
ROMANIA'S CENTRAL BANK: DEFENDING NATIONAL CURRENCY WOULD PUSH UP INTEREST RATES

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The central bank is permanently pursuing the countrys monetary and exchange rate policies, all the more these days, National Bank of Romanias (BNR) spokesperson Dan Suciu stated in response to the Finance Ministrys statements on the recent exchange rate developments.

He also said the Government should consult the central banks experts when taking important decisions with an impact on the monetary and exchange rate policy, as well as on the entire financial systems stability, local Ziarul Financiar reported.

In fact, Suciu blamed the Government for having adopted the emergency ordinance 114/2018 that weakens the effects of the monetary policy. Furthermore, it deteriorates significantly the outlook for local banks resulting in possibly negative aggregate earnings of the banking system.

BNR strategy consultant Adrian Vasilescu addressed directly the request expressed by the senior ruling party, the Social Democratic Party (PSD), to the central bank for defending the exchange rate. BNR stepping in and selling enough euros to defend the national currency would push up interest rates on the money market (ROBOR) above 5%, or maybe even above 7%, Vasilescu stressed, implying that, either way, the debtors would eventually pay the cost, local Economica.netreported.

<https://www.romania-insider.com/bnr-defending-national-currency-interest-rates/>

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