

BRCC News and Views interview with Lord Lamont- by Cristina Irimie

Having personally known Romania for decades, how would you describe at the moment Romania's economy and challenges faced on the grey European sky comparing with those of Britain?

Well I think considering it is a very, very turbulent world, Romania has done quite well really and I think you make a very good point-Britain in some ways has fared relatively worse. Romania is a poorer country but falling output here was bigger, we have a similar inflation rate, you have a lower budget deficit than us. Romania has some problems-it had to have an IMF loan a few years but the National Bank of Romania has steered a very steady and very responsible course and you had a very overheated property market a few years ago but Romania has coped pretty well. But I entirely understand that in a country that is much poorer the sacrifices demanded on the people are sometimes very difficult to meet.

You were described as the most effective and the bravest chancellor since the war in Britain. How in your opinion should the British government tackle best the economic issues and bring growth? Could one hope that the 50% higher rate of income tax in the UK be abolished in the near future?

I think the government are doing well. It is a coalition government so that makes it more difficult but actually the coalition between two parties which are not natural allies has worked surprisingly well. Our deficit reduction programme is over a period of years- some people have said it is too quick but actually if anything it is too slow and I think that Mr. Osborne, the current chancellor, has really got it about right. We have been very badly affected by the Euro zone crisis because it is a very important market for us but there is only a limited amount of influence that Britain has on a resolution of the Euro crisis.

As in the past you would not have put a bet on the Euro, what do you believe 2012 will bring to Europe, if Europe will manage to "muddle through"?

I hope we will see an end to the Euro crisis. It is difficult to believe that European leaders could have put forward so many solutions every one of which has looked good for the first 48 hours before proving to be without sufficient substance. I think the situation is so bad at the moment we are talking which is in the first week of November that it is difficult to believe that things can go on like this. No one knows how the Greek situation at the moment will be resolved but I hope that 2012 will bring some much needed stability for Europe. At the moment "muddling through" is the option Europe has chosen, but it is not free of risk and danger.

Two major observations made by British investors in Romania state poor infrastructure and a lack of PPP to be clear examples of Romania not reaching it's full potential. What would you advise the Romanian government to do on these topics?

I think the infrastructure point is right- you do need more investments in roads, although in the time I have been in Romania I can see improvements, sometimes I think more clearly than the people who live in Romania because I only come here periodically. The infrastructure has improved but obviously there has been great scope for it. I think the Private Public Partnership

which was an idea which in a sense has been pioneered in Britain could be used more in Romania- people to build, operate and run the toll roads. I think that would be a very good investment for Romania and I think you would find British firms very willing to give advice on the PPP schemes. Quite why Romania cannot find projects for structural funds I have never been able to understand.

How do you forecast trade and business bilateral relations between Romania and the UK for 2012? Do you believe the balance of trade will look similar to that of 2011?

I do not envisage a great deal of change. I would like to see more British interest. A lot of the companies are quite small or medium-sized, some of them involved in manufacturing or garment trade. I would like to see some of the big companies getting involved, like GlaxoSmithKline which are in Romania. It would be nice to see more of them coming in.

Lord Lamont could you name five things which you would like to see changed in Romania?

Well I am not sure there are five things. I think the judiciary needs a bit of modernization perhaps a little training. I think that is quite important.

I think the issue of corruption remains an issue. I do not like mentioning this as a foreigner but I think most Romanians know that is the case and that is to some extent I appreciate the function of being a relatively poor country but that is the single most important thing that I would really like to see changed.

And... better infrastructure.

And the five things which you love mostly about Romania

Well there are many things I like about Romania.

1. I like the architecture of Romania- there are many styles- the domestic style in Bucharest, the sort of Austro-Hungarian styles in places such as Timisoara or in the old part of Brasov
2. I like the countryside of Romania with its wild flowers and mountains
3. I like the painted monasteries
4. I like the cafe life of Romania, the intellectual cafe life, I admire the intellectualism of Romania. I think that one of the greatest assets of Romania are its young people. I used to be a director of a bank which employed a lot of young people and it was interesting and inspiring to see their enthusiasm, their ability with computer skills and Romania's youth is its great asset, they have very different attitudes from the older generation, they have access to technology that is the same that Britain or China has which enables Romania to skip some of the problems that have been a problem, making it able to compete with other countries.
5. I like Romania's opera and opera singers.