAT has been introduced to some transactions, etc., without having to do a thorough analysis and to try a simulation, in order to see the impact of measures taken. Bitter conclusion will be:

- investors may take a long time for analysis and tries to do oversight expectations;
- measures have the desired effect, on the contrary, to reduce its consumption, therefore decreased exports, and prospective investors have balked;
- State budget revenues come from excessive taxation and no concrete economic income; • external image is affected, and our expectations are removed;
- new quality of Romania's membership of the European Union changed the problem somewhat but still remains in our task to prepare thoroughly the projects from which to access the funds that we have.

It is clearer than ever that the need for capital for Romania is vital, in the context in which the foreigner, a wide variety of reasons, but also because of a law that is not exactly appropriate, exhibit great restraint in a massive flood on the Romanian market.

Foreign direct investment in 2009, due to the negative impact of the crisis, were of only 3.512.610, 5 million euros in 2010, 6 million and 3.914.440 3.329.432, 4 million euros in 2011. In the first six months of the year, foreign capital investment in Romania was 1.261.260, 4 million euros.

Direct investment from overseas residents fell in 2011 compared with 2010.

Therefore, it is hard to imagine why in 2009-2011 have not taken other measures in line with foreign investors, enhancing the social and political situation has been a barrier in the path of those who would be cutezat to invest in our country.

There must be no deductions for the purpose of legalising the incentives for attracting foreign capital and encourage domestic capital, because everything you invest in Romania by the Romanian companies, regardless of the origin of the subscribed capital, constitute the national wealth.

It was greatly restricted the scope of the countries in which it has invested in Romania.
Registrations of commercial companies with foreign participation in the subscribed share capital, in 1991 to June 2012

<table>
<thead>
<tr>
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<th>Valoarea capitalului total subscris exprimată în:</th>
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<tbody>
<tr>
<td></td>
<td>monedă națională</td>
<td>struktură</td>
</tr>
<tr>
<td></td>
<td>mii lei (RON)</td>
<td>- % -</td>
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<tr>
<td>TOTAL</td>
<td>177252</td>
<td>100,0</td>
</tr>
<tr>
<td>1991</td>
<td>5499</td>
<td>3,1%</td>
</tr>
<tr>
<td>1992</td>
<td>11765</td>
<td>6,6%</td>
</tr>
<tr>
<td>1993</td>
<td>10583</td>
<td>6,0%</td>
</tr>
<tr>
<td>1994</td>
<td>11053</td>
<td>6,2%</td>
</tr>
<tr>
<td>1995</td>
<td>3480</td>
<td>1,8%</td>
</tr>
<tr>
<td>1996</td>
<td>3630</td>
<td>2,1%</td>
</tr>
<tr>
<td>1997</td>
<td>5251</td>
<td>3,0%</td>
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<tr>
<td>1998</td>
<td>8801</td>
<td>5,0%</td>
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<tr>
<td>1999</td>
<td>7383</td>
<td>4,2%</td>
</tr>
<tr>
<td>2000</td>
<td>8567</td>
<td>4,8%</td>
</tr>
<tr>
<td>2001</td>
<td>7175</td>
<td>4,0%</td>
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<tr>
<td>2002</td>
<td>7518</td>
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<tr>
<td>2003</td>
<td>6609</td>
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<tr>
<td>2004</td>
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<tr>
<td>2005</td>
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<td>2007</td>
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<td>2008</td>
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<tr>
<td>2009</td>
<td>6801</td>
<td>3,8%</td>
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<tr>
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<td>6302</td>
<td>3,6%</td>
</tr>
<tr>
<td>2011</td>
<td>6377</td>
<td>3,5%</td>
</tr>
<tr>
<td>I–II-IIIIV. 2012</td>
<td>2997</td>
<td>1,6</td>
</tr>
</tbody>
</table>

Note: column 1 is the number of registrations of the respective period, data on issued share capital comprise capital subscriptions to the registration of companies in the reference period to which have been added to capital increases and low social capital subscribed of firms removed from the trade register, during the reference period.

Data source: National Institute of statistics

Throughout the period after December 1989, and so far have invested 33.741.384.800 euros, which does not mean too much in the context in which such participation is not, in fact, payments in foreign currency, but other shares in the form of submissions and, most times, capital in nature.

The year 2012 has highlighted the fact that the investments of foreign capital in the form of participation in the registration of new companies have moved slowly, or are 'scope' drop in an ocean.

Thus it is surprising retention of traditional countries such as the USA, which have invested just in companies in Romania.

The neighbors, outside Hungary, Turkey and Moldova, and the slender participation, with other countries are virtually absent.

If the countries of Eastern and central Europe, faced with the problems of transition which it passes themselves, one can find a logical explanation of the phenomenon, for countries such as Greece, where 'they
went' fleet and communications system, a low share in total foreign investment capital in these years is likely to raise some question marks.

Between them stands the Arab countries, who, though holding a large share in terms of number of companies registered in their own name above, totalling together under 3 of the total foreign capital invested. This explains a number of negative phenomena (evasion, money run outside, the deployment of the spurious and apparently unprofitable activities etc.).

If we compare the trade deficit, pre-empting the exports imports, with total investments in the form of equity in the company, it is easy to see that, through a thoughtless, unbalanced activity, more than 90 of the total investment went on the water slipping away, by practicing a foreign trade total unbalanced.

The situation is interesting, and if we take into consideration the manner in which they have registered the newly established companies in 2010-2012, in territorial aspect, in Romania.

We find that in a number of counties, including Taichung, Vaslui, Bacău, Romania, Buzău, Teleorman and others, these investments, in the form of issued share capital in foreign currency in the formation of a new company, are missing or are at a very low level of the total of such investments.

There are some exceptions, such as the municipality of Bucharest, Ilfov, Prahova, Timis, Cluj, Brașov, Constanța, that sign up with significant participation by subscription capital formation and shedding of shares in foreign currencies, but the situation is totally inadequate in the general context.

There is no appearance that 'great investors' coming from developed countries are, often, Romanian citizens are established in those countries. Next, in this way, native country, regardless of their motivations, it is commendable in itself and worthy to be encouraged, but in relation to the content and objectives of foreign capital investment in Romania, the results are far from producing effects sperate.

It is also reported that, through such investments, Romania has not been able to find a source that ensures at least maintaining, if not resuscitating its industrial development.

If we compare the level of investment of foreign capital through the establishment of companies in our country with other countries of Eastern and central Europe, we find that Romania is in the tail of this ranking.

This is a new proof that must be rigorously question of how is rearranged and forwarded this activity.
5. The evolution of the domestic capital investment

I have spoken so far of how investments have been carried out by foreign capital in our country. This does not mean that you have neglected local investment attraction. Although the Romanian capital had to be given increased attention, in fact, investing domestic capital has been stopped because of lack of financial means, the impossibility of participation of natural or juridical persons Romanian on some projects, either independently or in collaboration with foreign companies. Unfortunately, either in populism, either from nepolitism, since 1990 he stepped with the wrong foot in this area. So, for example, the famous 'shares' (about 38 billion in 1990, or about five billion u.s. dollars) went in the sphere of production automatically (as a source of funding) in the sphere of consumption. This was achieved against the backdrop of lack of productive activities and the necessary population products stocks, which had a double negative effect: firstly, decreased funds for development, and secondly, it has created a surplus of monetary mass without coverage in products and services at the price level of 1990.

Shares in 1990 would have been converted into shares, thus constituting the embryo privatization in Romania. At the same time, in this way, it gave the signal of inflation in our country by disrupting the relationship between low-volume products and services, on the one hand, and particularly large money for arranging short-term population, at the time, on the other hand.

Amid such a situation, the law relating to companies, though positive in essence, could not only create the affirmation of free enterprise and market economy mechanisms, which, however, in the absence of a real and consistent domestic capital, could not generate far-reaching development.

Maintaining for a long period of a mixed structure of the economy by the coexistence of the private sector in training, represented almost exclusively by small and medium enterprises, with a State or district level joint major economic units, subject to, in turn, to the forest and successive formulas of privatization, was not such as to confer on the national economy as a whole, to that positive trend assumed reform process. On the contrary, as time and under the impact of economic policy measures and especially the major economic units, have been devalued and decapitalize, so their privatization has become, regardless of the method envisaged, difficult or, in the best case, the ridiculous terms achievable.

At the same time, the private sector, represented by the small and medium enterprises, in turn, faced with the same measures, after the initial period of effervescence, the same process of decapitalize and regression.
Illustrative in terms of this phenomenon is the contribution of the private sector from the State budget and State social security budget, which in 2011 was over, 61,3 first six months of the year 2012 of 61,7.

In the process of privatisation is no problem cannot be placed inside the massive loans, call as long as the national currency is expensive, real positive interest rates charged by commercial banks are very large, and may not bring investment income than in a future period. It is understandable therefore why even those with great desire and skill to participate in its privatization process blurs the ambitions and thoughts, seeing the danger that lies in such a perspective.

Therefore, it is of utmost importance as now, in the final hour, as the process of privatization, reform and restructuring the economic to leave the actual analysis of the current situation on the capital market in our country, characterized by lack of attractiveness for foreign capital that is meant to be invested in Romania, as well as by the lack of financial resources faced by businesses in our country. In the long run it is inefficient as the amounts arising from the privatisation process to be used as revenue to the State budget, instead of being concentrated in funds that provide upgrading and training of companies and 1900 for privatization.

Of course, it's much easier to proceed in this way, but there is a danger that our country should be drained and more financial resources suitable to be used in the process of privatization. Would be to note that practically all major privatisations have great volume, included in the open, or Parquet. Mention of some files that were closed by the 'prescription' of the facts.

A number of significant issues relating to investments by domestic and foreign capital have been addressed extensively in chapter one, being superfluous to repeat here these items.

6. Perspective of the evolution of investments in Romania

In the context of developments recorded in 2000-2012, there is fear that it will still be difficult to recovered 'Ark adrift', named for the national economy. In fact, foreign investment will depend on the prospect that the 'new Government' to have an anti-crisis program, the recovery of the national economy, and the internal resources of the existing exemption from taxation of reinvested profits etc. In the immediate perspective, there is a danger to be consumed and little financial reserves that still exists, to increase the public debt, reduction and degradation in the long run, some components of national wealth, so that the further restructuring of the national economy will become even more difficult, if not impossible.
Therefore, in the current state of crisis, it is necessary to design and implement a system to support the private sector, in particular small and medium enterprises.

In this direction, it is necessary to take measures, such as:

• improving the legislation in the field of investing for foreign capital, offering exquisite facilities and Government guarantees for those who come with major projects of interest to the national economy of Romania, and amounts referred to be invested to be millions of dollars;

• secondly, it should be noted that the privatisation of infrastructure elements or even some companies that, even if they are in financial difficulty, is by providing funding sources, production potential in the future to be prepared and to create real competition in terms of privatization;

• for domestic capital, is of utmost importance to create conditions for attracting investment into major profit by creating tax breaks;

• all for stimulating the investment of capital, it must be borne in mind the possibility of financing, of granting loans in favorable terms and especially access to EU funds.

In fact, the realization of the investment materialized in the Romanian entrepreneurs, is the creation of national wealth, so there is no danger if, under such conditions as they shall be granted credits. Even if these loans would no longer be able to be returned, if the projects were well thought out, they can be taken up and further developed.

Such measures must be definitely accompanied by a package of programs aimed at increasing labour productivity and efficient inspection involves the population in activities which are useful, necessary and profitable for both individuals and society. It is difficult to quantify right now, in economic crisis, how it will be allocated to the sources for investments or foreign ones will be attracted. Remains the field which must be given the utmost attention in order to find the way out of the crisis.

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