

THE IMPACT OF FINANCIAL ANALYSIS AND FOREIGN INVESTMENTS ON THE ROMANIAN ECONOMY: A CASE STUDY ON ITALIAN CAPITAL

Andreea-Roxana Crocnan*

West University of Timișoara, Timișoara, Romania

Abstract

Economic and financial analysis plays a crucial role in evaluating company performance, significantly impacting financial and operational strategies. For example, for foreign capital companies, such as many Italian firms operating in Romania, financial analysis aids in navigating economic and regulatory challenges, managing risks, and optimizing resources. It is essential for assessing profitability, liquidity, and solvency, as well as for making comparisons across different markets or international subsidiaries.

The role of Italian capital in Romania has been substantial, particularly in the manufacturing and banking sectors. Beyond direct economic contributions, Italian capital has introduced managerial and technological know-how, crucial for modernizing local companies. The economic and financial analysis of these investments reflects both the positive contributions, and the challenges faced, such as bureaucracy and legislative instability, which can affect long-term financial performance.

Furthermore, the definition and classification of economic and financial analyses provide a conceptual framework for evaluating company performance. These analyses can be categorized by objectives (profitability, liquidity, solvency, activity) or methodology (vertical, horizontal, trend, comparative analysis), with each type offering essential perspectives on a company's financial health.

Thus, economic and financial analysis is a vital tool not only for understanding current financial positions but also for future planning, serving as a key determinant for the success of companies, including those with foreign capital.

Keywords

Economic and financial analysis, Italian investments, Company performance, Investment impact, Romania's economy.

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* Corresponding author, **Andreea-Roxana Crocnan** - andreea.crocnan99@e-uvt.ro