

## THE MANAGEMENT OF THE PUBLIC DEBT AND THE FINANCE OF THE BUDGETARY DEFICIT

**Anisoara Niculina APETRI, Irina Stefana CIBOTARIU**

University "Stefan cel Mare" Suceava, Faculty of Economic Studies and Public Administration, 13  
Universitații Street, Suceava 720229, anisoarad@seap.usv.ro

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### SUMMARY

To ensure the financing of the budget deficit and the re-financing of the public debt one calls on to both internal and external sources. In the next period mainly internal sources will be taken into consideration, both for the reduction of the costs with the internal debt and for the reduction of the foreign currency course risk belonging to the governmental debt. The main objective of the governmental debt is represented by its maintenance in the sustainable limits and ensuring the sources necessary for the financing the budget deficits and the payment resources of the debt's service at the lowest acceptable risk. One of the objective of the public debt for the period 2008-2010 is represented also by the development of the state titles, in this respect, in insuring the financing on the internal market taking into consideration launching long and medium benchmark type emissions, that could be re-opened in order to increase their liquidity. After analyzing the portfolio of the governmental debt at the end of 2007 we have reached the following conclusions: of the structure on debt instruments we understand that treasury certificate have been a financing source of the budget deficit for the period 2002-2004, during 2005 state titles and obligations being issued, euro-obligations, and in 2007 benchmark obligations being issued; following the structure on interest rate type, the debt contracted with a fix interest represented 43 % in 2003, and for the period 2004-2007 it registered a descending trend (30.7% in 2007); the structure on foreign currency of the governmental public debt shows an increase of the debt in lei of up to 53.2 % in 2007 and a descend of the debt in EUR and USD. In order to improve the portfolio of the governmental public debt one must take into consideration the following measures: the increase of the weight of the governmental public debt in lei in the total of the public debt; the increase in the weight of the governmental public debt in EUR in the total of the governmental public debt in currency; the reduction of the re-financing degree for the governmental public debt in lei and euro; the increase of the weight of the debt with fix interest in the total of the governmental public debt; contracting debt in foreign currency mainly the launching of emissions of obligations on the international capital markets; the uniform distribution of the governmental public debt service.

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