THE BEGINNINGS AND DISSEMINATION OF THE CRISIS OF MORTGAGE CREDITS IN THE USA. RISKS IN THE EVOLUTION OF ROMANIAN ECONOMY

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At short time after the international crisis from 1998, the economic development in all the continents has become impressive.

According the annual balance published by the Fortune magazine, in July 2007 the international product has increased from 30.000 billions USA dollars that was in the year 2000, to 40.000 billions dollars in 2005 and 50.000 billions dollars in 2007. Also the international commerce increased from 9.000 billions dollars (USA) in the year 2000, to 18.000 billions dollars in 2007. The factors that propelled this spectacular process are – beside the new technology – the dispersion of risks in the structure of the economy, the low level of interest rates, the accelerated economic growth in the big emergent countries and these are China, India, Brazil, Russia, as well as the countries that produce petrol from the Middle East. As far back as the first part of the year 2007 there have appeared question marks about the close perspectives of this phenomenon.

Taking into account the dates from the balance published by the mentioned magazine, Hank Paulson, state secretary at the American Treasury notices: 'I have never seen such a spectacular economic growth, but it is necessary to remain vigilant…We did not experienced the severe financial shock after 1998. The development in different forms of credits accentuated. The dispersion of the risks favored the economic action. But we note that certain financial mechanisms are more than tense. We must avoid challenging the economic laws'.

a) The fall of the market of mortgage credits in the USA

In February – March 2007, a year after the withdrawal of the former President of Fed Alan Greenspan there have appeared the first signs of the decline of the immobile market that manifested itself through the non-reimbursement of the credits granted in the field and other signals.

It was not long and the banks engaged in this process of large dimensions entered in losses with perspectives of growth. On August 9th 2007 the President of the American Central Bank (Fed), Ben Bernanke, in function for only 18 months opened the debates of the mortgage crisis, which became threatening for the well functioning of the economy. The stability of the crediting banks, including the big ones, was in danger, and the causes of the phenomenon, the seeking of the financial and economic politics were in course of clarification. Because the apparition of the crisis is registered in the near past it was obvious the necessity to investigate the previous period, as well as the consultancy with the brilliant predecessor of the new Fed President and that is Alan Greenspan, who did not hesitated to express his opinions for the past and the future.

According the newspaper Financial Times when asked about the solution of the mortgage crisis by the reduction of the interest, the former President invoked the changes that have happened in time: 'We are in a period in which there are much more difficulties than it was at the time of the President of Fed … now you must be more careful in reducing the interest in order ponder the crisis' effects. I think is useless to mention what I would have done in this situation'. At the same time Greenspan extends the background in which are funded the decisions at present, emphasizing that the period the United States are going through tends towards the slowing down of the economic growth, and the index of variation and correction of prices is closely connected to the globalization.

Greenspan enjoys however of the admirations of the big economists and universitaries, and also endures the hard critics of some personalities from the same scientific area. From the responsibilities that are attributed to him b y economists from prestigious newspapers, such as the New-York Times, from the American Institute of Businesses, to representative universitarian teachers it is repeated a capital one, the dimensioning of the interest. Greenspan failed to temper through the interest politic the excessive growth of the immobile sector and of the mortgage loans. Indeed Fed, after September 11th 2001 reduced substantially, rapidly the interest rate from 3,5% to 3%, than in 2002 followed the reduction to 1,25%, and in 2003 the reduction reached to 1%, with a insignificant rectification and that is the growth in each trimester of the interest rate with a quarter of percentage point.

The contributions of Greenspan to the theoretical debates of the mortgage crisis, in order to establish the researches for solutions are profound and valuable. It grasps the attention the manner of approaching the specific of the immobile crisis, presented within the affirmation of the globalization process. 'What we must understand – A. Greenspan writes – is the impressive force of the global system and the fact that we can no longer realize estimations about the future of the American economy in the way we were used to do until now'.

Yet there were shaped two mistakes for the future that we must consider in order to overcome the crisis:

- the modification in time of the interest rate in order to temper the crisis and to avoid the recession;
- the abandonment of the following declaration of the former president of Fed, who proved to be propel of the crisis of immobile crediting. 'There have appeared on the market a series of innovative products, such as the subprime credits. These products are representative for the entire history of development of the American financial market'.

In reality the subprime mortgage credits have generated the immobile crisis, supported also by the interest of 1% but also by other factors. The critics brought to the former President Fed are not actual solutions, and his responses to the economic analysis meant to deepen the approach of the crisis in their complexity are changing. Usually the economic crisis before exploding smolder unperceived. In addition the subprime crisis was less known.

b) Initiatives and actions in order to overpass the mortgage crisis

For six months from the year 2007, at the request of the Fed President Ben Bernanke it was prepared a program of measures, mainly of new regulations for the prevention of aggravation of the immobile crisis. The identified measures pursue the protection of the owners of mortgage credits through regulations with restrictive character. It is prohibited the granting of subprime credits without the established documentation, bout the incomes of the contractor. The creditors have the obligation to establish the possibilities of paying the loan by the contractor, and at the same time the owners of credits have the obligation to constitute an escrow account for the taxes and insurances. The regulations also foresee: financial reports of the creditors, their interdiction to pay commissions to the brokers that exceed the convened sums, the delay of certain forms of publicity, the clear establishment of the credit's rates for the entire period and others.

The President of the Banking Committee considered that the program of measures 'is too weak to rebuild the trust in the mortgage market'. The specialists from the financial industry consider that the restriction of the subprime mortgage credits coul not reduce these credits during the period of immobile crisis.

Before the adoption of the regulations the Fed President organized debates for these during 3 months from the year 2007 and considers that after the adoption it turned out that they answer to the requests of elimination of the deficiencies so far. 'The discipline from the market of mortgage credits – affirms the President – was in some cases breached, and the stimulants of using some prudent procedures of crediting were weak for many years'.

He also considers that the new regulations will foresee the abusive practices without 'restricting the accessibility of mortgage credits'.

c) *The dimensions of the mortgage crisis in the USA. The threat of the recession.*

Since the third trimester of the year 2007 it is analyzed the evolution of the mortgage crisis, it was forecasted its duration until the end of the year 2009, as well as the danger of entering into recession. The specialists from the Univeristy of California (UCLA) predicted in their report a growth of the GDP during the first three months of the year 2008 of 1% and reached to the following conclusion: 'When the rhythm of economic growth reaches a level so low, there is only one step until the recession'.

During this decade they will break the mind the dimensions that they reached since a long time the losses of the big banks engaged in the immobile crisis. The colossus American banking Citigroup registered in the fourth trimester of 2007 losses estimated to 18.7 billions dollars, from which 11 billions dollars were provoked by the crisis of subprime credits. Moreover, for the beginning of the year 2008 it was evaluated a loss of 25 billions dollars due to the same causes. The negative effects multiplied from November 2007, when the quotation of the stocks at the stock-exchange decreased with 8%. In order to cover the losses the Bank was going to reduce the dividends in the fourth trimester of 2007 with 40%.

At the financial group Merrill Lynch the losses until the end of the year 2007 were evaluated to 23 billions dollars.

In order to reduce it the bank sold 10% from its investments (7.5 billions dollars). The exposure of the two banks constitutes only an example, but significant for the damages of the crisis.

The mortgages with problems have a very large sphere. The number of their prescription increased with 68% in November 2007 than the previous year. In November there were registered mortgage prescriptions, letters of sale by auction and warnings for the unpayment of credits. In the thord trimester of 2007 the interest for a stock of 87 billions dollars was enormous.

As a consequence of the subprime crisis it is estimated in 2008 a decrease of dwelling sales of 12% and a depreciation of prices of 4.5%.

Until the end of the year 2007 the President of the United States sustained the trust in the evolution of the American economy. The statistics and evaluations realized by economists evidentiated not only the economy's decline, but also the duration of approximately two years of crisis.

For the first time and since the first part of the month of January 2008 the President George W.Bush and the members of the Congress from the Democrat Party announced the initiation of a package of measures that will prevent the crossing from the crisis to the recession.

The president was expected to support the substantial reduction of taxes, and the democrats the reduction of impositions and the protection of owners of small incomes. The President also emphasized that ‘many Americans are worried by the economic situation of the United States’ and that ‘the rhythm of employment has decreased significantly’.

Because the crisis aggravates the President approved a plan of raising the bid of the economy in amount of 150 billiosn dollars.

However the responsibilities for perceiving late the mortgage crisis and the elaboration of new measures for the stopping of the phenomenon do not revert first to the state or the governments, but to the leaders of the great banks and enterprises. To be correct these personalities started tu bear the consequences. Charles Prince CEO from Citigroup and Stan O’Neal CEO from Merrill Lynch have been dismissed. The cause: the crash of the actives’ value regarding the non-corresponding administration of the mortgage credits.

Jimmy Cayne executive director of the American Bank Bear Stears was getting ready to leave, due to the big losses caused by the collapse of the market of subprime credits.

During the 4th trimester of 2007 the losses were of 854 billions dollars, and the decrease at the stock-exchange of the shares reached to 53% during the last year. The lkist of the responsibles for the losses is bigger.

d) *The solidarity of the central banks in order to stabilize the financial markets.*

The crisis of subprime credits in the USA was recepted with disponibilities of support from the big international central banks.

The European Central Bank declared that was going to ensure the capital market unlimited funds, with an interest rate smaller than the interbanking one, in order to foresee the crisis of liquidities at the end of the year 2007. Actually the ECB had already provided auctions. In December granted the banks in only one day credits of 348 billions euro.

The crisis was aggravating, it was extended the forced execution of the owners of dwellings and the activity of crediting was restricted.

It was constituted a group of big central banks, formed from ECB, the English Bank, the National Bank of Switzerland that bound to give support, to which it also adhered Fed. Obviously Fed proceded to the creation of some facilities, functionalized through auctions, whithn which the banks had access to funds with the condition of granting extended financial warranties, which comprised also financial instruments sustained by mortgages. In December 2007 there were programmed 2 auctiosn of 10 billions dollars each.

The European Central Bank cooperated with Fed and provided the European banks funds in amount of 20 billiosn until the end of the year 2007. The Bank of England bound to grant loans in conditions of financial warranties, denominated in poun-sterlings.

The Switzerland National Bank created a line of exchange with the central American bank, within which it provided funds to the banks in amount of 4 billions dollars.

The insertion from ECB of big liquidities on the banking market was regularized through the absorption of excess. Only in December 2007 were absorbed the following amounts: 146.6 billions euro on December 27th, 150 billions euro on December 28th and 101.58 billions euro on December 31st. The ECB continued the process also in 2008. During the first part of January it withdraw from the financial market from the euro area overnight funds in amount of 20 billions euro, with the scope to maintain the interbanking interests at the level of the reference rate of 4%.

At the same time it loaned to the banks 190,5 miliarde billions euro in term of one week.

e) The potential of extension of the American mortgage crisis.

During the last mnonths of the year 2007 appeared the first signs of piercing of the crisis of subprime credits in the countries from Europe, Asia and Middle East. The 10 big European banks substantially decapitalized, crossing from 900 billions euro to 725 billions euro. Only one bank HSBC (England) possessed the stock-exchange capitalization at the level of 100 billions euro.

It is one of the banks that presented its exposure towards the increase of the risks caused by the subprime credits. For correction it increased the commissions of its section from the USA. In order to avoid the selling to a reduced price of the funds for structured investments introduced them in the balance. The losses at the stock-exchange limited to a decrease of 9.56% at that date. Within the group of big banks from England, Northern Rock was getting close to bankruptcy. The Switzerland Bank USB registered great losses and resorted to a strong re-capitalization, ensuring also the entrance of another fund.

In order to initiate measures of maintenance of the sconomic stability, the four countries of the EU, Germany, England, France and Italy scheduled a common debate for this scope, considered by Belgium as discriminating ('Europe is not made only for the important ones, but for all', declares the prime-minister Verhofstadt). The economists from the European banks choose to reduce the rate of the reference interest, following the example of the Bank of England and of Fed.

The ECB engage in continuing the ensurance of liquidities for the banks, in the conditions of maintaining the rate of the reference interest, observing the evolution of the inflation rate as well as the economy in the EU, as long as the situations is not alarming. The ECB forecasts for 2008 an inflation rate of 2.5% and in case of exceeding this limit will increase the interest.

Towards the end of the year 2007, from more general signals of extension in the EU of the American immobile crisis, there have appeared manifestations of the phenomenon in some countries of the EU.

In evaluating the level of development of the countries from the EU Spain is registered on the 5th place and is pursuing to overtake Germnay.

In December 2007 the course of development in Spain changed, the economic growth decreased from 3.3% to 4.3% and the prices for dwellings started to decrease in many areas. The degree of debt of many families implies amounts bigger than the value of their dwellings. During the last years the economic growth in Spain had exceeded the level of the other states member of the EU, due to the boom of the consume supported by the prices from the immobile market. Thus, the level of credits finalized by consumers reached 130% from the value of incomes, and the price of dwellings reached 176% in the same reporting.

In the new conditions FMI changed its evaluation of the economic growth in Spain from 3.4% during the last year, to 2.7% in the year 2008.

There are also outlined some solutions to overpass the difficulties and first of all the financial restructure and the reduction of constructions. In supporting the getting out from under of the economy there are pursued the problems of migration, the increase of demands for dwellings, the extension of the companies' production on the external markets and others.

Signals of the expansion of the crisis are staring to be seen also in Great Britain. The subprime mortgage crediting from this country has effects similar with those that dominate the American economy.

The report of counciling for the citizens of England notices that 770.000 persons remained behind in paying the mortgage rates at least once during the 12 months from the year 2007.

According the statistic there are 1.4 millions of dwelling buyers that will have to face the incapacity of paying the rates.

f) The American mortgage crisis, the advantages of the Asiatic countries and of the Middle East countries that have become creditors of USA from the excess of exports.

Within the group of the biggest 20 banks from the world, according the capitalization, China has the second place with 607 billions dollars, after the USA with 881 billions dollars (source of Bloomberg dates) and it is considered the savior of the American banks, as well as the 'grasping' of the financial market.

One of the investments inamount of 3.48 billions dollars was designated to the bank Morgan Stanley necessary to cover a part from the debt that had on the market of subprime mortgage.

The Bank for Development from China, together with the Tomasek Bank from Singapore offered an investment of 4.4 billions dollars to the American bank Barklays. The Bnak Citic Securities from China engages to invest 1 billion dollars to the bank Bear Stears.

In this opening for supporting the surpassing of the subprime crisis also entered the Authority of Investments from Kuwait, with Mizuho Financial Group from Japan, Korean Investment and other banks. The American bank Merrill Lynch attracted 6.6 billions dollars from this group, by sellings of preferential stocks.

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In the evolution of the mortgage crisis in the USA, whose length is getting closer to one year there were observed the dimensions of the process, the deepest causes of it and its definition as a globalization of the investments in perspective.

The manifestations that are at the basis of the phenomenon consist in the growth of volatility of the market, evaluated by stock-exchange indexes whose level or price marked at the end of January 2008 the crash of the market in the USA, Asia and Europe. The researches of the crisis continue to observe the deepening of this expressed by significant losses, but also the availabilities to equilibrate them. in explaining the causes of the present turbulences from the stock-exchange market Iorg Kramer, chief economist Comerzbank from Frankfurt Germany, leans on the indexes of the market's volatility, that 'measures the expectations of the investors…observing the value of the options of transaction. When the investors estimate a growth of the market's volatility the options of buying or selling stocks with fix price also increase'. For him the explanation is simple: 'the low costs of crediting'. During the mandate of Greenspan (the era of the interest rate of 1%), the central banks, especially Fed, provided so much liquidity on the market, that the investors had the feeling that the risks are smaller.

It is true that Greenspan promoted the reduction of costs of crediting, but his objective was the economic growth.

The environment of establishing the ebjectives has changed, it belonged to the globalization. For now the main objective is the reduction of the factors that act in the direction of the economic recession in the USA.

g) Risks in the evolution of the Romanian economy.

In Romania, starting with August 2007, appeared the signals of economic unbalances with no direct connection to the crisis of American subprime credits, in the conditions in which in the country the constructions from all fields were anchored in full expansion, on long terms, financially sustainable.

However, the factors of pressure from the economy, always present, were propelling during that time the growth of prices, the depreciation of the exchange course of the leu, the expansion of the non-governmenatl consume credit and other obstacles. By their effects, these pressures coincided in time with the mortgage crisis from the USA.

Moreover, they integrated in the crisis' sphere, in the conditions of affirmation of the globalization process, which entered in a period of pressure for wolrwide economic corrections, in order to get back to normal. The fact that the pressure of corrections within our economy was far from the amplitude of the turbulences from the international market was positive.

The vice-governor BNR Cristian Popa emphasized the following about this: 'although we cannot talk about the absence of risk', the basis of our economy is 'quite solid'.

The reforms of the transition to the market economy, announced at the same time with the revolution from 1989 started actually after ten years, in 2000, when at Helsinki – Finland, in December 1999 was approved the beginning of negotiating the 31 chapters of adhesion to the EU. We cannot forget the support of France, England and the United States for this opening.

Within this framework was initiated the first strategy of foundation of the objectives for Romania's adhesion to the EU, elaborated by a collective of researchers named Govern, together with delegated experts by the European Commission. The targets of the strategy were realized and generated 'the solid basis of our economy'.

In 2000 was inaugurated for the first time, after 10 years, the growth of the GDP with 2.1% than the previous year.

The process accelerated with much biger results, with increases of the GDP of over 5% during the period 2001-2007, with just one exception: in series, the growth of the GDP with only 4.1% in 2005.

At the same time entered into action, also for the first time, the factors of economic stability sustained by the long term didinflation, observed for many years by BNR through the targeting of the inflation, accompanied by the appreciation of leu on the financial markets, once with the fulfillment of the conditions of convertibility of current account of the leu, followed by a sanitation of the commercial banks that were on the edge of bankruptcy, as well as the foundation and efficiency of the monetary politics and other accomplishments.

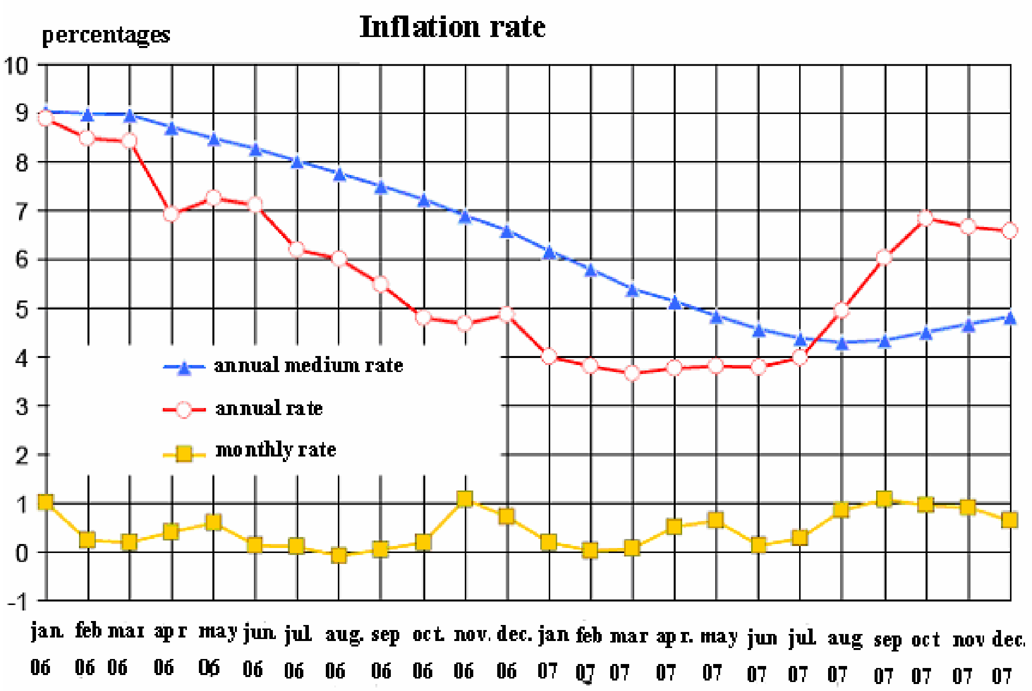
The in force process of disinflation in 2000, evaluated through the annual rate of inflation (at the end of the period, December to December) decreased from 54.8% in 1999 to 40.7% in 2000. Since then the annual inflation decreased continuously reaching at the end of 2007 to 65.7% (calculated in Ron) than the rate registered in December 2006. The techniques of evaluation of the infaltion rate are diversified and besides the annual rate are also used the annual medium rate and the monthly rate. Each of these three methods contributes to a more complete identification of the causes of variation of proces.

The medium rate of inflation in the years 2007/2006 was calculated by Mister Constantin Chirca, adjunct director at the Statistics Direction of the BNR, using the EU methodology (the reporting of the dates from the last 12 months of the current year to the 12 months of the previous year). The author emphasizes that the method is used for the evaluation of the inflation rate in each country of the EU that candidates to the admission in the euro area (the limit being of 3%).

In the interval 2007 reported to 2006 the annual medium rate, according to the same method was of 4,8%, level that confirms the continuity of the disinflation process from 2006 until the end of 2007.

However the pressures on the growth of prices intensified, starting with July – August 2007, exceeding the rate of the monthly inflation from December 2007 in January 2008. According the calculation of the same author the rate of inflation in 2008 reported to that from December 2007 was of 7.26%, much bigger than the previous months.

The evolution of the inflation rate evaluated on the time interval 2006-2007 by the three methods the annual medium rate, the annual rate and the monthly rate I srepresented in graphic no. 1 below (source: the National Institute of Statistics and evaluated by the Romanian National Bank).



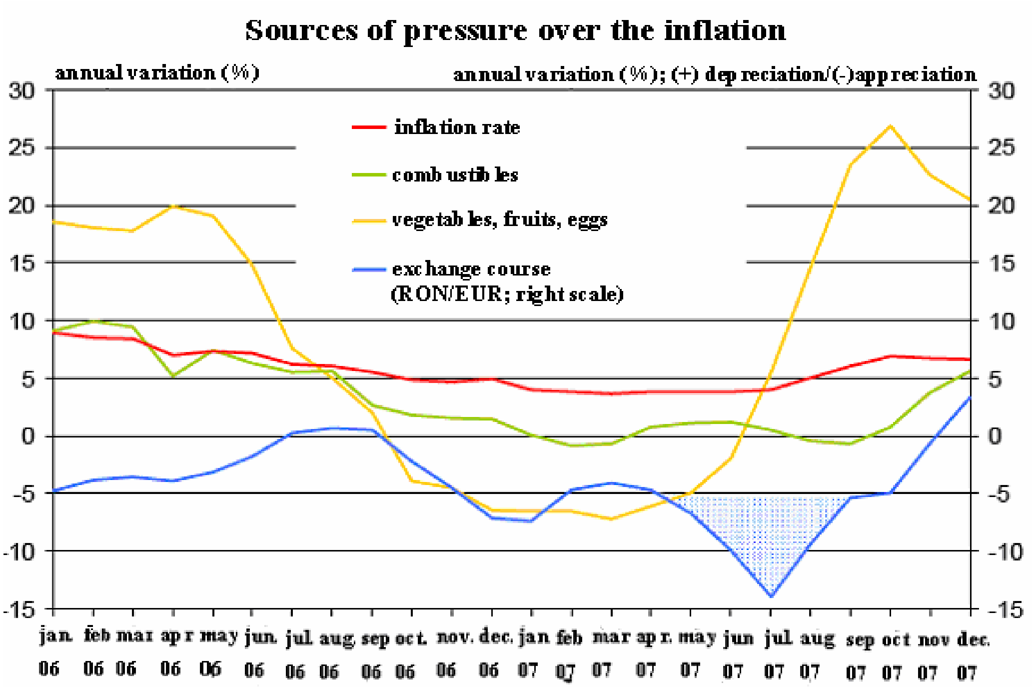
Source: The National Institute of Statistics, calculations The Romanian National Bank

In an abbreviated form it is expressed in percentages the evolution of the inflation represented by the three curves in the interval December 2006 – January 2008.

	2006 dec.	ian.	feb.	mar.	2007 apr.	mai	iun	iul	aug.	sept.	oct.	nov.	dec.	2008 ian.
Monthly rate of inflation (%)	0,74	0,20	0,04	0,07	0,52	0,64	0,14	0,29	0,86	1,08	0,97	0,93	0,64	0,86
Annual rate of inflation (%)	4,87	4,01	3,81	3,66	3,77	3,81	3,80	3,99	4,96	6,03	6,84	6,67	6,57	7,26
Medium annual rate of inflation (%)	6,6	6,2	5,8	5,4	5,1	4,8	4,6	4,4	4,3	4,3	4,5	4,7	4,8	5,1

The curves of evaluation from graphic 1 determine with exactness the trend of disinflation and the continuation of the process until the end of 2007. at the same time expresses the beginning of growth of the prices in 2007, without bounces in the case of the annual medium rate, but with the certainty of maintaining the disinflation rate (4,8%) until December 2007. the growth of prices within this interval is covered, according the annual medium rate by the reduction of prices during the previous periods.

The strong pressure over the growth of inflation during the last 5 months of 2007 was exerted by the prices of the following products: combustibles and feeding merchandise. The evolution of prices of these products in the interval 2006-2007 is represnted in the graphic 2 below, elaborated by BNR (source of dates, the National Institute of Statistics and BNR).



Source: The National Institute of Statistics, The Romanian National Bank

The variation of the prices of combustibles as well as of the feeding products date for a long time and have different causes.

With the beginning of January 2006 until September 2007 the growth of the rate for the price of combustibles experienced big variations, but had an accentuated tendency of reduction during the first eight months.

In September 2007 the prices increased suddenly without reaching the inflation rate from the first three months of 2006.

The causes are various and act on the international market of petrol dominated by the big producers from the countries with natural resources.

One of the main and actual causes of the petrol's price, sustained by the investors from the international market, consists in the monetary politic of Fed of reducing the rate of the reference interest with 2.25% in September 2007.

As consequence, during the last year the dollar depreciated with 17% in report to euro and determines the substantial growth of the price of petrol.

To this pressure it is added also the growth of the demand for combustibles from the market.

In the extrended area of cultures of feeding products in a big number of countries, the effects of the drought were experienced once with the low harvest from the fall of 2007. On the whole the growth of prices for feeding merchandise was of 0.8% in report with the rate of the previous year. On a big number of sub-groups of feeding products the rate of increases was of 1% thus how it results from table 2 below (in which 100 = the rate of prices from the previous year).

Subgroups of feeding products
- total of price growth -

1.	Vegetables and canned vegetables………………….	101,98
2.	Fruits and canned fruits ………..…………………..	101,75
3.	Oil, bacon, fats ……………………………….……..	101,08
4.	Milk and dairy products ………………...…………..	101,77

Acording the INS dates the inflation follows its upward course during the first months of 2008, with some changes according the groups and sub-groups of products. The annualized rate at the end of February was of 7,97% than the previous month, with a rate of 7,26% as well as towards the rate of 6,57% in December 2007. in February 2008 it was reached a pick rate than the previous years, due to the pressure on prices and that is: growing rate for the natural gases of 8,42% than the previous month; for the non-feeding products the rate was of 1,08%, for services a plus of 0,5% and for the feeding goods of 0,38%. It is observed a change of the growth of prices on the structure of the groups, with leaps to combustibles and small rises for food and services.

The perspectives of the variation of the inflation rate after eight months of growth are in full process of evaluation, under the reserves caused by the explosion of prices for combustibles. However, BNR forecasts a pick of the inflation growth of 8.3% at the end of March and of 5.9% at the end of 2008. The expectations for supporting the target have at the basis, for the evaluators, the meteorological forecast.

The second decisive factor for the financial stability, the exchange course of the leu, followed the same path of supporting the economic development and reducing the inflation after 2000. As consequence the exchange course of the leu appreciated. In graphic no. 2, the curve of appreciation of leu in the interval Januray 2006-December 2007 folows a decreasing slope (with variations) until July 2007 when it started the accelerated process of depreciation of the leu. The losses of value until January 2008 were of 21%, while the appreciation from the first semester was much smaller, of 10%.

The BNR governor considers the interval of depreciation as an interruption of the nominal appreciation, but if we consider the inflation the leu strengthness. At the same time appreciates as premature the recovering of the leu depreciation from 2007. Yet the analysts forecast for 2008 an appreciation of the leu of 5% - 6%, at a level of 3,5% euro. The pessimistic forecasts evaluate the depreciation to 4 lei euro. Contradictory opinions regarding the evolution of the leu course comprise the report of the Swiss bank USB published in the summer of 2007, in order to state afterwards that the depreciation is not going to weaken the economic growth, and Romania will overpass the unbalances and will enjoy stability. In the report are outlined also some scenarios for the future. One of these foresees the gradual depreciation of the leu and the avoidance of the sudden one that woul favor the growth of inflation.

There has recently appeared a surprise in the economy. On March 13th 2008 BNR published the evolution of the deficit of current account from January 2008, reported to the same month from 2007, which registered a growth of 17%, the smallest during the last years.

This performamce was attributed to the depreciation of leu from the last 6 months. The exports increased more than the imports and the cashings from the first ones were bigger than those from imports. According the experience the advantages are real but not durable.

Another important factor of the economic growth is the commerce with money, the crediting realized by the system of credit investments.

In 2007 the banking intermediation has increased a lot, reaching to the poise in the GDP of 37.9%. In December 2007 the total non-governmental credit increased with 60.4% reported to the growth from the same month of the year 2006. On structure the non-governmental credit in lei increased with 39,2%, from the total of which in the sector of the population's dwellings the increase was of 45,4%, and the one allocated to the non-financial societies and non-monetary financial institutions the increase was of 33,6% .

The total non-governmental credit in currency increased with 84.0%, and on structure, the credits for dwellings increased with 134.4%, and for those allocated to the non-financial societies and non-monetary financial institutions the increase was of 54,4%.

On the market of credits the crediting in currency is dominated and accompanied by negative influences on the inflation and the exchange course of the leu.

The non-governmental credit granted to the central administration and the local one and to the systems of social insurances increased with 169,9% in December 2007 than the same month in 2006. (Source of the data: BNR). According the analysis of the Romanian economy a carrier of risks for long term proved to be the deficit if current account that in January 2007 registered a growth of 162% than the same month of the previous year (BNR temporary dates). The poise in the GDP of the current account was of 10.4% in 2006 and of 13,9% in 2007.

Although the rhythm of the growth of exports exceeded the growth of imports in January 2008, the poise of the service of external debt reached in total 25.6% than 20.4% in 2007 the same month.

To the growth of the external debt contributed many factors. The interests for the deposits of 3.25 billions euro of the non-residents at the autochtonous banks were of 325 millions euro. The public external debt contracted by the Ministry of Economy and Finances and the local public administration increased with 600 millions euro, reaching a total of 7,6 billions euro. The public guaranteed debt of 3.9 billions euro increases the deficit with 2.9 billions euro in the public sector. The debts for short term of the Romanian companies, considered vulnerable are evaluated at over 20 billions euro.

The danger of the deficit of current account consists in the covering of a part from the economic unbalances. Regarding this, Thomas I. Palley chief economist of the Sino-American Commission wrote the following: "When it is calculated the national income of a country, the commercial deficit represents the diference between a high consume from the import and a weaker production for export. From the mere accountancy perspective is, therefore, normal that the commercial deficits be labeled ad negative increases". (Article from România Liberă, November 6th 2007).

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The monetary politic of the BNR acted in time, using specific methods verified for a long time, for the re-establishment by correction of the macroeconomic balances.

First of all it increased the interest of reference from 8% to 9% and continued the absorption of the excess of liquidities from the market.

It also improved the actual norms of provision, adding a new category of classification named “standard” and increased also the coefficients of provision from 4 to 5 categories.

According to the analysis the Romanian economy does not confront with the immobile crisis but with the changes caused mainly by the price of petrol and the price of feeding products, to which there are added the corrections generalized in the majority of the countries.