

## FOREIGN DIRECT INVESTMENT – A KEY TO ECONOMIC GROWTH FOR ROMANIA

*Adrian Gelu LUPU*

Spiru Haret University, Romania,  
E-mail [adrian\\_lupu06@yahoo.com](mailto:adrian_lupu06@yahoo.com)

*Felicia Adriana LUPU*

Fld Accounting Office, Romania,  
E-mail [expertizacontabilaploiesti@gmail.com](mailto:expertizacontabilaploiesti@gmail.com)

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### ABSTRACT

*For all Central and Eastern European countries, EU pre-accession period and the period immediately following accession, are marked by the instability of national economies, an economic decline, a worrying shortage of capital and a dangerously low rate of foreign investment. After completion of the economically auspicious period of 2007-2008, the entire Romanian economy is developing in a particular manner in the current context. Covering a passage which felt the effects of economic crisis, Romania finds itself in the position to revive measures that would attract foreign direct investment.*

*Methods, principles and laws for attracting foreign direct investments in Romania are functional and popularly known. Efficient use of capital consisting in human resource can be considered a very important strategic option, part of a winning strategy for a state in the situation of Romania. Equally, fiscal mechanisms such as reduced overall tax rates for certain sectors of the economy or for the whole economy, tax deductibility for certain investments, the application of specific instruments of taxing profits, together with an appropriate legal framework, may complete the panel of key strategic choices to attract direct foreign investment in the national economy.*

**KEYWORDS:** *economic growth, FDI, fiscality, strategic management*

**JEL CLASSIFICATION:** *A10, E22, H19*

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