THE EUROZONE IN THE CONTEXT OF NATIONAL UNITY AND THE PRINCIPLES OF GLOBAL DEMOCRATIC SOCIETY

Otilia P. MANTA, Lecturer PhD
Athenaeum University of Bucharest;
Scientific Researcher, "Victor Slăvescu"
Centre for Financial and Monetary Research of The Romanian Academy
otilia.manta@rgic.ro; otilia.manta@icfm.ro

Abstract: Currently, the Eurozone (ZE) is in the midst of a large cyclical growth. Higher exports and improved expectations have prompted firms to invest more in equipment, as capacity utilization has been exceeded for some time and continues to grow and funding costs are very low. However, recent indicators, as well as industrial output, were surprisingly little affected and there were some turmoil in the financial markets, which suggests caution. The ECB will probably end its asset purchase program by the end of 2018, but it will only begin to raise interest rates in 2019. Fiscal policy in the euro area is less expansive this year, and France and Germany expect a notable fiscal stimulus for 2019. Overall, experts estimate Eurozone GDP will grow by 2.2% in 2018 and 1.6% in 2019. The accelerated wage dynamics will, together with the higher pricing powers of firms and the recent rise in oil prices, cause 2% in 2019. Uncertainty is, however, substantial, because a slight slowdown cannot be excluded, which would also affect the dynamics of inflation. The transition to the euro area of the countries of south-eastern Europe will create a new challenge for the European space. The question is whether these states are fully prepared to switch to the euro? more at what parity of foreign exchange will this passage be made? how will national economies and the European economy be affected? These are some of the questions that we want to answer in this paper.

Keywords: Eurozone, sustainable development, SMEs and financial stability
Jel Classification: E44, E52, Q01

Introduction

Significant global growth, as well as trade, are jeopardized by global conflicts, as the world economy is booming. In 2017, production in the US, the eurozone and Japan expanded much faster than potential, and this year, production gaps will be positive in all three economies, according to the OECD's economic forecasts. China's growth rate in 2017 was for the first time this decade higher than in the previous year, and China's economic activity in the first quarter of 2018 was just a little less dynamic than before. Global growth is driven by investment: the gross fixed capital accumulation of private G7 economies rose in the last quarter of 2017 to around 5% (year on year). Since investment goods usually have a high import content, it is not surprising that world trade has been booming during the winter. As a further sign of the rise in activity, the prices of raw materials, oil and many metals in particular have been on an upward trend of about a year, which helps the major producers of these goods, such as Russia and Brazil. Basic inflation rates are generally moderate.

Methods and methodology

The methodology of the paper will have as direct instruments the collection of data and information from the literature and from the existing practice in public and private institutions, but especially scientific articles published on specialized research networks (ResearchGate, Academia.edu, etc.), articles published in different journals, relevant books in the field of reference, legislation, analyzes and studies, official documents of various tax bodies, tax documents and interactive database of the Federal Banks and Central Branks, other relevant sources identified at the libraries: CCFM, Academia Romanian, INCE, IEN, BNR, National ad International Library, INS, etc. Moreover, in the methodology we will analyze the documents using the comparative, analytical, descriptive method, nonparticipative and participatory observation, the use of a set of informational sources, the collection of financial data in the established databases. Also, the paper will be based on annual reports, publications, consolidated statistical data provided by the Federal Banks, the European Central Bank (ECB), the International Settlement Bank (BRI), World Bank, CGAP, CFI, the European Commission, OECD, published annually, data to be processed in order to be able to provide a general and analytical picture of the most important changes taking place in the globally – cons idered representative for the understanding of the phenomena studied.

The balance sheet is the picture (synthetic accounting document), which contains, in a synthetic form and value expression, data on the patrimonial economic means, the sources of their constitution as well as the results of the activity of the economic agents at a given moment, being a rich source of information for the analysis and control of the economic and financial situation, in order to substantiate the decisions regarding the orientation of present and future activity.

In order to capture real cash flows, the financial practice has drafted the balance sheet based on the balance sheet and the results account. In the context of financial stability, the purpose of drawing up the financing table is to explain the formation of the working capital and its relation to the cash balance by means of the cash flows (receipts and payments) of the year ended and determined mainly on the basis of two successive balances. The first part of the financing table analyzes how to use the working capital in ensuring the functional balance between the cyclical elements of the balance sheet (uses and cyclical resources) and the monetary balance between receipts and payments.

In summary, the financial table shows the flows of financial resources mobilized by the company from self-financing (domestic), capital contribution and external (loans), their use for investments and repayment of loans. The achievement of the new financial balance (inherent to financial stability) requires the substantiation of the financial indicators through the elaboration of the revenue and expenditure budget, which is the financial program of the company, by means of which the revenues, expenses and financial results of its activity .

In order to achieve financial stability, the main tasks of the Treasury are to provide and secure various treasury incoming and outgoing flows, to ensure liquidity of the firm, to evaluate different types of placements and to place treasury surplus, to establish the treasury budget and to predict the treasury. So, monetary flows are being assessed, predicted. Treasury inputs and outputs are difficult to predict. Companies typically conserve the proceeds with precaution to meet unforeseen fund demands.

Forecasts of cash availability are important in order to dimension the future development of the firm's ability to pay. This forecast is based on the treasury plan. Financial equilibrium can be dimensioned by mathematical models, but it should not be limited to these in order not to ignore the qualitative factors that cause endogenous variability. Analysis of the financial equilibrium at one point can be made using rates calculated on the basis of balance sheet data. These rates are instruments for measuring the financial situation at a given moment, their interpretation allowing to assess the state of equilibrium and to anticipate its future evolution; rates do not provide information about the operations that have led to equilibrium.

The tracking and analysis of the financial balance can also be achieved with the investment and financing plan. Undoubtedly, the financial equilibrium presents complex issues, the financial forecasting aiming at building the financial balance in its functional, quantitative form. Stability and financial equilibrium also imply some qualitative aspects, taking into account its structure, which aims at the optimal proportionality of fund allocations.

In contrast to the Quantitative Theory of Money, the financial instability hypothesis considers banking activity to be a profit-oriented activity; banks are seeking profit through their financing activities and bankers, as any other market economy entrepreneur makes full use of the vision that innovation brings profit; thus, bankers, for whom there is the generic term of financial intermediaries, even if they are brokers or dealers, are passive traders trying to turn into assets the existing liabilities in the market. This specific behavior invalidates the basis of the Quantitative Theory of Money, according to which there is a certain amount of money that cannot be changed at an economic level and whose speed of movement is sufficient to be considered constant; as such, there is a linear relationship between the supply of money and the price level; this relationship was described and explained by Irving Fischer (1933) and has the following form:

$$M * V = P * T$$

in which:

M = the monetary mass in the economy;

V = the speed of money circulation in the economy, considered to be constant for a developed economy;

P = the level of production in the economy;

T = price level in the economy.

Starting from this concept, three types of financial relationships can be identified between the assets and liabilities of a financial unit:

– contractual financial institutions are those that honor all payment obligations from own funds; the higher the financial side in the liabilities structure, the more emphasis is the contractual nature of the institution; floating-rate governments, floating-rate corporate corporations and banks are contractual-type institutions;

– speculative financial institutions are those for which there may be an accounting correspondence between the income account and the payment obligation, even if these institutions can not subsequently refinance immediately the own-account income account; these institutions have to run their passive accounts (for example, to create new liability accounts until those already in place reach maturity);

– for Ponzi-type institutions, operating income is insufficient to cover principal refinancing or interest charges; such institutions can sell or lend financial assets.

According to the first theory of the financial instability hypothesis, the real economy finances both regimes under which it is stable and unstable.

According to the second theorem of the financial instability hypothesis, periods of economic prosperity are continued by a transition from financial relations that ensure the stability of the macroeconomic system to financial relations that determine the instability of the system. From empirical observations and analyzes, in particular, after a period of economic prosperity dominated by a large number of contractual institutions, there has been a period of domination of a large number of speculative or ponzi economic units; moreover, if an economic system with a perceptible level of speculative institutions is at an inflationary stage and the authorities are trying to eliminate inflation by restrictive measures, speculative economic (and / or financial) units become Ponzi in which the situation continues, they can disappear from the market.

The hypothesis of financial instability is a model of a market economy that is not based on the fact that exogenous shocks can generate business cycles of a certain severity; the hypothesis states that:

– historically speaking, business cycles are shaped by the internal dynamics of the market economy;

– interventions and system regulations are designed and operate within reasonable limits.

As a conclusion of the above analyzes, the indissolubility of the relationship between macroeconomic and microeconomic at market level, which in fact represents the central functional aspect of the evolutionary process of the economic market (whether it is a national market, a regional market, process of economic integration or globalization process), creates the following determinations:

– the financial stability at the fullest level of expression, with the lowest levels of internal market risks, implies the financial stability of the two indissolubly linked media at the level of the evolutionary market;

– the financial instability of one of the two environments may repe resent a risk to be taken into account to generate financial instability in the other medium; it is not about certainty but only about the possibility that the openness of the market, in its current evolution, gives the possibility of other forms attracted to the absorption of shocks, respectively, with the same necessary aspects of financial stability, the risks can become considerably more small in terms of administrative capacity but also considerably higher in relation to the many sources generating risks and the multitude of transmission and multiplication situations.

Because the data provided in the present paper are very relevant regarding the evolution of the Romanian economy during the period 2006-2016, in the context of Romania's accession to the euro, we analyzed the balance sheets of the active companies from the Romanian economy (***497,000 balance sheets of the Romanian companies active in Romania***), more precisely the analysis of the reference indicators such as: Evolution of turnover and number of firms having one employee in total real economy; The evolution of the share of companies that have registered total negative capital in total active companies in the real economy; Evolution of the turnover of each branch in total; Evolution of the share of the number of employees per branch in total; The evolution of the VAB weight achieved by each branch in total; Evolution of labor productivity achieved in the branches of real economy; The evolution of the payout period (days) for the branches of the real economy; Evolution of the debt recovery period (days) for the branches of the real economy; The evolution of the overdue debt ratio in total debt for the real economy branches, etc.

Results and Discussions

The only major factor of global growth is monetary policy, as short- and long-term interest rates in major advanced economies have remained at their historical minimums for several years. Central bank policy will change the euro zone and Japan for a while, and even the US federal funding rate, despite continued tightening by the EDF, will remain below the neutral rate in 2018. Moreover, the policy that in the past the past has appeared capable of troublesome investors and mitigating activity has not so far had such an effect: Brexit's decision has affected growth in the UK, but it seems that it is not much else, and the economic sentiment in the US has increased during President Trump, despite his protectionist agenda. Decisions on the very expansive US policy measures in December (fiscal reform) and February (lifting expenditure ceilings) could provide additional momentum for the world economy.

However, the latest indicators, particularly in the financial markets, were disappointing: stock market assessments declined in February and March and stock market volatility, which was very low in 2017, rose to normal levels in February. Moreover, the feeling of non-financial firms in most regions has recently cooled.

For a realistic assessment of the trade outlook, it is worth noting that the globalization of value chains (GVC) has slowed down since the financial crisis and it is unclear how this trend will evolve in the coming years. Among the factors underpinning the different GVC's evolution, there are political factors such as the rise in protectionism after the financial crisis, but also other reasons such as industrial upgrading in China and other emerging economies that have lowered the processing trade and that certain types of places work in the manufacturing industry have returned to resorting countries in response to technological innovations and low cost labor costs. Overall, while the chances are good that global production will continue to expand healthy in the near future, and a new hypothesis is that the world trade forecast is that it will slow down in 2018.

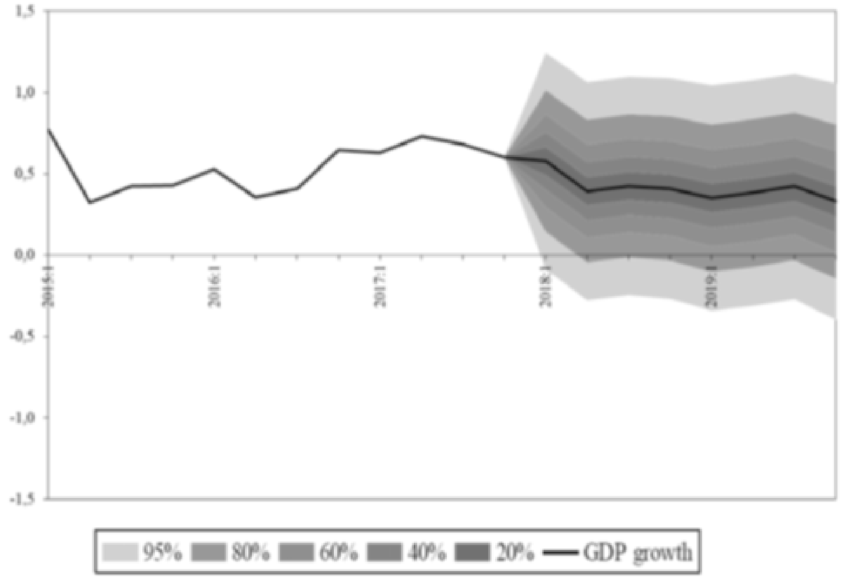
The euro area is in the midst of a strong and broad cyclical climb. Production increased by about 2½% in 2017, which is much higher than the standard estimates of the potential growth rate of about 1½%. Recovery, ongoing in the summer of 2013, turned into an autumn increase in 2016, when demand outside the eurozone rose sharply. Higher exports and improved expectations have prompted firms to invest more in equipment, as capacity utilization has been exceeded for some time and continues to grow and funding costs are very low. Housing prices, although stagnant in Italy, are on average up by an average of around 4% a year, stimulating construction and strengthening the confidence of private households. The same effect was the drop in the unemployment rate by one percentage point to 8.5% in the year to February. As a result, private consumption is expanding well (to 1.7% in 2017).

All major economies participate in this growth, although Italy to a lesser extent. Monetary and fiscal policy will not jeopardize this growth in the near future: the ECB will probably stop its asset purchase program by the end of 2018, but will only begin to raise interest rates in 2019. Tax policy is a bit expansive this year, and a notable fiscal impetus in France and Germany is expected for 2019.

For all these favorable conditions, the recent indicators were surprisingly less affected: while global financial markets were affected in February, the mood of euro area purchasing managers has cooled significantly, especially in the manufacturing sector .

Employment dynamics will fall considerably in some member countries, as potential workforce is becoming more and more exhausted. In addition, external demand will be losing momentum, not least because the euro has appreciated significantly (around 10% depending on the real effective exchange rate) in 2017. Generally, we forecast that euro area GDP will increases by 2,2% and 1,6% in 2019, although the uncertainty around these estimates is naturally still high and a slight slowdown can not be ruled out, which would affect and inflation dynamics. Chart no.1 shows the expected quarterly quarterly GDP growth, while domestic components and net exports contributed to GDP growth are reported in Chart no.2.

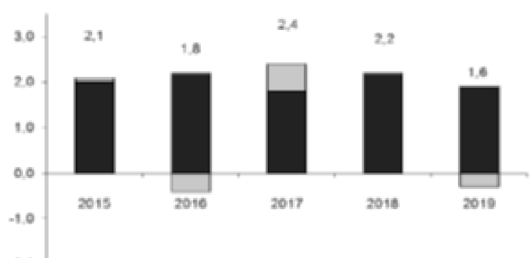
Chart no.1. Quarterly GDP growth rates and confidence bands



Percentage change over previous quarter

Source: OECD, 2018

Chart no.2. Contributions of domestic components and net exports to GDP growth



Domestic demand dark, net exports light area. Percentage points, figures above or below the columns indicate overall GDP growth

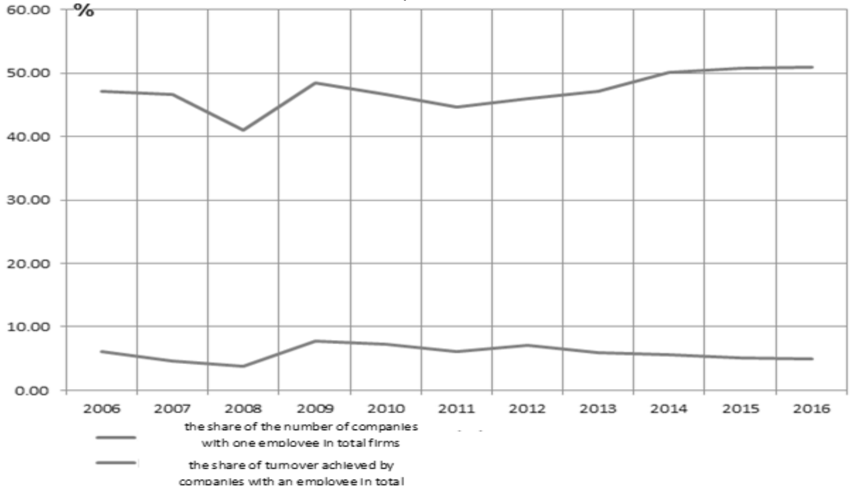
Source: OECD, 2018

The principle of approaching the theme of *Sustainable Financial Development* is a very current and important approach. At the same time, it is a generous subject, which is in the concerns of many categories of specialists, decision-makers, but also a subject of great complexity. The essence of the sustainable development of the human society is given by the current and future management of its natural, energetic, material and informational resources in relation to the objectives of economic growth and ensuring a better quality of life and the environment. In conclusion, it can be said that in order to contribute to sustainable development, the company has to observe some norms of conduct in view of the positive impact on the environment, namely: the efficient use of the technical and material basis in the consumption of energy and resources; contribution to the transfer of modern technologies of both private and public importance; educating and motivating staff according to the concept of social responsibility; continuous research on minimal waste emission opportunities that causes negative environmental impacts, special promotion of organic products and in this way encourage producers to enrich their portfolio of organic products, carry out information campaigns and educate consumers for consumption sustainable, responsible choices and acquisitions, etc.

Turning to the situation of the real economy indicators in Romania, on which the impact of the changeover to the single currency will have a significant impact, we make the following appreciations in the dynamics:

The evolution of the turnover and the number of companies having a single employee, in the total real economy, experienced an average annual growth rate of 0.76320% for the period 2006-2016 and an average annual growth rate of turnover: - 54.97305%, as can be seen in the chart below.

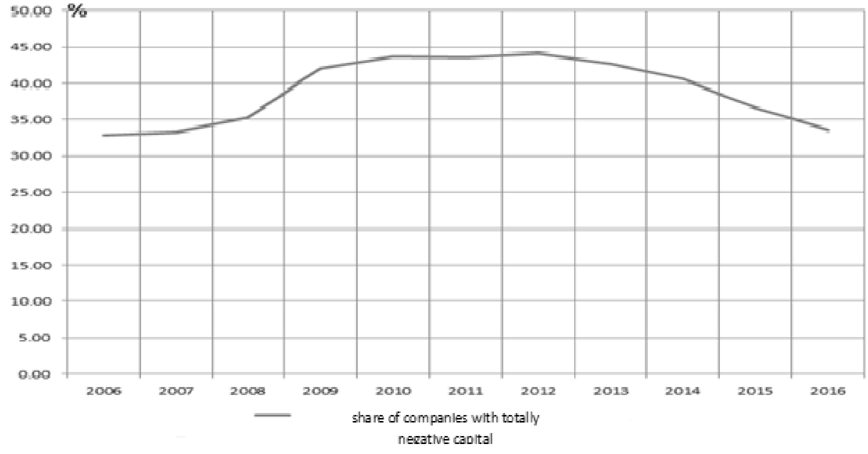
Chart no.3. Evolution of turnover and number of firms with one employee, in total real economy, between 2006 and 2016



Source: own processing

The evolution of the share of companies that recorded total negative capital in the total active companies in the real economy between 2006 and 2016 registered an average annual rate of change: 0.1699985%, and the evolution can be seen in the graph below.

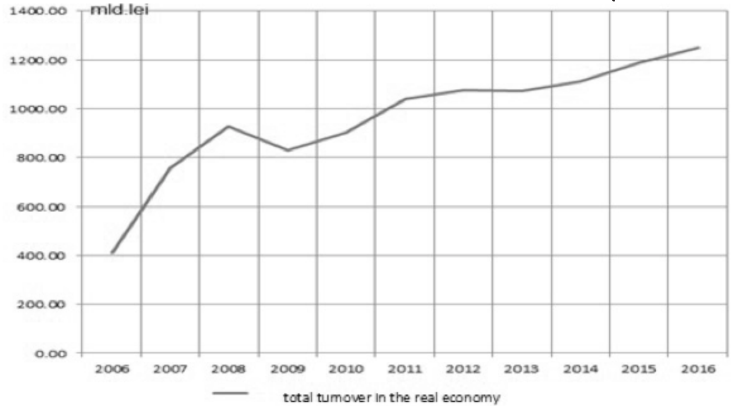
Chart no. 4: The evolution of the share of companies that recorded total negative capital in total active companies in the real economy, between 2006 and 2016



Source: own processing

The share of LLC firms increased from 97.46% in 2006 to 97.83% in 2016. In 2016, firms that each have over 1% of total economic activity (5.56% in total) respectively 3.15% (OMV Petrom), 1.34% (Automobile Dacia Piteşti) and 1.07% (Petrotel Lukoil Ploieşti) have a weight in the VAB of 6.42% (5.21%, 1.02% and 0.19%). The total turnover of the real economy will be directly influenced by the changeover to the single EURO and the evolution of the total turnover in the real economy for the period 2006-2016 can be seen in the graph below.

Chart no.5. Evolution of total turnover in the real economy, 2006 – 2016



Source: own processing

In comparison, the turnover for the top three companies (according to the turnover achieved in 2016) evolved as follows:

Table no.1. Evolution of the share of turnover achieved by each branch in total for the period 2006 - 2016 (%)

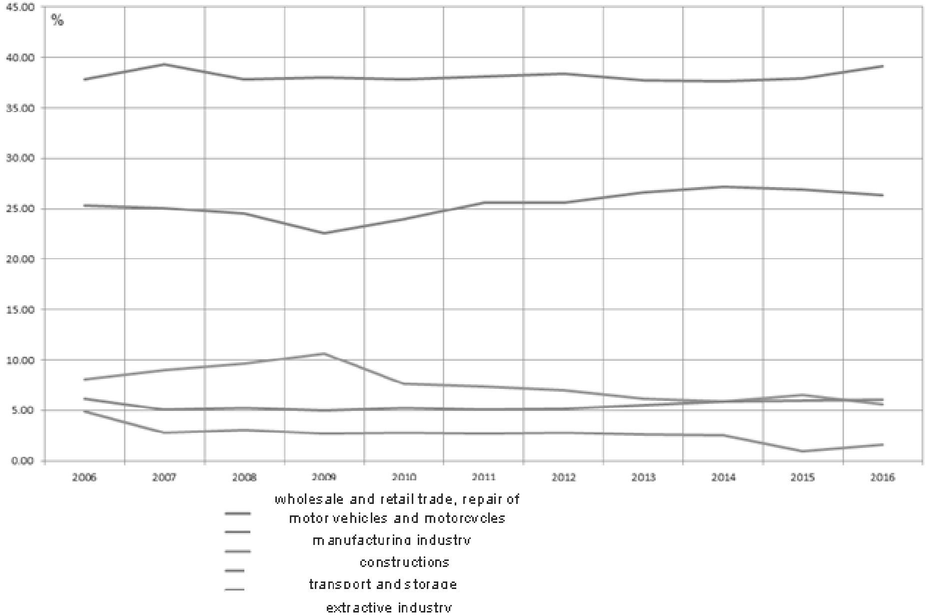
No. Crt.	Branches of the real economy	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Agriculture, forestry and fishing	2.25	1.98	2.25	2.53	2.61	3.12	3.32	3.25	3.44	3.13	3.19
2	Extractive industry	4.90	2.75	3.04	2.67	2.80	2.65	2.74	2.64	2.55	0.96	1.65
3	Manufacturing industry	25.36	25.08	24.54	22.55	23.93	25.55	25.62	26.63	27.12	26.87	26.35
4	Production and supply of electric and thermal energy, gas, hot water and air conditioning	3.12	5.09	5.41	5.95	5.56	5.48	5.12	5.20	4.81	5.07	4.62

5	Water distribution, sanitation, waste management, decontamination activities	1.63	1.38	1.36	1.24	1.55	1.66	1.59	1.43	1.26	1.07	1.01
6	Construction	8.10	8.97	9.65	10.66	7.63	7.37	7.01	6.16	5.87	6.49	5.58
7	Wholesale and retail trade, repair of motor vehicles and motorcycles	37.78	39.30	37.81	37.97	37.84	38.07	38.33	37.77	37.67	37.95	39.08
8	Transport and storage	6.17	5.11	5.23	5.02	5.23	5.07	5.17	5.51	5.93	5.97	6.04
9	Hotels and restaurants	1.43	1.13	1.11	1.07	1.04	0.97	0.99	1.02	1.06	1.27	1.39
10	Information and telecommunication	2.24	3.22	3.59	3.73	3.51	3.40	3.14	3.30	3.27	3.83	3.68
11	Real estate transactions, rentals and service activities rendered mainly to companies	0.95	0.88	0.91	1.07	2.88	0.89	0.87	0.89	0.92	0.91	0.95
12	Professional, scientific and technical activities	3.72	3.21	2.97	3.22	3.02	2.98	3.11	2.95	2.97	2.98	2.85
13	Administrative service activities and support service activities	1.36	1.06	0.97	1.04	1.07	1.54	1.64	1.80	1.64	1.92	1.88
14	Education	0.10	0.08	0.06	0.06	0.06	0.07	0.07	0.07	0.07	0.09	0.08
15	Health and social assistance	0.26	0.22	0.26	0.33	0.36	0.37	0.41	0.47	0.53	0.57	0.64
16	Performing, cultural and recreational activities	0.38	0.37	0.63	0.71	0.74	0.65	0.67	0.70	0.69	0.70	0.75
17	Other activities of the national economy	0.24	0.15	0.21	0.20	0.19	0.18	0.18	0.19	0.21	0.23	0.26
	Total	100	100	100	100	100	100	100	100	100	100	100

Source: own processing

The evolution of the turnover of the most important five branches of the real economy in total for the period 2006-2016 represents a relevant indicator of the real economy in Romania and the degree of concentration of the main five branches determines that the impact of the transition in the euro area will be directly linked mainly to the many and small, given that large firms operating in these five main branches are already connected to the euro area through suppliers and customers, but also through credit financing sources (most the loans being supplier type in euro).

Chart no.6. Evolution of the turnover of the most important five branches of the real economy in total for the period 2006-2016



Source: own processing

In the analysis of the selected indicators at the level of the real economy and which will be directly influenced by the passage of the real economy to the single currency, we present in Appendix 1 the situation calculated on each of these in their dynamics in the period 2006-2016, namely: The evolution of the weight the number of employees per branch in total for the period 2006 - 2016 (%); The evolution of the VAB share achieved by each branch in total, between 2006 and 2016 (%); Evolution of the share of the number of firms in each branch in the total real economy, for the period 2006 - 2016 (%); Evolution of labor productivity achieved in the real economy branches during 2006-2016 * (lei / person); Evolution of the payout period (days) for the branches of the real economy between 2006 and 2016; The evolution of the debt payment period (days) for the most efficient real industries in this respect, between 2006 and 2016; Evolution of the debt recovery period (days) for the least performing real economy branches from this point of view, between 2006 and 2016; The evolution of the outstanding debt ratio in total debt for the real economy branches, between 2006 and 2016; The evolution of the ratio of overdue debts in total debts for the branches of the real economy performing the most from this point of view in the period 2006-2016 and the evolution of the overdue debt ratio in the total debts for the least performing real industries from this point of view 2006 - 2016.

In view of the above-mentioned indicators for the accession of Romania to the euro area, it is necessary to consider the following aspects:

a) What are the benefits of entering the euro area?

I. Elimination of transaction costs - the most sustained benefit for both companies and individuals; should ensure an increase in total productivity of production factors; calculating these costs for society is not easy; in addition, being directly / indirectly borne by most of the company is a benefit to the banking financial system; following the accession to the euro area, we must not omit that only the transaction costs of the leu / euro exchange rate will be eliminated, while the costs underlying the transactions involving other currencies will remain.

The impact of eliminating transaction costs on GDP depends on the ability of the economy to allocate labor and capital resources employed in foreign exchange operations to other areas of activity.

II. Eliminating the cost of managing exchange rate risk - as a consequence, interest rates on the domestic market should fall, and the reduction in capital costs should lead to an increase in domestic investment.

III. Extending long-term foreign trade due to the corresponding elimination of transaction costs and exchange rate risks between Romania and the euro area - should ensure both investment growth and productivity improvements associated with an influx of new technologies.

b) What are the costs?

After joining the euro area, the cost that is required is the cost of losing its own monetary policy. In addition, joining the euro area implies a loss of stabilizer function - the market-driven exchange rate takes up conflicting situations in the economy (when the economy is more than potential, the exchange rate will be appreciated, leading to lesser competitiveness of the economy and a slowdown in the pace growth, when the economy is experiencing a negative demand shock and domestic product decreases, its own currency depreciates by increasing its competitiveness through lower export prices and rising economy.

Accession to the Monetary Union and the waiver of autonomous monetary policy bring to the forefront the issue of labor market flexibility; after joining the euro area, real wage adjustment / free movement of labor will be the only mechanism, with the exception of fiscal policy, which can mitigate the negative effects of shocks on aggregate demand; the practical efficiency of this mechanism is limited due to the low mobility of production capital and labor - alongside the institutional barriers, the barriers to language and culture are added.

For Romania, 6 years after accession, the labor force circulates freely in all EU countries; in the conditions of limited labor mobility, the negative effects of asymmetric shocks can be diminished mainly by real wage adjustments; the Romanian labor market does not have a mechanism that works to mitigate the negative effects of asymmetric shocks.

We face a natural rigidity of real wages; eliminating the national currency and wiping out monetary policy can lead to rising unemployment and lowering incomes in a rigid wage economy hit by a similar shock to 2008 - short-term capital withdrawal. In the absence of monetary policy, fiscal policy must take on the role of stabilizer in the economy. According to Robert Mundell's theory in the 60's on ZMO, the main issue is related to the costs of joining. These costs of joining EEs are localized at the macroeconomic level and result from the cessation of monetary policy independence. Costs at this level arise through the loss of important economic policy instruments, such as those specific to monetary policy, by manipulating the exchange rate and the exchange rate. These costs are felt in the asymmetric shocks in the market.

The most controversial topic in the EU is the loss of monetary policy independence, as the floating exchange rate regime is moderate compared to the fixed regime. As the NBR Governor (Mugur Isărescu-2014) pointed out, „a premature transition to the eurozone is undesirable." The recent crisis highlighted the costs of adopting a single currency and direct costs of joining the eurozone as a result of the sovereign debt crisis and the establishment of resolution mechanisms. At the micro-economy level two main costs can be identified, namely:

OPERATING COSTS – necessary for the adoption of the new currency systems.

REDUCING COMPETITION AND SPECIFIC RISK – These risks are caused by an unfavorable rate with which a country enters EMU.

The benefits and costs of adopting the euro have been identified in the One Market, One Money report of 1990.

The adoption process comprises 3 steps, namely:

– The first stage involves accepting candidate countries in the EU. At this stage, Member States need to develop "National Convergence Programs" and coordinate their economic policies with other countries.

– The second stage - involves the achievement of a nominal convergence level officially provided for in the Maastricht Treaty, as well as participation in the Exchange Rate Mechanism II (ERM II).

– The third step - requires compliance with the rules of operation and coordination through the national stability programs.

Stage 3 is structured in three sections, namely:

1) the first section summarizes Romania's readiness to join the ZE in terms of the criteria established by the Maastricht Treaty.

2) the second section analyzes the opportunity of Romania's accession to ZE from the perspective of the properties offered by ZMO.

3) the third section assesses the ability of fiscal and monetary policy to cope with shocks through the health of the banking system.

REAL CONVERGENCE OF ROMANIA IN THE EURO AREA

The latest financial crisis has highlighted the need for economic policy to ensure economic stability and the adoption of the euro. The ECB's 2015 reports have shown that countries that have adopted the euro in 1999 and 2001 have not made significant progress on sustainable real convergence, the effects of the acute financial crisis overturning these measures. The financial crisis has brought to light severe structural and institutional weaknesses in several Member States such as Greece, Portugal, Ireland, Spain, and these countries are experiencing rapid and significant real GDP/per capita falls. The financial crisis has highlighted that real convergence has several dimensions, namely:

Real convergence should be analyzed from two points of view:

1) from a quantitative point of view (as a level or speed of convergence). 2) from a qualitative point of view (as potential sources of economic growth).

"The wider vision of how to analyze the real convergence of a state with EE derives from the need for real, sustainable convergence of a healthy nature, based on strong economic fundamentals and not on a short-term context, which is one of the most important lessons of the crisis for the pretending states at the entrance to ZE "(Daniel Dăianu, 2017). An important condition for the accession of the Member States to the ZMO is that of having a real sustainable convergence resistant to adverse shocks. The EU Accession Treaty does not specify any legal document on sustainable real convergence by which the applicant countries could be assessed.

The most commonly used real convergence indicator is real GDP per capita. Following this criterion, Romania is on the last place of the ranking compared to the developed European countries. After the end of the EU accession process in all ECE countries, foreign direct investment and loans to the private sector have intensified. Privatization of the banking system in the CEE countries has allowed capital movements to be opened with the capital account required by EU access.

Another major factor in financial integration is foreign direct investment (FDI). FDI in Romania in 2008-2012 was close to that of Poland. By prudential measures to limit financial indebtedness under the conditions of free capital movements, for Romania, the development of domestic capital and the maintenance of the attractiveness of FDI proved to be a serious resistance during the crisis period.

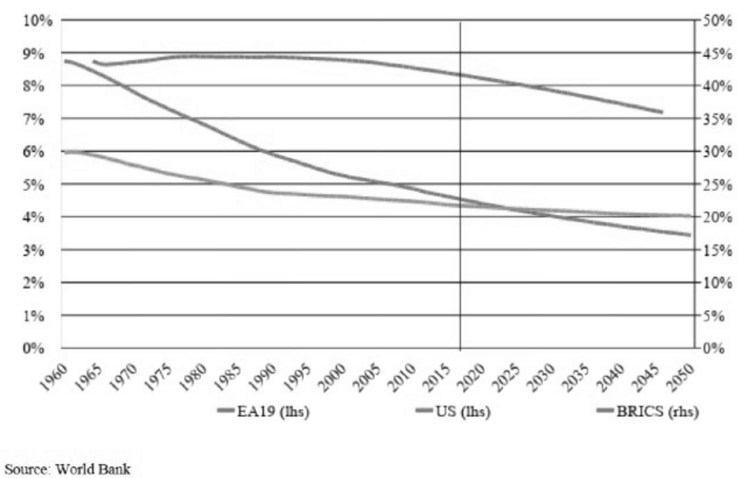
The EU Stability and Growth Pact has been thought of as a way to introduce financial discipline at EU level. This financial discipline did not provide enough flexibility to cope with repeated financial crises

The financial fragility resulting from the flow and capital spill between countries has led to the need to implement a unique system of banking system supervision and a unique resolution system, underpinning the pillars of the Banking Union. The determinant financial element that is the key condition for the adoption of the euro is real and sustainable convergence. Unfortunately Romania does not fulfill this financial instrument, the major gap between Romania's development and the EES being the key threshold for the adoption of the single currency.

Long-term Trends in the Global Economy

Growth of emerging markets and developing countries in the international economy is driven by changes in growth dynamics and demographic developments. First, emerging market populations are rising towards the advanced economies. Figure 1 shows the share of BRICS, the euro area (EA) and the United States (US) among the world's population. In the 1960s, BRICS 3 population was three times higher than the combined US population and EA. Today, this has grown to four and a half years, while long-term projections indicate a BRICS population could be five times higher in 2050. In addition, it is estimated that the share of the BRICS population will in itself be declining relative to the other emerging and developing economies (non-BRICS).

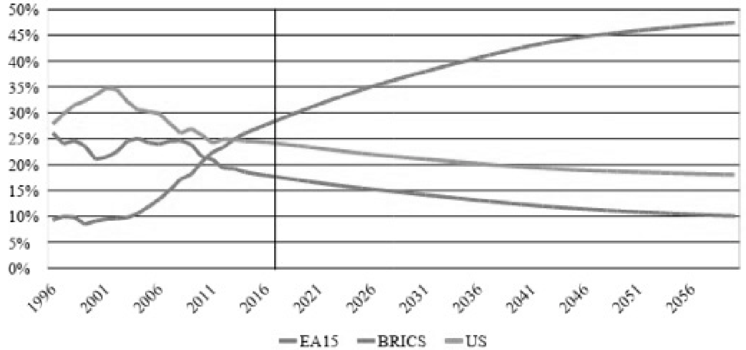
Chart no.7. EA19, US and BRICS as a share of the world population



Source: World Bank

Second, the return to growth dynamics, Chart no.8 shows how the BRICS share in the global economy, respectively, is expected to increase relative economic weight from about 10% of global GDP by the end of 20 to 45% in the middle of the 21st century. On the contrary, the part of EA and the US "in global economic growth is decreasing. This involves a shift in global economic power from emerging to emerging and developing countries.

Chart no.8. Real GDP at market exchange rates as a share of the world total



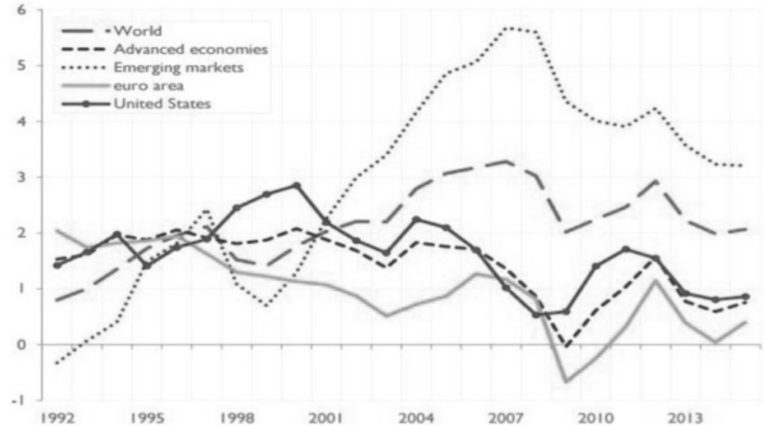
Source: OECD long-term baseline projections (June 2013).

Notes: 1) Actual GDP data until 2012. From 2013 to 2015, GDP data from the OECD Economic Outlook. From 2016, GDP data from the OECD long-term baseline projections.

2) EA15 includes Austria, Belgium, Germany, Spain, Estonia, Finland, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Slovakia and Slovenia. The OECD does not provide data for the rest of the EA Member States.

One of the factors underlying the loss of the GDP share of advanced economies is the slowdown in productivity growth. As shown in Figure 3, labor productivity increases considerably faster in emergencies than in advanced economies. The low productivity growth in the latter was already under way before the financial crisis and continued to undermine the increase in output and living standards over the last few years.

Chart no.9. Increase in labor productivity (as output per employee)



Source: Conference Board. Note: Growth is measured as annual percentage change on three-year moving averages

Following the conclusion of the Bretton Woods system, world economic governance has evolved towards a larger multipolar system. The international monetary system is no longer centered on the US dollar, but is increasingly built on a few pillars, including an important role for the euro and the yen; renminbi, which is increasing in significance. However, the fundamental tension between short-term domestic policy incentives and stability in the EU was not the international monetary system. Key issuers and reserve currency holders pursue their internal goals, regardless of what would best serve the global system and even those of their long-term interest. To the extent that these policies do not give sufficient attention to negative externalities to other countries, and to macroeconomic and stable long-term stability issues, they tend to cause unsustainable imbalances and fuel vulnerability in the global financial system.

Global economic and financial crisis: *global economic policy accelerator (Co-operation).* The economic and financial crisis that broke out in 2008 has demonstrated the high degree of globalization of interdependence and the importance of effective global governance. The crisis has taught us three lessons: Firstly, global dissemination through financial markets can have dramatic consequences. For example, the debt crisis in Greece has had a direct impact on other European economies and beyond.

Secondly, financial and monetary stability has a global dimension. The exchange rate does not isolate national economies into a world of free capital movements. In the last decades, international macroeconomics has postulated the so-called "financial trilemma": With free capital mobility, independent monetary policies are feasible if and only if exchange rates fluctuate. Some analysts (see, for example, Helene Rey (2013)) argue that widespread circulation in capital flows, asset 4 prices and credit growth in countries - a global financial cycle – trilemma moot: This financial cycle "turns trilemma into a" dilemma "or" irreconcilable duo ", which means that independent monetary policies are possible if and only if the capital account is managed. Therefore, the conclusion is that countries wishing to maintain open capital markets, must choose between the monetary autonomy and the exchange rate management.

G20: key achievements, decisions and challenges

The G20 emerged as an informal forum that promotes cooperation between advanced and emerging markets on the main challenges of economic growth and global stability. It accounts for nearly 90% of global

GDP, two thirds of the world's population and 80% of world trade. At the 2009 Pittsburgh Summit, the G20 was named the premier forum for international co-operation in the economy.

Over the years, the G20 has proven to be an effective forum that has brought benefits and emerging economies together. He has demonstrated that he can take quick and decisive action when dealing with the global financial crisis in 2008-2009. In addition, the G20 has contributed to reducing mistrust between advanced economies and emerging markets for the benefit of all. In this regard, the G20 has been trying to exert influence on the policies of partner countries that have had significant effects.

Key decisions

There are several key decisions that have influenced the influence of the G20. When the global crisis broke out in 2008-2009, the G20 managed to avoid a 1930s-marked depression by a coordinated G20, responding to the global recession and stabilizing the financial system. The Washington Summit (November 2008), London (April 2009) and Pittsburgh (September 2009) focused on four key issues: (a) the macroeconomic stimulus needed to avoid a repeat of similar depression in the 1930s; (b) tripling the IMF's financial resources to strengthen global protection systems and supporting countries in financial stress due to the crisis; (c) implementing reforms to restore the stability of financial markets in order to avoid collapse and to strengthen supervisory regulations and regimes in order to avoid future crises; and (d) finally, the commitment to refrain from protectionism (as opposed to the 1930s) and withdraw restrictive trade and investment measures previously taken.

The macroeconomic packages adopted were unprecedented for both their size and the economies involved in this coordinated policy response. Aggressive monetary policies along with expansive fiscal policies (which are multiples of GDP and are complemented by automatic stabilizers) contributed to halting demand collapse and positive global economic growth already in the second half of 2009. The results have was so encouraging that at the Toronto Summit in June 2010, it was decided to start withdrawing the fiscal stimulus, which from an ascending perspective turned aut.

Leaders agreed on a common methodology to address global imbalances. It has resulted in a number of policy recommendations to be adopted in a coordinated way in surplus and deficit countries to put global imbalances on a downward trend and, in the meantime, ensure a rotation of global demand that would support economic activity. At St Petersburg in September 2013, the G20 decided to address basic erosion and profitable change, tackling tax evasion, and promoting tax transparency and automated exchange of tax information.

At the Brisbane Summit in November 2014, the G20 presented structural reform measures and growth strategies to meet the ambitious target of raising its collective GDP by more than 2% over five years. Finally, at the Hangzhou Summit in September 2016 G20 Members agreed to individually and collectively use all political instruments (monetary, fiscal and structural) to achieve the goal of strong, sustainable, balanced and inclusive growth. It has been recognized that only the currency cannot lead to a balanced growth and should be supported by the structural policies and reforms.

Challenges left

However, there are also challenges for the G20. First of all, in order to remain relevant, the G20 must do this to develop from a short-term response forum to address long-term challenges for the global economy responding adequately to the 2008 crisis, but now it would have to overcome the crisis "inheritance and creating conditions for strong, sustainable and balanced growth.

Secondly, for the credibility and effectiveness of the G20, it is essential for members to implement their existing G20 commitments, for example on international tax transparency and financial regulatory reform. Consistent monitoring will be essential to ensure the effectiveness of global reform and play.

Thirdly, given its diversity of membership, the G20 needs to demonstrate its leadership in identifying common points of interest and new topics of cooperation, such as anti-terrorism financing or digitization. Finally, the G20 must address the response to globalization and focus on its unfair distribution benefits that risk fueling populism.

Challenges to multilateralism

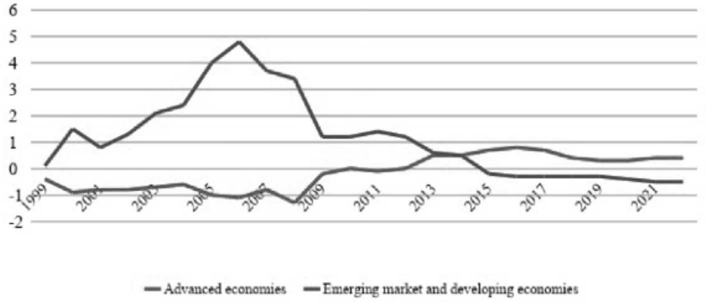
With recent developments, a number of challenges to multilateralism are underway. Divergences among major advanced economies are traditionally dealt with in the seven group, commonly referred to as the G7. Until recently, the G7 represented the internal group on key G20 issues such as trade, climate change regulation. Their common positions have also helped to redirect the G20 movement. However, the attitude of the new US administration risks fundamentally changing the globalization of the co-ordination game. Consensus breaks down in the context of bilateralism that threatens the multilateral situation, based on rules and mistrust. The "exogenous" traditional assumptions are questioned.

The overall risk of the forums is seen more as an amplifier on a bilateral agenda than it is looking for a true multilateral solution to the common challenges. There is not only the risk of greater growth bilateralism for trade agreements, but also a US disengagement can occur for the international monetary system, competitive tax changes can occur and there is a risk of returning financial regulation. In addition, lack of cooperation solutions to effectively address migration and climate change challenges.

In this challenging environment, a renewed increase in global imbalances may trigger the emergence of multilateral co-operation. External imbalances can be problematic if they are excessive and rooted. Disorderly discouragement of surplus or current account deficits may have high costs in terms of production and employment and may have significant effects on commercial and financial partners.

As Chart no.10 shows, there was a large imbalance in the pre-crisis period. While the US current account deficit was close to 6% of GDP in 2006, China's current account surged by 10% in 2007. After the peak of the crisis, global imbalances arose a major correction, especially from emerging economies.

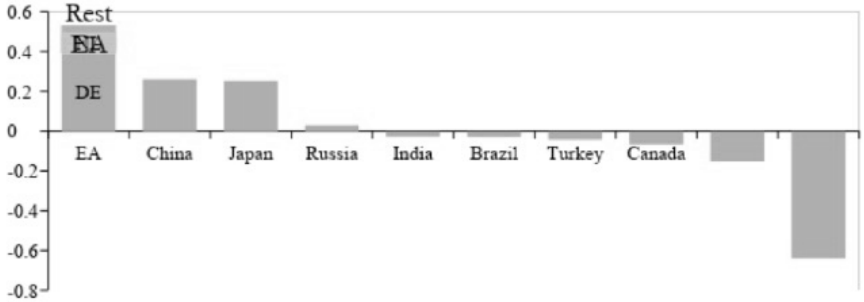
Chart no.10. Current account as a percentage of GDP



Source: IMF Data Mapper

In recent years, positions are reversed: the emerging market and emerging economies across the cycle, small deficits, while advanced economies register surpluses. Chart no.11. shows the current account balance as a percentage of the global GDP for some countries in 2016. Japan, China, Russia and EA have current account surpluses. India, Brazil, Turkey, Canada, the United Kingdom and the US have low (low) deficits.

Chart no.11. Current account in 2016 as a percentage of global GDP

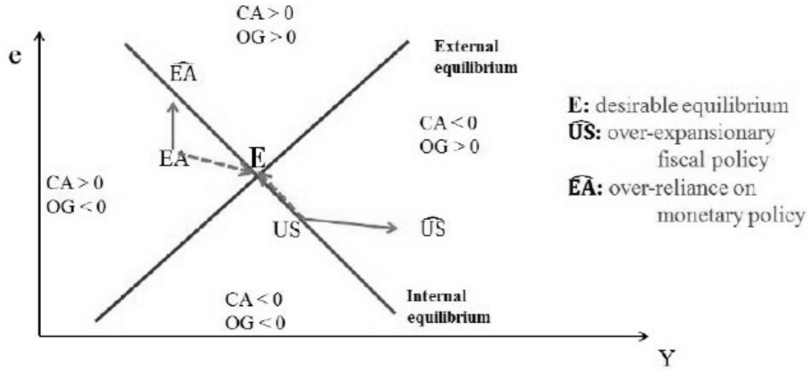


Source: Calculations based on IMF Data Mapper

Global imbalances are becoming a problem of advanced economies rather than an emerging market one. Focusing on EA, we can see that Germany and the Netherlands have the largest current account surpluses in EA. However, countries with past deficits have begun to reduce their deficits or even become surplus as part of the adjustment process. Therefore, the EA Current Account Surplus has generally reached historically high levels. This development brings more risks. EA must avoid this asymmetric adjustment further increases its current account surplus. The unbalanced political mix in the US, combining higher fiscal spending with higher than expected interest rates, could affect the dollar-euro and increase US deficit and protectionist pressures. It can be coupled with difficult landing risks (ie disorderly adjustment) in China.

Increasing global renewal imbalances can be represented by the so-called Swan diagram as depicted in Figure 6. The Swan diagram illustrates the combination of aggregate demand (horizontal axis) and real exchange rate (vertical axis) that provides an internal and external balance. The internal balance contains all the points in which the output gap is zero and is represented as downward inclined. The ascending ascending line represents the external balance and contains all the points resulting in a current account balance. The chart has four quadrants accordingly, in which reality reflects the desirable policy positions of the US and EA.

Chart no.12. Global imbalance feled by a mix of unbalanced policies



Sursa: The New Global Economic Governance:can Europe Help Win The Peace? Marco Buti

The risk is that an exaggerated fiscal policy in the US will go hand in hand with faster monetary policy normalization would lead to an appreciation of the US dollar and a higher current account deficit. On the contrary, excessive reliance on monetary policy would imply the historical continuation of current account surpluses in EA.

For the EU to make a change in global governance in the future, it will have to meet the number of preconditions. Firstly, the external design force requires internal strength, which means that the EU needs a higher degree of internal EU cohesion. In particular, this means that the EU needs to complete the single market and become a true Economic and Monetary Union – includeing through a stronger framework for economic and fiscal governance, a fully functioning banking system and a capital of Union Market. The Commission Reflection Paper on EMU, published in May 2017, indicates the possible way forward. It was followed by a package setting out a roadmap for a deepening EMU in December 2017, including concrete steps to be taken over the next 18 months. The EU must also overcome political challenges, particularly the migration crisis and Brexit.

Secondly, in order to make the difference at global level, the EU should overcome "small country syndrome". The European Union is made up of small and large countries, but many Member States, for historical or other reasons, concentrate exclusively on internal objectives and are not ready to take on wider responsibilities.

Thirdly, the political phenomenon of "small country syndrome" also has an economic counterpart, which can be called the "paradox of the inverse creditor". From a historical point of view, returning to Bretton Woods before, the creditors were in a stronger position, compared to the weaker position traditionally held by debtor countries. An asymmetry reigned in the international system, which meant that creditors decided, as can be seen in the eurozone debt crisis. This political asymmetry has been reversed now.

Therefore, the EU and EA are now at risk of a sort of "reverse creditor paradox".

Fourthly, EA as a whole has a large current account surplus, which makes it vulnerable to criticism from other countries. High current account surpluses do not contribute to global economic growth and export demand and deflation. Surpluses are no longer seen as a force, but rather as a sign of economic weakness and a source of political vulnerability. The EU is at risk of luring the concentric fire from the US because it has not taken on the responsibility to boost global growth.

Strengths - to overcome its weaknesses and make a difference in global governance, the EU should identify strengths. This means highlighting the attractive aspects of the European model to increase the "soft" power of the EU. In particular, the following four strengths can be implemented by the EU.

Firstly, the European social model is attractive to international partners because it combines equality and growth. Second, through its environmental model, the EU has been ahead of several global environmental issues and the fight against climate change. For example, the EU was a driving force in reaching the first global climate agreement, legally binding at COP21 in Paris in December 2015. Third, the EU is firmly committed to effective multilateralism. It is always ready to work with its international partners on profitable multilateral solutions.

Finally, the EU is at the moment a headlamp for stability. While for a long time there was a storm during the crisis is now seen as an anchor point of the world. Many of its international partners point out that they see the integration that the EU and EA has acquired as an "important global public good" which must be kept and completed.

Reform of the EU's external governance - in addition to strengthening internal governance, the EU should also reform its external governance. A new hypothesis has emerged: it is not possible to gain an important role in the global world if the representation in multilateral fora remains the one of the Member States. Europe, and in particular EA, must be able to speak with one voice to make full use of its position. This requires a balancing act between integrated and national policies and institutions for them, respectively representation in multilateral forums. In forums such as the IMF, the G20 and the Financial Stability Board, representation of Europe remains scattered while these forums decide on key issues for global economic governance such as the stability of the international economic system and the need to rebalance economies. Fragmented foreign expression leads to a lower weight for the European message to the world or weakens multilateral global governance, a governance framework through an agreement between bilateral state-to-state agreements.

Conclusions

Since the removal of Bretton Woods, world economic governance has shifted to a multipolar system. Economic and demographic developments have changed economic hardships and have changed commercial patterns. Emerging and developing economies have gained importance, and globally governance has changed accordingly, while the 2008-2009 financial crisis has triggered this process.

Moreover, the financial crisis has shown the importance of coordinated economic governance as financial, spreading the crisis around the world, and the G20's growth being a major innovation. Although the G20 has taken rapid action in response to the crisis, it has been struggling since then to remain relevant.

It should turn its attention away from "winning the war", namely, responding to the crisis in order to avoid collapse of the global financial system in order to "win the peace", ie to increase the conditions for a strong and sustainable global economy, more favorable to inclusion.

At the same time, multilateralism faces challenges such as excessive imbalances, opportunistic fiscal policies and protectionist pressures. Economic coordination provides clear benefits and the EU can make a strong contribution to this. However, in order to play a role in global governance, the EU must address its weaknesses, capitalize on its strengths and overcome its fragmentation of external representation.

In this paper we presented the dynamic situation of SMEs in Romania, namely the main impact indicators on the transition to the single euro area, the main effects of monetary policy and shocks in the euro area in a framework that uses restrictions on the transition to the euro area , respecting the real convergence criteria. Moreover, the macroeconomic balance, financial and fiscal stability, as well as the sustainable development of the real economy, make all efforts balanced, so that the impact on SMEs in the euro area is as balanced as possible.

According to C 326/108 EN Official Journal of the European Union 26.10.2012, the national legislation of each of these Member States, including the statute of the national central bank, is compatible with Articles 130 and 131 and with the Statute of the ESCB and the ECB."The reports shall also examine whether a high degree of sustainable convergence has been achieved by analyzing the extent to which each Member State has met the following criteria: achieving a high degree of price stability; this results from an inflation rate close to the rate of at most three best performing Member States in terms of price stability; the soundness of public finances; it results from a budgetary situation which does not have an excessive public deficit within the meaning of Article 126 (6); meeting the normal fluctuation margins provided for by the exchange-rate mechanism of the European Monetary System for at least two years without devaluing the currency against the euro; the lasting nature of the convergence achieved by the Member State with a derogation and its participation in the exchange rate mechanism, which is reflected in the level of long-term interest rates. The four criteria set out in this paragraph and the relevant periods during which each of them must be respected shall be specified in a Protocol annexed to the Treaties. The reports of the Commission and the European Central Bank also take into account the results of market integration, the situation and evolution of current payment balances, as well as an examination of the evolution of unit labor costs and other price indices." (C 326/108 EN Official Journal of the European Union 26.10.2012).

As a result of the analysis of the active companies in the Romanian economy and of the analyzed indicators, we can state that the Romanian business environment is ready to change to the euro. However, in order to estimate a currency exchange rate, we can not yet make firm estimates as a result of recent fluctuations in macroeconomic indicators (one of which is fluctuation in inflation and exchange rate over the past 6 months). However, due to the fact that both the euro is often used in commercial contracts between economic agents, as well as the fact that inputs and outputs are also expressed in business projects in euros, we can state that the changeover to the euro can be made in - a sustainable and relatively stable framework.

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- European Commission data available at https://cohesiondata.ec.europa.eu/funds/erdf. Note that these funds are transfers, unlike the funds provided in the Troika programs, which are just loans. To some, this might suggest that Europe has shown less generosity to its old partners facing a period of distress than to the new entrants.
- http://ec.europa.eu.

Annex no.1

*Evolution of the share of the number of employees per branch in total, for the period 2006 - 2016 (%); Evolution of the VAB share achieved by each branch in total in the period 2006 - 2016 (%); Evolution of the share of the number of companies in each branch in the total economy real, for the period 2006 - 2016 (%); Evolution of labor productivity achieved in the real economy branches during 2006-2016 * (lei / person); Evolution of the payout period (days) for the branches of the real economy between 2006 and 2016; The evolution of the debt payment period (days) for the most efficient real industries in this respect, between 2006 and 2016; Evolution of the debt recovery period (days) for the least performing real economy branches from this point of view, between 2006 and 2016; The evolution of the outstanding debt ratio in total debt for the real economy branches, between 2006 and 2016; The evolution of the ratio of overdue debts in total debts for the branches of the real economy performing the most from this point of view in the period 2006-2016 and the evolution of the overdue debt ratio in the total debts for the least performing real industries from this point of view 2006 - 2016.*

Table no.2. Evolution of the share of the number of employees per branch in total for the period 2006 - 2016 (%)

No. Crt.	Branches of the real economy	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Agriculture, forestry and fishing	3.18	2.74	2.91	4.74	3.60	3.16	3.17	3.25	3.30	3.34	3.34
2	Extractive industry	2.36	2.05	1.83	1.62	1.68	1.60	1.38	1.24	1.23	0.73	0.96
3	Manufacturing industry	33.78	33.22	30.20	26.12	26.48	29.05	28.49	28.20	28.61	28.71	28.28
4	Production and supply of electric and thermal energy, gas, hot water and air conditioning	1.21	2.02	1.95	1.77	1.98	1.90	1.56	1.84	1.89	1.79	1.73
5	Water distribution, sanitation, waste management, decontamination activities	1.87	1.65	1.72	1.51	1.88	2.04	2.07	2.13	2.08	2.02	2.03
6	Construction	9.92	10.97	12.31	10.68	11.46	10.08	9.69	8.95	8.81	8.79	8.57
7	Wholesale and retail trade, repair of motor vehicles and motorcycles	23.87	21.65	21.45	24.69	22.39	21.33	23.42	21.21	21.60	21.47	21.03

8	Transport and storage	6.93	7.63	7.87	7.70	8.08	7.80	8.65	9.34	8.36	8.41	8.65
9	Hotels and restaurants	3.11	3.92	3.62	3.36	3.34	3.73	3.59	3.76	3.78	3.90	4.08
10	Information and telecommunication	2.23	2.66	3.31	3.38	3.34	3.46	3.10	3.70	3.63	4.00	4.05
11	Real estate transactions, rentals and service activities rendered mainly to companies	0.90	0.86	0.94	0.98	2.24	1.05	1.04	1.10	1.10	1.08	1.11
12	Professional, scientific and technical activities	6.19	5.86	5.31	6.26	5.70	5.65	4.56	4.87	4.90	4.87	4.93
13	Administrative service activities and support service activities	2.16	2.65	4.10	3.54	4.79	5.92	5.90	6.67	6.76	6.87	7.00
14	Education	0.27	0.26	0.24	0.45	0.28	0.31	0.33	0.35	0.35	0.38	0.38
15	Health and social assistance	0.73	0.68	0.77	1.06	1.01	1.11	1.17	1.32	1.38	1.46	1.65
16	Performing, cultural and recreational activities	0.32	0.35	0.55	0.94	0.80	0.79	0.86	1.04	1.15	1.14	1.12
17	Other activities of the national economy	0.96	0.83	0.93	1.21	0.97	1.01	1.02	1.05	1.05	1.04	1.10
	Total	100	100	100	100	100	100	100	100	100	100	100

Source: own processing

Table no.3. The evolution of the VAB share achieved by each branch in total, between 2006 and 2016 (%)

No. Crt.	Branches of the real economy	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Agriculture, forestry and fishing	2.57	2.07	2.51	2.47	2.91	4.07	4.17	3.56	3.84	3.81	4.12
2	Extractive industry	8.86	5.43	6.33	5.92	5.77	4.27	7.19	7.35	5.61	1.19	3.15
3	Manufacturing industry	28.12	29.25	25.64	22.23	24.15	27.86	27.17	26.73	28.42	28.64	27.42
4	Production and supply of electric and thermal energy, gas, hot water and air conditioning	3.12	5.27	5.50	6.41	5.75	5.63	5.66	6.88	5.43	4.30	4.38
5	Water distribution, sanitation, waste management, decontamination activities	2.08	1.45	1.72	1.68	1.93	2.22	2.11	1.99	1.94	1.89	1.73
6	Construction	9.48	10.98	11.31	18.46	7.29	7.99	6.64	6.06	5.86	6.99	6.48

7	**Wholesale and retail trade, repair of motor vehicles and motorcycles**	**19.35**	**19.87**	**18.86**	**16.41**	**16.00**	**17.75**	**17.41**	**17.26**	**18.21**	**19.49**	**20.06**
8	**Transport and storage**	**8.28**	**7.51**	**7.82**	**7.03**	**6.89**	**8.17**	**7.74**	**7.88**	**8.52**	**8.79**	**8.24**
9	**Hotels and restaurants**	**1.69**	**1.49**	**1.45**	**1.21**	**1.23**	**1.28**	**1.32**	**1.33**	**1.52**	**2.01**	**2.24**
10	**Information and telecommunication**	**3.30**	**6.65**	**8.02**	**7.82**	**6.98**	**8.16**	**7.42**	**7.22**	**7.04**	**8.11**	**7.40**
11	**Real estate transactions, rentals and service activities rendered mainly to companies**	**2.70**	**1.29**	**1.42**	**0.93**	**11.88**	**0.97**	**1.06**	**1.45**	**1.61**	**1.49**	**1.92**
12	**Professional, scientific and technical activities**	**7.35**	**6.14**	**5.70**	**5.83**	**5.30**	**5.99**	**6.18**	**6.01**	**5.94**	**5.99**	**5.57**
13	**Administrative service activities and support service activities**	**1.79**	**1.50**	**2.05**	**2.07**	**2.27**	**3.68**	**3.90**	**4.04**	**3.65**	**4.63**	**4.47**
14	**Education**	**0.16**	**0.05**	**0.13**	**0.11**	**0.11**	**0.17**	**0.18**	**0.18**	**0.17**	**0.22**	**0.18**
15	**Health and social assistance**	**0.56**	**0.51**	**0.62**	**0.69**	**0.75**	**0.84**	**0.91**	**1.02**	**1.11**	**1.23**	**1.34**
16	**Performing, cultural and recreational activities**	**0.24**	**0.28**	**0.54**	**0.39**	**0.45**	**0.57**	**0.59**	**0.70**	**0.73**	**0.82**	**0.85**
17	**Other activities of the national economy**	**0.36**	**0.27**	**0.37**	**0.34**	**0.32**	**0.36**	**0.34**	**0.34**	**0.37**	**0.40**	**0.46**
	Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: own processing

Table 4. The evolution of the share of the number of companies in each branch in the total real economy, for the period 2006 - 2016

(%)

No. Crt.	**Branches of the real economy**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
1	**Agriculture, forestry and fishing**	2.72	2.79	2.99	2.88	3.23	3.40	3.48	3.53	3.54	3.64	3.65
2	**Extractive industry**	0.17	0.19	0.22	0.23	0.23	0.24	0.23	0.21	0.22	0.20	0.19
3	**Manufacturing industry**	12.68	12.01	11.71	10.32	10.32	10.09	9.88	9.73	9.60	9.48	9.24
4	**Production and supply of electric and thermal energy, gas, hot water and air conditioning**	0.06	0.10	0.09	0.13	0.16	0.18	0.18	0.24	0.27	0.25	0.23

5	**Water distribution, sanitation, waste management, decontamination activities**	0.43	0.45	0.44	0.44	0.51	0.57	0.62	0.63	0.60	0.58	0.56
6	**Construction**	7.95	9.55	11.56	10.45	9.65	9.44	9.32	9.17	9.13	9.21	9.24
7	**Wholesale and retail trade, repair of motor vehicles and motorcycles**	41.96	39.75	36.37	38.51	38.58	37.30	36.76	36.07	35.46	34.17	32.91
8	**Transport and storage**	5.80	6.21	7.72	6.76	6.95	7.15	7.38	7.62	8.05	8.29	8.58
9	**Hotels and restaurants**	4.72	4.62	4.62	4.88	5.12	5.05	5.07	5.05	5.01	5.03	4.91
10	**Information and telecommunication**	3.48	3.53	3.61	3.73	3.66	3.70	3.77	3.85	3.93	4.10	4.25
11	**Real estate transactions, rentals and service activities rendered mainly to companies**	2.28	2.51	2.41	2.67	2.67	2.67	2.70	2.77	2.85	2.87	2.97
12	**Professional, scientific and technical activities**	10.17	10.30	10.95	11.44	11.21	11.16	11.21	11.31	11.47	11.44	11.64
13	**Administrative service activities and support service activities**	3.35	3.65	2.01	2.10	2.17	3.42	3.58	3.72	3.44	3.90	3.96
14	**Education**	0.44	0.52	0.54	0.57	0.59	0.63	0.68	0.73	0.79	0.86	0.97
15	**Health and social assistance**	1.62	1.60	1.69	1.78	1.89	1.93	1.96	2.05	2.16	2.25	2.65
16	**Performing, cultural and recreational activities**	0.44	0.48	0.84	0.91	0.90	0.95	1.00	1.07	1.17	1.33	1.49
17	**Other activities of the national economy**	1.74	1.74	2.21	2.20	2.17	2.13	2.18	2.26	2.32	2.40	2.54
	Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: own processing

Table no.5. Evolution of labor productivity achieved in the real economy branches in the period 2006-2016 * (lei / person)

No. Crt.	Branches of the real economy	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Agriculture, forestry and fishing	78672	117871	158037	92436	158611	246387	270647	265388	290447	271113	288523
2	Extractive industry	229926	219540	339428	285199	364216	412993	513998	566303	580110	379908	519400
3	Manufacturing industry	83385	123388	166124	149185	197701	219286	232130	250094	264237	271420	280783
4	Production and supply of electric and thermal energy, gas, hot water and air conditioning	286961	411972	566435	580530	615346	717656	846537	749818	708360	822154	804089
5	Water distribution, sanitation, waste management, decontamination activities	97322	137066	161770	141529	180983	203040	198601	178404	169534	153905	150016
6	Construction	90750	133579	160232	172552	145664	182307	186680	182316	185591	214037	196327
7	Wholesale and retail trade, repair of motor vehicles and motorcycles	175788	296677	360410	265766	369609	444835	422507	471731	486350	512672	560053
8	Transport and storage	98958	109493	135936	112618	141543	161880	154324	156388	197650	205927	210333
9	Hotels and restaurants	50995	47229	62488	54805	68282	64727	71031	71644	78036	94111	102361
10	Information and telecommunication	111685	198131	221848	190718	229815	244530	261273	236207	251374	277651	274538
11	Real estate transactions, rentals and service activities rendered mainly to companies	117475	167505	196252	187862	281480	210441	216365	214218	233156	244709	256247
12	Professional, scientific and technical activities	66676	89547	114389	88873	115816	131376	176228	160685	168662	177372	174241
13	Administrative service activities and support service activities	69785	65238	48385	50555	49001	64648	71895	71625	67439	81167	81139
14	Education	43111	50234	55435	22734	45418	52404	51147	53744	57355	65337	65919
15	Health and social assistance	40121	53567	68299	53807	78457	82004	91421	94336	106586	114003	117271
16	Performing, cultural and recreational activities	130693	174781	232570	131240	201455	206747	201621	179183	166114	179430	203210
17	Other activities of the national economy	27441	30286	45194	29103	42126	44352	45740	48847	56917	63073	71395
	Total	111082	163414	204403	172831	218751	249301	258111	264888	278836	290035	301428

Labor productivity = turnover / number of employeesSource: own processing

Source: own processing

Table no.6. The evolution of the payout period (days) for the branches of the real economy, between 2006 and 2016

No. Crt.	Branches of the real economy	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Agriculture, forestry and fishing	345	346	332	368	377	333	338	354	357	413	393
2	Extractive industry	109	187	208	315	321	301	288	279	312	427	330
3	Manufacturing industry	221	218	212	239	234	226	224	215	206	192	196
4	Production and supply of electric and thermal energy, gas, hot water and air conditioning	236	266	234	245	292	309	321	368	383	352	338
5	Water distribution, sanitation, waste management, decontamination activities	199	186	196	246	206	180	192	207	207	246	263
6	Construction	250	252	272	322	451	456	468	524	524	460	486
7	Wholesale and retail trade, repair of motor vehicles and motorcycles	160	150	146	171	173	162	160	156	148	143	134
8	Transport and storage	305	428	397	461	316	279	243	216	192	181	178
9	Hotels and restaurants	301	371	395	501	524	540	506	502	471	371	321
10	Information and telecommunication	203	209	224	218	245	272	296	308	250	270	260
11	Real estate transactions, rentals and service activities rendered mainly to companies	1018	1128	1063	1435	595	1968	2048	2037	1884	1810	1731
12	Professional, scientific and technical activities	222	208	213	241	274	277	269	288	307	303	305
13	Administrative service activities and support service activities	206	244	148	174	165	297	240	230	164	250	266
14	Education	251	361	261	327	382	361	354	310	329	291	248
15	Health and social assistance	236	257	261	305	305	312	314	278	254	235	231
16	Performing, cultural and recreational activities	116	135	144	193	215	213	211	196	176	189	178
17	Other activities of the national economy	284	313	255	327	326	317	319	319	290	258	235
	Total	211	218	215	253	255	254	251	251	241	233	226

Source: own processing

Table no. 7. Evolution of the debt recovery period (days) for the branches of the real economy, between 2006 and 2016

No. Crt.	Branches of the real economy	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Agriculture, forestry and fishing	96	103	103	123	127	118	124	131	138	166	152
2	Extractive industry	54	71	61	98	96	103	116	99	123	121	153
3	Manufacturing industry	80	87	74	85	87	84	83	83	82	80	81
4	Production and supply of electric and thermal energy, gas, hot water and air conditioning	97	118	106	105	128	140	145	136	126	109	125
5	Water distribution, sanitation, waste management, decontamination activities	73	67	66	115	114	95	121	123	125	134	115
6	Construction	99	102	114	125	171	181	189	196	190	167	165
7	Wholesale and retail trade, repair of motor vehicles and motorcycles	67	64	59	73	78	74	74	70	66	62	58
8	Transport and storage	88	109	104	115	120	111	111	111	101	101	94
9	Hotels and restaurants	53	58	56	71	81	78	78	71	71	57	54
10	Information and telecommunication	89	90	83	91	102	112	126	119	109	111	105
11	Real estate transactions, rentals and service activities rendered mainly to companies	194	205	182	222	88	280	267	256	258	240	219
12	Professional, scientific and technical activities	108	122	115	135	163	177	197	201	223	205	208
13	Administrative service activities and support service activities	88	102	74	88	96	123	111	107	106	166	169
14	Education	83	93	67	91	259	289	242	157	244	124	71
15	Health and social assistance	44	42	47	61	67	77	82	80	79	70	57
16	Performing, cultural and recreational activities	24	33	28	38	39	35	38	38	41	43	40
17	Other activities of the national economy	70	69	61	71	73	77	78	77	76	66	60
	Total	78	83	78	92	98	99	101	98	96	92	90

Source: own processing

Table no.8. Evolution of the outstanding debt ratio in total debt for the real economy branches, between 2006 and 2016

No. Crt.	Branches of the real economy	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Agriculture, forestry and fishing	20.18	12.62	10.60	10.91	11.57	11.04	11.44	11.69	13.09	14.68	14.12
2	Extractive industry	33.22	39.16	29.92	33.51	32.97	34.71	34.66	33.73	32.55	24.01	16.58
3	Manufacturing industry	17.51	12.58	11.72	12.54	11.64	13.85	14.65	15.66	15.74	12.50	11.72
4	Production and supply of electric and thermal energy, gas, hot water and air conditioning	5.74	18.32	19.04	21.18	21.73	13.63	17.51	16.37	17.80	17.59	22.85
5	Water distribution, sanitation, waste management, decontamination activities	17.55	13.64	14.02	15.41	13.90	13.97	13.17	9.76	10.30	8.36	8.85
6	Construction	16.00	10.84	10.49	12.01	12.85	13.27	14.83	15.40	14.99	14.10	12.04
7	Wholesale and retail trade, repair of motor vehicles and motorcycles	15.06	11.16	9.86	13.26	12.52	11.21	11.54	11.30	10.07	10.27	8.41
8	Transport and storage	7.00	7.81	10.35	38.89	28.94	25.51	21.28	17.90	14.63	12.12	9.99
9	Hotels and restaurants	14.37	8.68	7.38	10.03	9.55	11.05	9.28	9.00	9.33	10.59	9.22
10	Information and telecommunication	14.24	7.31	6.99	11.45	12.17	12.15	9.79	10.76	13.80	12.72	10.65
11	Real estate transactions, rentals and service activities rendered mainly to companies	4.86	3.53	4.03	5.18	4.48	5.28	4.15	4.79	5.07	4.31	4.02
12	Professional, scientific and technical activities	13.37	10.83	9.67	11.12	12.19	13.96	11.79	12.05	12.12	12.24	11.04
13	Administrative service activities and support service activities	13.70	10.97	13.31	15.79	17.84	25.52	9.85	14.29	10.65	12.74	11.63
14	Education	13.52	9.88	7.75	9.49	9.92	7.93	9.28	9.43	6.84	7.26	6.11
15	Health and social assistance	9.42	7.11	6.52	7.20	6.69	7.59	7.40	7.38	6.67	7.27	4.47
16	Performing, cultural and recreational activities	11.20	7.28	11.41	8.94	11.95	16.68	19.09	16.37	13.82	7.71	7.37
17	Other activities of the national economy	13.56	12.35	11.28	13.49	14.65	15.05	12.71	10.66	10.07	8.74	8.06
	Total	14.83	11.78	11.24	15.64	14.11	13.80	13.67	13.72	13.55	12.15	11.12

Source: own processing