

EDITORIAL EJAFB (6)
ROMANIA – EMERGING COUNTRY STATUS
EDITORIAL

In September, 2017 the FTSE Russell financial evaluation agency keeps Romania on the waiting list for promotion to the emerging market status and, implicitly, in the lower category of border markets, according to the annual report of the company.

„Romania was considered to be far from the progress of Poland, whose stock market was promoted to the developed market status. Romania has not even succeeded in promoting secondary emerging market status, as did a country like Kuwait. Classifying a country's stock market as an emerging market draws the attention of the world's major investors to the companies listed on that stock exchange, but also to the entire economy of that country. The promotion increases the market value of its companies and facilitates financing. FTSE Russel has not made any progress on the Romanian capital market in relation to the promotion criteria, except for the possibility of borrowing shares traded on the Stock Exchange. Not even this criterion is fully met” [1].

Thus, in 2016, the Bucharest Stock Exchange is on the monitoring lists of the two agencies that establish the status of the capital markets, but Romania has only managed to maintain itself on the observation list without being able to promote. In September 2019, the first information appears in the national press that there is hope that this situation will be changed, information reinforced by the statements of the executive director of the Bucharest Stock Exchange stating that all the criteria are met. Therefore, today Romania is waiting for the decision regarding the promotion to the secondary emerging market. If this status is confirmed, the Romanian capital market will enter a new phase. If Romania remains a border market it will be a new disappointment for the Romanian investors” [2]. On September 27th, 2019, the president of BVB stated that: "It is an important moment for Romania, whose stock market was closed during the communist regime and reopened almost half a century later. When it started operating again, in November 1995, 6 companies were listed on the stock exchange. Now, 84 companies are listed on the Bucharest Stock Exchange (BVB) on the main market alone and together they have a capitalization of 36 billion euros [3].”

Even if in the case of emerging countries the most successful are the investors, because of the financial resources invested in these countries, they can be adjusted quickly, and in the short term, they may gain economic benefits and advantages far superior to the countries that do not benefit from this status. Thus, we welcome this emerging country status for Romania, but also the efforts of the specialists who

have been involved and have supported this performance for our country.

Notes

[1] România a ratat promovarea la statutul de piață emergentă, Curs de guvernare- stiri. Retrieved December 02, 2018 from: <https://cursdeguvernare.ro/romania-a-ratat-promovarea-la-statutul-de-piata-emergenta.html>.

[2] Rudnițchi, C. Cu sufletul la gură : azi, România așteaptă decizia de promovare la statutul de piață emergentă, Retrieved December 02, 2018 from: <https://www.rfi.ro/economie-114565-azi-romania-asteapta-decizie-promovare-statut-piata-emergenta>.

[3] Vestea uriașă pentru România. Suntem piață emergentă. Momentul, comparat cu aderarea la UE, QMagazine, Retrieved December 02, 2018 from: <https://www.qmagazine.ro/veste-uriasa-pentru-romania-suntem-piata-emergenta-momentul-comparat-cu-aderarea-la-ue/>