

THE IMPACT OF GLOBAL CRISIS ON ROMANIA'S ECONOMIC DEVELOPMENT

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Abstract:

The world is passing through the most difficult economic and financial crisis in the history, which severely affects its stability in the long term, risking an uncontrolled slide into chaos and uncertainty. The housing market crisis emerged in the United States in July 2007, due to multiple interferences generated by the globalization, has spread to other regions, triggering the world economy into recession. The study is trying to present the main causes and characteristics of the crisis, with special attention to its impact on Romania, which has witnessed a severe economic downturn in the first half of 2009, registering a sharp decline in industrial production, construction sector, exports and also in the lending activity. To deal with high budget deficit and liquidity pressures in the short term a financing agreement with international organizations has been concluded. But, in the long term, the external debt burden is increasing, the sustainable development of Romania facing new risks arising from both the global crisis and the internal vulnerabilities.

Keywords: *international financial crisis, global recession, causes and effects of the crisis, anti-crisis remedies, external debt, sustainable development.*

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