

Mugur Isărescu: 130th anniversary of the National Bank of Romania

Speech by Mr Mugur Isărescu, Governor of the National Bank of Romania, at the Gala Concert of George Enescu Philharmonic Orchestra, Bucharest, 5 September 2010.

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Mister President of Romania

Your Excellencies

Distinguished audience

Dear guests and friends of the National Bank of Romania

Please allow me to welcome Mr Jean Claude Trichet, the President of the European Central Bank, our honoured guest here, at the Romanian Athenaeum, to the final act of our anniversary event. I would also like to greet President Ion Iliescu and Mr Emil Boc, the Prime Minister of Romania. I appreciate your honouring our invitation.

My thanks go also to you all, governors, representatives of central banks and international financial institutions, and to all our Romanian and foreign guests. We are very happy to have you here with us this evening.

We celebrate the 130th anniversary since the establishment of the National Bank of Romania, the 16th central bank in the world, according to the most widely accepted chronology. The birthday of our institution is on 29 April 1880, a day on which the Law on the establishment of the NBR was published in the Official Gazette. The commissioning of the Bank required a longer process that spanned over the entire 1880. On 5 September 1880 – precisely 130 years ago, the Bank’s Board held its first meeting. On this occasion, a string of scientific and cultural events covering the whole year was organised, namely conferences on monetary issues, banking history seminars, exhibitions, stamp and coin issues, as well as cultural events reunited under the “The Cultural Days of the NBR” project inspired by the excellent cooperation with the European Central Bank in 2009.

At this moment in its historical development, when the National Bank of Romania celebrates its 130th anniversary, the institution enjoys the status of a national central bank in the European Union. Our institution is a member of the European System of Central Banks and is currently making strenuous efforts for adopting the euro in the years ahead. If I were to find some key words to define the features of the National Bank of Romania, in fact what it stood for and what it still stands for today, these would certainly be the following: a sound, stable, trustworthy, reforming and dynamic institution.

After 130 years, it is all the more relevant that the National Bank of Romania had its ups and downs, similarly to the history of Romania, which has also seen peaceful and progress periods followed by dramatic moments. The common denominator of all these was the fact that the National Bank of Romania has always provided support to the country in order to overcome the trying times. The institution we are celebrating today bore the brunt during World War One, having to cover all the related expenses. In the inter-war years, the NBR played a paramount role in Romania’s economic reconstruction.

As for the present, it is difficult to provide a self-description. Government authorities and public opinion might be in a better position to do that. Within the space of only two decades, the Romanian society underwent major changes. The future generations will judge what we did well and what we did wrong. During all these years, however, particularly since the start of reintegration and reconnection with the European Union, I can assure you that the National Bank of Romania made good use of its institutional expertise and took full advantage of the experience acquired ever since its establishment.

I would like to mention that the NBR would not have managed to successfully accomplish its most complex tasks without the substantial contribution of its employees, namely the human

resources it has created itself: employees, experts, managers. This is the reason why I want to extend my heartfelt gratitude to both present and former members of this high performance team for its professional qualities and integrity, as well as for their contribution to developing and enhancing the prestige of this institution, to the benefit of Romania.

On this anniversary occasion, it is my duty to mention that the far-reaching and beneficial reform our institution has undergone for the past two decades, the reconnection with the European System of Central Banks, would not have been possible without the various types of support from other central banks and international financial institutions. During its transformation and consolidation process, the National Bank of Romania became a top ranking institution, capable of meeting the European standards and providing assistance to other central banks.

Looking further ahead and taking into account the activity it has performed for the past 130 years, I would like to emphasise that the National Bank of Romania stands firmly committed to fulfilling its mandate as a guardian of price and financial stability in Romania. Our efforts will focus on committing ourselves, together with the Government of Romania, to pursuing sound and stability-oriented policies, so that we can overcome the current challenges.

Attracting European funds plays a major part in the sustainable development of Romania, as saving will remain insufficient in our country for a rather long time. The National Bank of Romania will spare no effort and will make recourse to its entire expertise in order to speed up this process. In this context, what I would like to say is that the National Bank of Romania will strengthen its historical ties with the Romanian Academy with a view to drawing up extensive works, meant to be a “point of reference” inspiring strategies or programmes and entwining the visions and ideals of coexisting generations in contemporary Romania.

Actually, one of the conclusions revealed by the troubled 130 year history of the National Bank of Romania, as well as by the universal history is that every time public debate descends from the field of free confrontation, among scientific, well-grounded hypotheses, into an arena of noisy or authoritarian arguments, irrespective of the immediate outcome, it will eventually take its toll on all walks of life.

The current global economic and financial crisis has given us a warning once again that there is no valid substitute for consistent economic policies. Everywhere in the world, the correction of economic policy errors is painful and most of the time hard to understand by the general public and inherently tardy. The sustainable development of Romania hinges on the consistency of economic policies and the euro adoption strategy in the following years may represent a catalyst for achieving this coherence.

Ladies and Gentlemen,

In 1881, the year when the National Bank of Romania actually started its activity, George Enescu, a music genius, was born. He was an outstanding composer and violinist boasting a brilliant international career. This evening, we will enjoy his wonderful music. The National Bank of Romania invites you to an anniversary concert performed by exceptional artists of the “**George Enescu**” **Philharmonic Orchestra**, conducted by the renowned conductor **Horia Andreescu**. We will also be delighted by the talent and virtuosity of a young pianist, **Andrei Licareț**. All these artists will give us a great joy in this splendid hall of the Romanian Athenaeum with a programme comprising well-known musical compositions from the national and international repertoire, selected from the “Eastern flank” of the European Union: Enescu, Smetana, Chopin, Bela Bartok, Grigoraș Dinicu.

I thank you once again and I invite to take the floor **Mr Jean Claude Trichet, the President of the European Central Bank, a close friend of the National Bank of Romania.**