



## Lucian Anghel

Chairman,  
Bucharest Stock Exchange

## Romanian capital market developments

The Romanian capital market has started in 2014 an ambitious reform in order to be upgraded to emerging market status by global index providers and, since September 2018, it is only one step away (as far as market liquidity) by the FTSE Russell classification. As per the FTSE Russell country classification review, the Romanian capital market was maintained on the Emerging Market Watchlist and is one step closer to obtain the upgrade. The single outstanding criterion is Liquidity – sufficient broad market liquidity to support sizeable global investment. FTSE upgraded from 'Not Met' to 'Restricted' the Liquidity criterion, following an improvement in broad market liquidity.

The global index provider MSCI published on June 20, 2018, its latest Global Market Accessibility Review. The report stated that Romania continued its efforts to improve the liquidity and participation in the stock market by lowering trading fees and encouraging more market makers to boost market activity, and that notable activities for the Romanian equity market also included the launch of Issuers Reporting Information System, where listed companies were able to release their communication to the market efficiently. Therefore, Romania's accessibility criteria were upgraded on 3 notes: market regulations, information flow and trading.

Although Romania is the second largest country in the region after Poland, the local exchange has a market capitalization/GDP ratio 3,5 times smaller than Warsaw Stock Exchange, and about 15 times less retail investors. This is a direct consequence of the low degree of financial education of the population. We are working with the capital market stakeholders, FSA and relevant authorities to implement measures at national level that support financial education, stimulate savings and diversify investments.

Internally, Bucharest Stock Exchange is focusing on developing the market infrastructure by launching the local CCP solution, attracting private IPOs and bond listings as well as foreign investors in Romania. The CCP solution, approved by the shareholders in January 2019, is a prerequisite for launching the derivatives and further broaden the market offering.

On attracting entrepreneurs towards listing, Bucharest Stock Exchange is running in 2019 the 3rd edition of Made in Romania project, targeting 15 companies for the growth of the Romanian economy and their success stories.

About attracting foreign investors in Romania, Bucharest Stock Exchange has extended in the last years the range of targeted investors as well as the geographical region, initiated and took part in more roadshows and investor conferences, launched InvestingRomania.com information portal.

In parallel, the projects on qualitative improvement of the market are quasi permanent, like increasing the degree of corporate governance compliance for listed companies, within the framework of an EBRD supported project. ●