SOME DIRECTIONS OF ACTION IN EXTERNAL DEBT MANAGEMENT MEANT TO MINIMIZE THE RISKS OF A DEBT CRISIS IN ROMANIA

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Considering the almost continuous increase in Romania's external debt after 2006, as well as the discontinuous rise in the share of short-term external debt in the total external debt starting from 2010, the author aims to highlight the most important risks that can affect the external debt, as well as some measures aimed at minimizing the risks of a debt crisis in Romania. In the article, it is shown that price fluctuation (namely, exchange rate and interest rate) is the most important risk for external debt management. Next, there are presented the factors influencing the price risk, and the ability to pay the external debt service. Also, there are suggested some measures meant to improve the evolution of these factors, as well as some directions of action to minimize the risks of a debt crisis in Romania. They include supporting the growth of exports with elevated added value and a high degree of processing, reducing the share of short-term external debt in the total external debt, correlating the currencies in which exports are sold and of foreign exchange reserves with the currencies in which external debt is contracted, tempering the rate of growth of the external debt, especially of the short-term debt.

The methodology used consists of comparative and descriptive analyses, empirical analysis, drawing of conclusions and literature review. The article is based on the research project "Romania’s external indebtedness in current and perspective conditions", elaborated in CFMR "Victor Slăvescu" in 2022, under the coordination of Camelia Milea, Ph.D.

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