

**CONCISE CHARACTERIZATION OF THE EVOLUTION AND BEARINGS OF WORLD-WIDE ECONOMY AND THEIR INFLUENCE OVER THE MOBILITY OF TRADING COMPANIES**

Ph.D Student Demetra Lupu-Vișănescu  
University of Craiova  
Faculty of Economics and Business  
Administration  
Craiova, Romania

**Abstract:** The current world wide economy met deep changes, especially in the last decades, changes which had major effects over business area. These determined the adoption of some decisions, at the level of main actors of economical life, which allow them to resist at new challenges. In this way, strategies should think again such trading companies, as main motor of world-wide economy attended to the requirements imposed by the market. Thus, managers took into consideration strategies which supposed including the achievement of some partnerships and strategic alliances, reaching even at mergers and entity acquisitions, which allowed them the consolidation of the position on the market.

**JEL classification:** G00, G34, M21

**Key words:** merger, acquisitions, world economy,

The current economy, characterized by a big international degree has its origin into the modern economy based on the development of industrial technology starting 1860s. The technological revolution of communications allowed the evolution and development of a modern trading system. In the second half of 19th century the under-sea intercontinental telegraphic cables contributes to the outline of world-wide market, determining a fantastic increasing amount and the complexity of deals. Thus, it was created an informative average capable to sustain an authentic international trading system.

Today, more than ever, we can talk about the existence of some economical interdependences generated by the existence of a world market formed as a result of reports which established between national savings and which function as an international division in different countries. This tendency is manifested more and more in the evolution of world economy.

However, we can affirm that lack of balance produced in a national economy (a conclusive example is the case of the crisis produced by mortgaging in the USA) can generate dysfunctions wave developed in all sectors at all level of world economy. We attend to a real domino effect products because of economic interdependences and which don't sum up only at one activity sector or more than a national economy and all level of world economy affecting practically all the activity domains.

At last, through studying, chances which influenced decisively the world market is achieved practically an analysis of tendencies developed at world economical level.

In the last decades is remarked an increased change of production factors and especially a big increasing of capital movements, as well as more weight of private capital in financial deficiencies of developed countries. The change unprecedented of

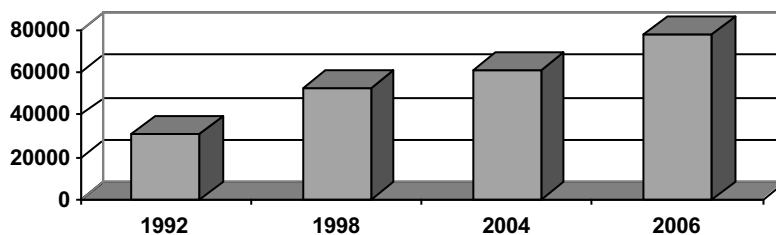
capitals facilitated the taking over control in some companies as in the foreign country, through national and international mergers and acquisitions.

Unfortunately, the capital change doesn't produce a big migration of investments and implicitly manpower from advanced countries to those not very developed. Rather, from the analysis statistic data delivered by The Organization of United Nations through World Investment Report-2008 we can observe a bigger concentration of direct abroad investments in the advanced industrial savings, while other countries stay outline as investments or trading.

Other tendency which manifests in the world economical level consists in the fact that the current world market is characterized through a high institution degree of international economical changes, as a result of the appearance of a big number of organizations, associations and unions of states, producers, exporters and importers, created with the purpose of free promoting of national economical relationships. We attend, thus the foundation of various organisms created at regional level, which have as main role the regulation of economical changes, as Nations Association of South-East Asia (ASEAN), Economical Cooperation of Asia- Pacific, North America Free Change Agreement (NAFTA), Andin Pact, Common Market of South Cone, which has countries in South America (MERCOSUR) ,Central European Free Change Agreement (CEFTA), Organization of Petroleum producers and Explorers (OPEC) and why not European Union (EU).

Also, there were made multiple international economic regulations which don't pursue the creation of closed national economy, isolated by the economy of other countries and free circulation of goods, services, capital and manpower.

Other specific element of the current world market consists in that main „actors” of the market are the transnational companies, which were founded as a result of external increasing strategies of national entities, through the foundation of headquarters out of borders of the country and taking over of some acquisitions. These transnational companies are mainly responsible of transnational production companies. The data show the number of transnational companies is continuously increased in the last 15 years. Thus, if in 1992 are recorded about 31,000, in 1998 their number increased about 53,000, in 2004 about 61,000 and in 2006 were registered about 78,000 with over 780,000 of abroad headquarters. On the basis of data in the reports made by specialists in the Organization of United Nations, the increasing trend of transnational companies' number manifested in the last years is presented in figure No. 1.



**Figure no. 1 The number of transnational companies in 1992-2006**

From 780,000 transnational companies recorded in 2006, 58.000 which represent a percentage of 74,36% have their base in the developed countries, 18,500 respective 23,72 % in not developed countries and 1,500, equal with 1,92% of these number, in the developed ones the percentage is about 33,33%-a number of 260,000-in

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not really developed countries the percentage of 52, 18%-cca 407,000 entities-and in percentage of 14,49%, respective 113,000 in countries with transit economy.

Meanwhile, the statistic data show that the biggest number of abroad headquarters are situated in China, about one third. When it analyze these represent only 2% of world value, that shows the fact that more foreign headquarters in China are with very small value or are represented by „joint ventures” associations with small companies.

If we analyze the amount of production achieved by transnational companies is consisted that in 2006, this represented about 10% of the amount of raw internal product at world level, and the export achieved by there is increased at about one third of the export achieved at world level. As main actors, the transnational companies became more and more active about the taking over through acquisition or merger of some economic entities, which allow them the attack of some new market segments, having the final purpose a strong position and implicitly maximize of the obtained profits.

A trend which makes individual the current world economy is showed through a big part in economical changes at world market level manifest as a result of an economic cooperation and international financial under various forms: foreign direct investments, co-productions, sub-productions, mixt companies. Thus, it is attended a new vision regarding the world market and implicitly the international economical changes which interpret sales abroad not as an „external trading” and as a world-wide trading. In this vision can attend as a lot of products is for a headquarter in a certain area and no the export in that area.

In this context appear new segments of world market which don't vise, as in the past, only the trading with goods. This refers to: international trading with goods, services, capital- capital market-international deals with foreign currencies-international currency market- hi-tech market. It can attend that world market at the end of 20th century and beginning of 21st century doesn't suffer comparison with the world market of 19th century, and not only from deals' point of view especially of the content, segments, fluxes and their achievement techniques, of concise analysis we will continue.

International trading with goods remains the main segment of the world-wide market, even if, in the possessed weight, recorded a decrease of 95% in the 19th century to about 50% in the end of the 20th century. This relative decrease of the possessed weight on the world-wide market of the international trading with goods was generated by the development known by other segments.

The most important extent on the world-wide market is known, now, by the segment international trading with services or invisible trading. This segment is represented by international transport activities, international tourism, post office and telecommunications- a more and more important role has the internet network which knows a big development in the last decades-insurances and re-insurances, dues (in revaluation of property right), international financial-banking activities, cultural services.

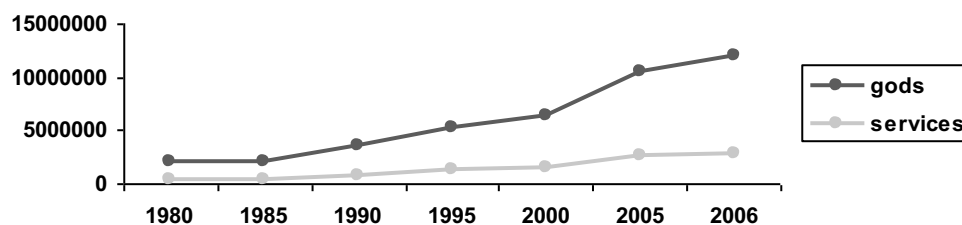
In the analysis of statistic data can be observed that the increasing rhythm of the international trading with services is superior to the increasing rhythm of the international trading with goods, such is noticed in the analysis of the table No. 1 and figures No. 2 and3

It can be noticed that, in the absolute value, the amount of the international trading with goods-12.065.414 million \$in 2006-goes beyond very much the international trading with services-its absolute sum of money was situated at about. 2.812.815 million \$ in 2006-if is considered the increasing rhythm, is established a considerable advance of services against goods. In the analyzed period of time the amount of the international trade with goods recorded, totally, an increasing trend. If in 1980 this situated at 2.032.145 million \$, in 1985 recorded a decrease at 1.970.357 million \$, decrease followed by an increase until 3.479.591 million \$, in 1990, 5.171.624 million \$ in 1995, 6.455.744 million \$ in 2000, 10.466.866 million \$ in 2005 and arriving to 12.065.414 million \$ in 2006. The increase of the amount of trade with goods due, especially, the increase of products weight, which includes very expensive advanced technologies, and the decrease of cheaper raw materials weight. Regarding the amount of the international trade with services, the increased trend maintained during all the analyzed period, from 319.080million \$, the recorded value in 1980, to 407.216 million \$ in 1985, 831.676 million \$ in 1990, 1.239.816 million \$ in 2000, 2.536.775 million \$ in 2005 and reaching to 2.812.815 million \$ in 2006.

**Table no.1 The evolution of the international trading with gods and services during 1980-2006**

Year	Absolute value of the international trading with goods	Absolute value of the international trading with services	Percentage increase of the international trading with goods	Percentage increase of the international trading with services
	(millions of dollars)	(millions of dollars)	(%)	(%)
1980	2.032.154	391.080		
1985	1.970.357	407.216	96,96	104,13
1990	3.479.591	831.676	176,60	204,23
1995	5.171.624	1.239.816	148,63	149,07
2000	6.455.744	1.536.459	124,83	123,92
2005	10.466.866	2.536.775	162,13	165,11
2006	12.065.414	2.812.815	115,27	110,88
Total increase index			593,73	719,24

The processing of data delivered by every year reports made by specialists inside The Organization of United Nations allows us the achievement of suggestive presentation of the evolution of the international trade with gods parallel to evolution of the international trade with services, Fig. No.2.

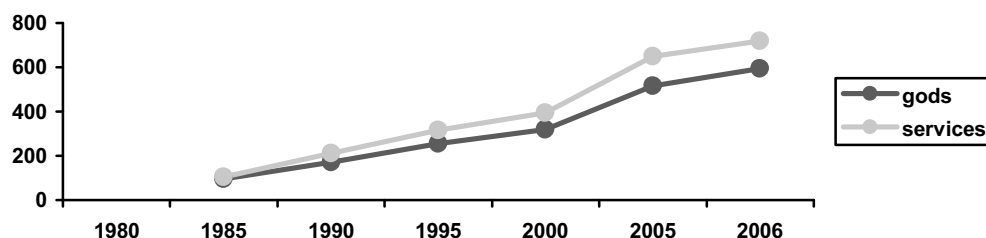


**Figure no.2. The evolution of the international trading with gods and services during 1980-2006**

If we analyze the evolution of increase index of the international trade with services is established that it outruns, per total, about 125,51 per cent the international trade with goods, recording an increased trend during all the analyzed period. In 1985

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recorded an increase with about 4.13 % against 1980, while the international trade with goods was situating at 96,96% of the amount achieved in 1980, recording a decrease of 3,04%. Following the increased trend, in 1990 the international trade with services doubled, recording an increase with 104,23 % against 1985, parallel to it the international trade with goods increased in lower rhythm, only 76,60% in the same year. In succession is recorded the same increasing rhythm, and in 2006 the international trade with services recorded an increase of 619,24% against the reference period, respective 1980, while the international trade with goods knew an increase only of 493, 73% against the same year. Considering data analyzed above, in Fig. No. 3 we showed graphically the evolution of increasing index of the international trade with goods and services during 1980-2006, easily notice, although both trends are increased, the international trade with services records a faster increase in comparison with the international trade with goods.



**Figure no.3. The evolution of the international trading with goods and services during 1980-2006**

One of the most dynamic segments of the world market which had a decisive influence in the extension of deals like mergers and acquisitions from national to international level, is represented by international deals with capitals (capital market). Inside this segment the biggest amplexness have direct foreign investments presented in the financial cash-flow, but especially to obtain the control package over an economic entity by an external deliverer.

As we said, the mobility of capitals put decisively the fingerprint over the mobility of trade companies, because they were created the premises about the development of deals like mergers and abroad acquisitions. The analysis of the evolution of these deals in the last years makes evident the increased trend which exists. If in 1990 the level of deals with capital increases at 1.980.792 million \$, in 2006 their level touched 13.304.690 million \$. The increasing trend of direct foreign investments is showed in table No. 2, which, on the basis of statistic data published by the Organization of Unites Nations, is presented the amount of direct investment during 2000-2006 at world economy level and their main component respective countries with not really developed economy, transit economy and developed economy countries.

**Table no. 2. The evolution of the direct foreign investments during 2000-2006**

Million dollars

Economy		Years						
		2000	2001	2002	2003	2004	2005	2006
World economy	Cash-flow finance	1.411.366	832.567	621.995	564.078	742.143	945.795	1.305.852
	Deals on the capital markets	5.810.189	6.210.762	6.789.206	8.185.387	9.570.522	10.048.015	11.998.838

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Economy		Years						
		2000	2001	2002	2003	2004	2005	2006
	Total of direct foreign investments	7.221.555	7.043.329	7.411.201	8.749.465	10.312.695	10.993.810	13.304.690
Developing countries	Cash-flow finance	256.096	211.999	166.275	178.705	283.006	314.279	379.052
	Deals on the capital markets	1.707.639	1.786.913	1.727.499	1.978.065	2.287.694	2.621.615	3.155.856
	Total of direct foreign investments	1.963.735	1.998.912	1.893.774	2.156.770	2.570.700	2.935.894	3.534.908
Countries with transit economy	Cash-flow finance	9.040	11.524	13.393	24.187	40.285	41.169	69.283
	Deals on the capital markets	71.222	99.412	127.472	172.648	227.973	304.869	389.130
	Total of direct foreign investments	80.262	110.936	140.865	196.835	268.258	346.038	458.413
Developed countries	Cash-flow finance	1.146.230	609.045	442.327	361.186	418.879	590.347	857.517
	Deals on the capital markets	4.031.327	4.324.437	4.934.235	6.034.672	7.054.855	7.121.532	8.453.853
	Total of direct foreign investments	5.177.557	4.933.482	5.376.562	6.395.858	7.473.734	7.711.879	9.311.370

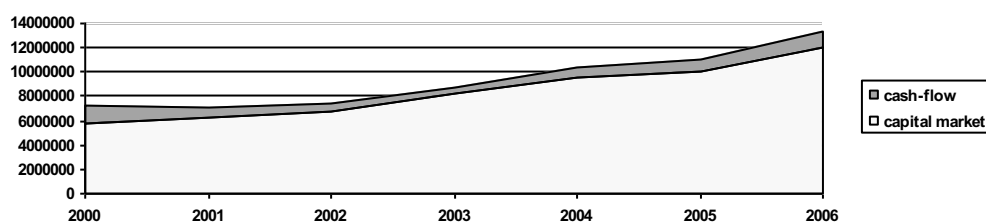
A more attentive analysis of structure of this type of deals shows the fact that the majority of direct foreign investments are concretized in deals on the capital market and especially shares acquisitions of the economic entities.

Although, in 2000, the deals on the capital market at world economy level represented about 80% of all direct foreign investments, equal with 5.810.189 million \$. Meanwhile the direct foreign investments (ISD) concretized in cash-flow finance increased as absolute value of 1.411.366 million \$ representing 20% of all. The increased trend maintained regarding the absolute value of ISD and percentage weight of deals on capital market.

Although, in the analysis of presented data, is seen in 2006 the total amount of ISD reached at 13.304.690 million \$ recording an increase over 84% against 2000. Meanwhile, the weight of deals on the capital market situated at 90% of total ISD, against cash-flow, whose weight became half against 2000 reaching at only 10% in 2006. The analysis of absolute cash flows makes evident the fact that during 2000-2006 the level of 1.411.366 million \$ recorded in 2000 wasn't touched, happening a systematic decrease. The lowest level recorded in 2003, when cash flows recorded only 6,45% of ISD total, situate data 564.078 million \$. On the other hand, the deals on the capital market recorded a bigger increase, over 206%, reaching in 2006 a record level of 11.998.838 million \$. Data presented previously (table no.2), we made in fig. no. 4 a graphic presentation of the evolution in absolute values, which is noticed very clear the increased trend of direct foreign investments per total years especially having recorded by deals on the capital market against cash-flows.

As it previously underlined, it is noticed a concentration of capitals in countries with developed economy about 70% in 2006 level of direct foreign investments' total, while not really developed countries remain outside regarding capital infusions at 27% level.

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**Figure. no. 4. The evolution of the amount of direct foreign investments during 2000-2006**

Also, the increased rhythm of direct foreign investments record in not really developed countries is inferior rhythm recorded in advanced industrial countries. This thing has a negative effect the more and more increased of the differences between two kinds of states (powerful industrial and not really developed states).

From communication and international communication techniques' point of view the most advanced segment of world market is represented by currency deals, operations of currency sale and purchase, respective international currency market. The currency deals, as some trade deals are achieved as forms of electronic trade, through Internet, fax, electronic courier or SWIFT. The brilliant increase of the amount of these deals dues firstly to the progress and innovations achieved in telecommunication and informative technologies area which allowed the achievement of deals in real time, no matter the distances between partners. In some statistic data, is seen in 1972 that net daily currency flux represented 15 billion \$, in 1986 this reaches almost of 200 billion \$, in 1995 about. 1.300 billion \$ and in 2003 over 2000 billion \$-representing an increase of about 1 3333, 34%.

Other segment of the world market which develops extremely fast is represented by hi-tech market. Its current evolution is based on progresses achieved in areas like: information, telecommunications, optic fibers, chemical complex products, aerospace industry.

The changes of this area are so fast than we can say that we attend at a new technologic revolution, which supposes the organization of the production on the basis of electronic means.

Passing through older concepts of mechanization and automatization, the new concept integrates project, management, production and marketing, transforming the traditional economy, based on all production, in a more efficient production organized into shorter, flexible and exactly executed series. Other domain which achieved radical transformations is biotechnology.

The recent discoveries, form agriculture to medicine, present a lot of economic problems, ethics and judicial and the most emphasized are considered the transplant of human genes and clone.

After all presented in here, we can say that the world market is characterized through an accentuated vitality, through an ascending movement, in the impact of the development of production factors and firstly a technical and scientific and informative revolution. This trend is manifested through a fast rhythm of international fluxes' increase and the depth of interdependences which are achieved between all world economies.

The process of interdependence depth shouldn't understand as achievement of

a system of mutual and real dependences. On contrary, it should be mentioned these interdependences take place between developed and weak developed economies, between small and big economies, rich and poor, they have discrepant forms, representing some domination relationships and for others dependence relationships.

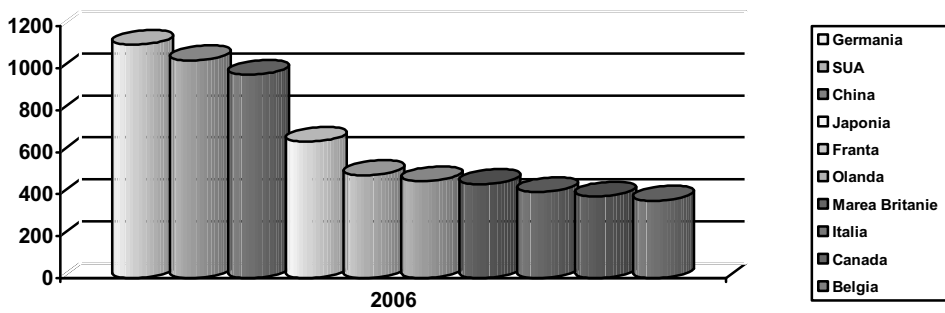
We can say that the current world economy is showed as an ensemble of economical, political, trading and financial-currency interdependence which took place between national economies, over-national structures and transnational companies looked and analyzed objectively.

During the time the world economy suffered a series of changes due mainly to transformation which took place on the world market.

Although, a first change consists in modifying of world import and export structure, something made evident through the decrease of raw materials weight and semi-made products, which now are appreciated that they have about one third of world trade, parallel with the increase of remade and high remade products, which have two thirds. Main cause results that the prices of high remade products recorded an accelerated increase, because the revolutions in information and hi-tech area, unlike the prices of raw objects which recorded slower increase or sometimes decreases.

Other transformation we attend is represented by trade protection, in that way, parallel to a discount in custom taxes level, takes place a single proliferation of untaxed obstacles in the world trade, showed through quantitative restrictions, norms and technical standards, phytosanitary norm and even packing and marking norms.

In the same time appeared and developed 3 big trade poles, respective West-European pole having all countries member in European Union and European Association of Free Change, North-American pole formed by the USA, Canada and Mexico, and Japan and South Asia and South-East pole formed by Japan and new industrial countries in the area. These 3 area have together about 80% of world export (see figure. no.5).



**Figure. no. 5. The level of exports in 2006**

Other tendency which manifests in the world economy represented by a faster increase of the trade in South-East Asia and Europe. Analyzing the weight of different regions in the international trade made in the last 20 years is seen that, while the majority of regions records stoppage or even increases, both regions are situated on an increased trend.

Also, the economic development at world scale was influenced by 2 big tendencies, apparent opposite which manifested in the last decades of the last century, respective creation and consolidation of national entities, as well as affirmation of the independence of nations, on a hand, and the stress of integration and economic

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interdependences, cultural and political between states and economic agents, on the other hand, what took toward world economy.

European Union represents a conclusive example of world economy, where practically national borders loose their importance. So, we can say that transnational economic activity represents the most important transformations of world economy.

In the same time is known that , in the increase of interdependences between countries as a result of increasing freedom of circulation of production factors, goods and technologies, resulted in the extension of transnational links, big contemporary problems are transformed form national problems into world problems.

The tendencies manifested in the evolution of world market and implicitly of world economy, especially at the end of 20th century and at the beginning of 21st century, they took at the more and more frequently using of a new concept titled „globalization”. This term isn’t new, in 1980s, the globalization had the technological progresses which made easier and faster the international deals. Robertson defines the globalization as „the process of multiplying complex of links and interconnexions between states which make the world system”.

Now, we can estimate that globalization is the result of conjugated action of more factors, as: more stressed freedom tendencies of trade changes, the development of capitals’ markets and respective direct foreign investments, international production and distribution of transnational big companies, the huge jump of trade services, multiplication and diversity of international trade changes, big changes in the capital structure.

Some critics consider globalization shouldn’t be something else than an Americanize”globalization has Micky Mouse’s ears, drinks Pepsi or Coca Cola, eats Big Mac’s, works with IBM laptops. Many world companies see it something good, but others consider it a strong threatening.”

Even if in the world level are many opponents of globalization phenomenon, this is an inevitable and irreversible process supported by the developed countries. As we see in the statistic data previously presented, the supporters of globalization are the USA, Japan and South-East Africa’s countries which have an economical, technological and financial potential of about. 90% of world production, the international trade and financial resources made for the majority of poor and not really developed states take a smaller part of world richness.

Through introduction of advanced technologies (automatized and informative), through the increase and diversification of industrial production, freedom of trade, more and more capital fluxes, globalization produces, on one hand, well-being, and on the other hand it deeps the economical and social inequalities, making to increase the unemployment and poorness. A small number of states benefits of the biggest richness of the world while majority of poor states take a smaller part of world richness.

As we previously presented one of the factors which generate globalization is hi-tech spread. This phenomenon has contrary effects made in the increasing of high qualification specialists, but meanwhile these technologies generate technical unemployment which affects unqualified or reduced qualification employees.

In the globalization process appears a series of over-statal and international organisms. In these terms the attributes of national state is changed, giving up a part of sovereignty of these organisms, but gain a series of new attributes through participation at their function. A conclusive example is EU itself, being in all extension process through integration of new states and deepening of economical, financial, trade and

technological relationships.

The care for the environment should be other major component of globalization age.

In the context of stressing of contemporary economical and social transformations, humans permanently confront with the major dilemma of satisfaction of current requirements without compromise the environment and necessities of future generations. In these terms the development must foresee the passing of an economy with ecological character which allow the achievement of an equilibrium between the increase of population, its needs and using of resources protecting the environment terms.

Synthesizing the presented aspects we can hold that contemporary world is marked by numerous major changes which are remembered.

**-Globalization of markets**, international and national economies which imposes a redefining product and market's strategies, being conscious of big competition between firms and world character which they have.

**-Stressing of technical and technological changes and information explosion**, confirmed with more accelerated promoting rhythm of technical progress and new information technologies.

**-Identification of world competitiveness**, parallel to moving stress from price factors to technical level, product's quality, adjacent services or notoriety etc.

**-Diversity and request's refinement**, consumption becoming more and more personal.

**-Conscious of limited character of energetic resources of raw materials**, with more drastic requirements regarding the insurance of ecological equilibrium.

**-Stress of influence and pressures of different groups of stakeholders**: shareholders, customers, deliverers, associates of customers, ecologists, governments etc.

**-Concentration of production and the development of big companies and industrial group**, determined by the necessity of maximum value of economic advantages, increase of international competition, but modification of concept regarding competitiveness politics which, under the impact of the creation of international production system became more flexible regarding mergers, acquisitions and creation of mixt companies, even in terms which take to sensitive concentration of economic activity.

**-Development of partnership in searching domain**-development, production and/or distribution. These reasons determined the extension of strategic options linked by collaboration, regarding the touch of some common purposes, through strategic alliances between competitiveness and partner entities.

**-Third of national economies**, phenomenon generated by the impact of increase of productivity in primary and secondary sector and the increase and diversity of services' requirement.

**-The cost and more increased mobility of capitals**, conjugated with radical modification in the last years of significance of international financial fluxes and their limited character, reported to „capital hungry” what features the world business environment.

In the analysis made by us, we can conclude that globalization contented practically all the world and the speed which extended it determined Robert Reich to say, in 1996, that „we live deep transformations which will re-arrange the politics and

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economy of next century. It won't be national economies, when this process will be closed. What will remain in some borders will be people who will form the nations". So, in this specialist's opinion all economic activity will belong of a global economy whose nationalism will be very hard identified and people's well-being will depend on big corporations' success and not the success of each nation.

In this context, we are against author's feeling, who considers that the mission of state will considerably diminish. So, the role of main actor of international economic relationships and regulation and systematization of national economic activity doesn't belong exclusively to state and it was taken over by transnational companies. In the future it is said that these will take over entirely this role against national state.

All these, we can't forget the fact that are contrary opinions according to these the state political institutions are and will remain the main force in modeling of world economy. To sustain this opinion the author considers, and we basically appreciate, that current world economy is more and more political, and at the origin of bigger and bigger interdependences between states don't stay only the economic reasons, especially political ones. The effects of main indicators (payments balances, change rates etc) over the world economy are felt again and through their political bearings .

So, we can't deny the political bearings in the economic life, the question is: Don't the political actions which states call have an economic hidden motive. In our point of view and other researchers even if they hide in different forms (defense of democracy, right of territorial independence), motivation of all political actions based on an economic hidden motive, concise or supremacy over natural resources and especially hydrocarbons or the extension of economic influence areas. These transformations, world economy level, influenced the traditional thoughts over economic entities and its organizational and leading approach.

The necessity of faster and efficient adaptation to these changes, with the purpose to grow the competitiveness capacity, took to the movement of strategic management toward prospective and projective thought, essential feature of performed modern firms.

The changes in strategic thought stimulated the passing from theoretical model of economic systems to the world economy based on the networks which the basis principle has the interconnections and mutual interdependences, this evolution is, of course, in the world globalization trend. It was influenced the mobility of trade companies made in the increase of mergers' and acquisitions' deals at national level and especially at international level and which, finally, took to the appearance of transnational companies. Beside the concentration phenomenon of economic activities in the hand of transnational companies we attend to a restructuration process of companies which didn't adapt to new requirements imposed by globalization. This way are manifested transformations which vise the division of companies, through the detachment of some sectors of activity. This thing allows the creation of some flexible economic entity which react and adapt faster upon modifications generated by the evolution of world economy. The announcement of bankruptcy of some disadvantageous companies which didn't adapt to requirements imposed by the current economy, allowed the business climate even elimination in the market or economic entities entered in insolvency.

Our study based on available data which were in 2006, published by The Organization of United Nations in 2007, data which didn't foreshadow the economical crisis which affect the USA and implicitly the world economy.

The crisis which erupted in The USA in 2007 affected the financial market and created problems in many countries, generated mainly by the increased cost of loan. At micro-level and macroeconomic level have the ability to invest of economic entities was limited. The impact over the transnational companies which benefited by ample liquidities, showed in an increased level of recorded profit, was small than expected! At microeconomic level, developed companies can be affected by the slow of increase of the USA economy, as well as uproar which is on the financial markets, generated by the lack of liquidities entering in decrease of fluxes of direct foreign investments. On the other hand, the relative sudden change of economic increase in not really developed countries could reduce this risk. Around the loans' crisis in the USA, the world economy was affected significantly by depreciation of dollar. Taking into account that the evolution of change rate is one of the main factors which influences the direct foreign investments was seen that the decrease of exchange course of dollar stimulated the increase of these investments in the USA. So, in the report of the Organization of United Nations for 2007 is underlined that „direct foreign investments in the USA were stimulated by the relative increase of European investors' fortune parallel to the discount of costs of the investments in the USA”. In addition the companies which exported in the USA suffered because of change rate, what reached to the extension of local production. This situation is illustrated in the change of strategies in some European transnational companies which pursue to open new production units or to extent the abilities in this country.

Slowing down of world economy and financial uproar reached to cash crisis and loans market in many developed economies. As a result, deals like mergers and acquisitions recorded remarkable decreases. In the first half of 2008, the value of these deals was 29% smaller than recorded in the secondary half of 2007. On the basis of available data estimates the value of direct foreign investments during 2008 will reach about 1,600 billion \$ level. Meanwhile , the flux of direct foreign investments will be probably for not really developed countries. Also, is seen that a decrease of „optimism” and more precaution in the investments and extended plans of transnational companies, what takes to the decrease of mergers and acquisitions deals. Meanwhile we attend to divisions and even bankruptcies of economic entities entered in insolvency because of lack of cash.

In World Economic Forum developed in Davon in spring 2008, specialists presented the delicate problem of world economy generated by problems in the financial markets. In the middle of debates was the world economy recession generated by American economic recession. The question which was formulated plastically by participants (political leaders, business men, managers and not finally economic specialists and famous accountants) was : „If America sneezes all world should get cold?” The answer was given by American specialists , respective prof. Nouriel Roubini (University of New York) who said : „The USA doesn't sneeze only but not finally has a flu, and an extended pneumonia”. Meanwhile, Kenneth Rogoff (Havard University) said that : „We confront with a serious financial crisis, with world results generated by American economic crisis”. Inside this forum, the executive director of Pricewater houseCoopers, Samuel DiPiazza, declared that as a result of searches made by his company „the biggest preoccupation of directors is represented by economic recession”. According to bearings made by the same company during September-November 2007, considerably decreased the interest of directors regarding mobility of

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companies, they being interested by international mergers and acquisitions only of 38% against 47% recorded previous year.

These transformations made during financial periods which beated money markets and lack of cash which created numerous and difficult problems in banking system generated the slow of economic activities and look at the preoccupation of all world toward American economy, its health depends, lastly, the world economy. We are agreed with specialists' opinion, expressed into the forum, that these things take place mainly because of the fact that American economy represented still now the engine of world economy, and now, when this suffers it isn't other economy to take this role (not even European Nation economy isn't ready to such a role).

In conclusion, we can appreciate that we attend to a clear manifestation of globalization phenomenon is contemporary and it shapes our attitudes. The problem which put isn't how to stop this phenomenon but how can we influence the evolution such we don't loose control. We appreciate that ex-president of the Organization of United Nations , Kofi Annan, who said: „Unless we can make globalization works for all, finally, it will work for nobody”. Globalization should generate an economic increase, security, education, protection of the environment, shortly a better world government which ensures a larger distribution of opportunities and a good average for the economic increase.

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