

Romania and the European Union

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Statistics in focus

EXTERNAL TRADE

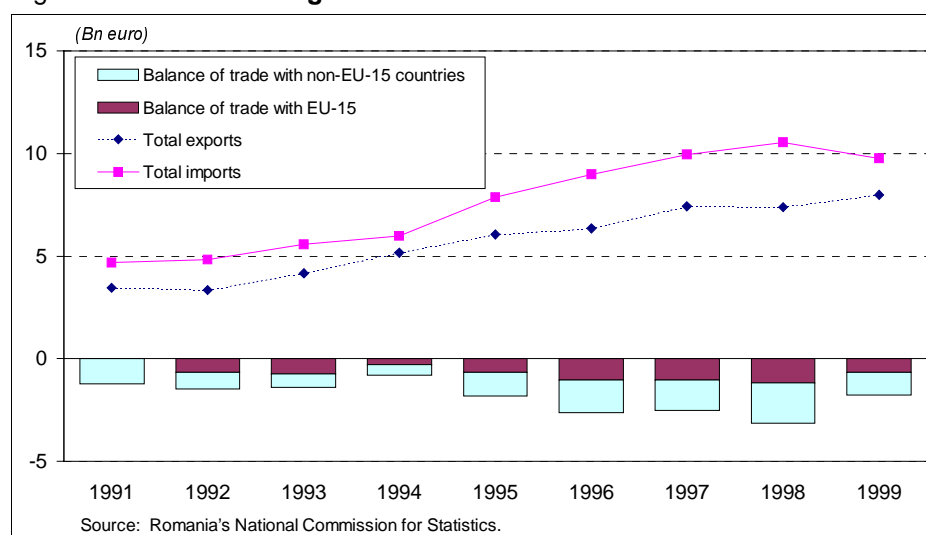
THEME 6 – 13/2000

Contents

Exports stand at a fourth of GDP.....	1
EU favourite trading partner	2
Similar to Luxembourg	2
Italy leads the way.....	3

Over the past decade, Romania imported more than it exported. Trade relations with the EU accounted for 60% of overall trade throughout the period, while Italy and Germany were its main trading partners in 1999. The same year, its exports amounted to the equivalent of a fourth of its GDP, which was small in comparison to many other Eastern European countries. In 1999 imports declined for the first time in the past ten years. Romania ranked 31st among EU export markets in 1999.

Fig. 1: Romania's foreign trade



Exports stand at a fourth of GDP

Romania's economy has seen volatile growth and high inflation during much of the 1990s. Real GDP contracted in particular over the past few years - first figures for 1999 seem to confirm this trend -, while its GDP per capita was one of the lowest of all candidate countries and its inflation rate stood at almost 46% (see table bottom of page 3). Reflecting this contraction in GDP, Romania's imports declined in 1999, while export growth resumed after stagnating in 1998. EU data for 1999 show an increase in Romanian exports together with almost unchanged import figures vis-à-vis the EU.

Considering the whole decade (see figure 1), imports and exports evolved in a more or less stable manner. Imports gained more pace in 1995 and almost doubled by 1998. Throughout the period, Romania imported more than it exported while its trade gap was narrowest in 1994 - although it narrowed again substantially in 1999. Its trade deficit was mostly with non-EU countries.

Overall, Romania imported goods worth around 10 bn euro while it exported roughly 8 bn euro worth in 1999. Both imports and exports represented the equivalent of less than a third of GDP. In terms of exports, this was less than the top exporting nations among the emerging economies of Central Europe managed in 1998, such as Estonia (exports reaching 63% of GDP), Hungary (48%) or the Czech Republic (46%).



EU favourite trading partner

In 1999, roughly 60% of Romania's trade was carried out with the EU (see table 1). When ranked in importance as export markets, four EU Member states were among the top five destinations, while in particular Italy was the single most important partner. In a similar manner, four out of five top importing nations were from the EU. Trade figures vis-à-vis Russia were on the decline - as most other candidate countries experienced, as well - probably due to the Russian financial crisis, which has seen Russian demand and supply of traded goods dry up.

Only a small fraction of Romania's exports was in primary products, while manufactured goods represented the bulk of sales abroad. The proportion of primary versus manufactured products traded between 1991-98 changed quite substantially since trade in manufactured goods increased almost fourfold over the period (see figure 2).

Similar to Luxembourg

How would Romania's external trade statistics feature amongst those of EU Member states? For example (see ratios in figure 3), Romania exported a little more than Luxembourg (EU intra + extra exports) in 1999, slightly less than Greece and substantially less than most other EU Member states. Its imports and cover ratio were close to those for Luxembourg. In general, Romania's trade figures in 1999 compare closest to Luxembourg among EU Member States. Among candidate countries, its trade figures compare to those of Slovenia, but are substantially lower than those of the Czech Republic, Turkey, Hungary and Poland.

Tab. 1 Romania's trade by main partners, 1999

Partners	1998	1999	Share in 1999	Variation 99/98	Annual variation 99/94
	(Mio euro)				
Imports					
Total	10 559	9 751	100.0	-7.7	10.3
EU-15	5 941	5 888	60.5	-0.9	16.3
Italy	1 820	1 911	19.6	5.0	22.4
Germany	1 781	1 667	17.1	-6.4	9.8
Russian Fed.	947	663	6.8	-30.0	-4.2
France	685	653	6.7	-4.6	17.4
Utd Kingdom	348	410	4.2	17.6	18.2
Exports					
Total	7 405	7 980	100.0	7.8	9.1
EU-15	4 764	5 229	65.5	9.8	16.2
Italy	1 629	1 859	23.3	14.1	22.8
Germany	1 448	1 404	17.6	-3.0	11.2
France	438	495	6.2	13.0	13.4
Turkey	268	439	5.5	63.8	15.8
Utd Kingdom	266	391	4.9	47.1	19.4
For comparison (%)					
Share in	Imports		Exports		Balance
	1998	1999	1998	1999	1999
GDP	28.6	30.5	20.1	25.0	-5.5
CEC total trade	6.9	:	6.6	:	-
World trade	0.3	0.2	0.2	0.2	-

Sources: CNS of Romania; IMF.

Fig. 2: Romanian trade by product group

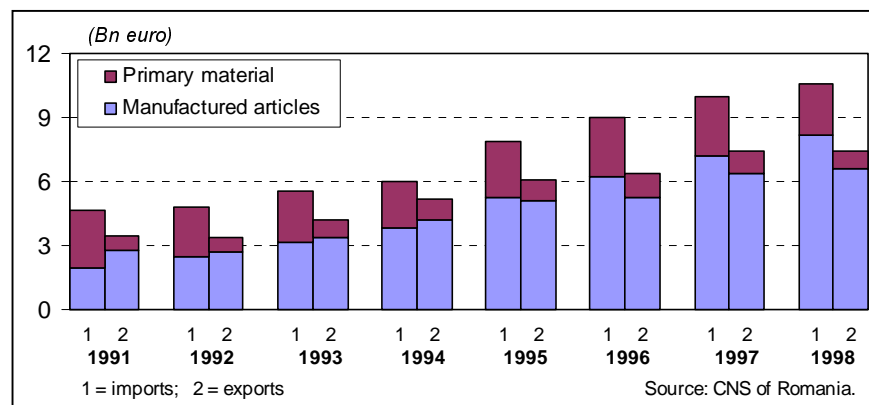
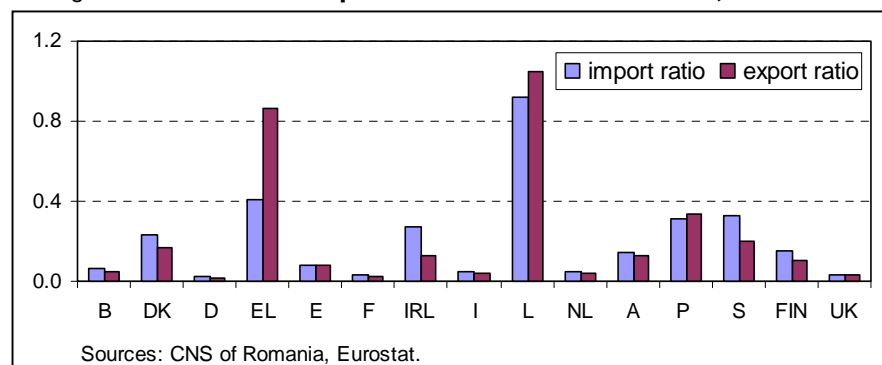


Fig. 3: Romania in comparison¹ to EU Member states, 1999



¹ The import ratios above are calculated by dividing the value of Romania's total imports by the value of total imports of each Member state - hence a ratio close to one implies that total import values are very similar. Export ratios are calculated accordingly.

Italy leads the way

As mentioned above, external trade relations with the EU were of considerable importance to Romania. Conversely, Romania was the EU's 31st most important export market. In particular Italy (probably due to linguistic and cultural ties) and Germany were the single most important trading partners among EU Member States. Each absorbed roughly one third of Romanian exports into the EU and were behind slightly less than a third of EU exports. They were followed by France and the UK (see table 2). The EU reported that imports from Romania rose between 1998-99, while exports remained virtually unchanged. Romania had a negative trade balance vis-à-vis the EU and most of its Member States – similar to many other candidate countries, which generally import more from the EU than they export in return.

EU-Romanian trade by product saw the EU mostly importing consumer and intermediary goods from Romania (see table 3), while exports consisted of a large share of intermediary and equipment goods. EU imports in consumer goods from Romania became increasingly important over the past years, while their share in total imports (more than 50 %) was exceptionally high in comparison to trade with other candidate countries.

Tab. 2 **EU-Romania trade by Member states, 1999**

Reporter	Imports			Exports			Balance
	1999	Share	99/98	1999	Share	99/98	1999
	(Mio euro)	(%)		(Mio euro)	(%)		(Mio euro)
EU-15	5 763	100.0	12.2	6 299	100.0	0.0	536
B	181	3.1	:	207	3.3	:	27
DK	19	0.3	-9.9	50	0.8	-7.6	32
D	1 709	29.7	10.0	1 994	31.7	-3.4	285
EL	197	3.4	11.9	198	3.1	9.7	1
E	110	1.9	48.7	71	1.1	-18.8	-39
F	580	10.1	23.2	648	10.3	-7.1	68
IRL	3	0.1	-43.7	27	0.4	-0.7	24
I	1 942	33.7	13.2	1 920	30.5	7.5	-21
L	1	0.0	:	3	0.0	:	2
NL	271	4.7	9.5	277	4.4	-1.8	6
A	265	4.6	6.2	357	5.7	-5.0	92
P	26	0.5	52.8	8	0.1	-2.5	-18
FIN	4	0.1	-71.8	28	0.4	-32.3	24
S	50	0.9	11.9	143	2.3	0.1	94
UK	407	7.1	16.2	366	5.8	6.7	-40

Source: Eurostat.

Tab. 3 **EU-Romania trade by product classified by type of use, 1999**
(Reporter: EU-15, partner: Romania)

Product groups (CEA)	Imports	Share	Annual variation	Exports	Share	Annual variation
	1999	in total	99/96	1999	in total	99/96
	(Mio euro)	(%)		(Mio euro)	(%)	
Agricultural products	203	3.5	37.0	73	1.2	5.4
Food products	68	1.2	4.9	175	2.8	-13.5
Consumer goods	2 985	51.9	18.6	1 303	21.2	18.7
Automobile	71	1.2	6.5	311	5.1	21.4
Equipment goods	622	10.8	31.9	1 481	24.1	8.7
Intermediary goods	1 755	30.5	11.7	2 621	42.7	14.9
Energy	27	0.5	-17.7	96	1.6	-12.5
Miscellaneous products	20	0.4	2.7	84	1.4	-10.9

Source: Eurostat.

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

The country aggregates: EU: EU-15.

CECs (Central European Countries): Albania, Bulgaria, Hungary, Poland, Romania, Estonia, Latvia, Lithuania, Bosnia-Herzegovina, Croatia and Slovenia; Czech Republic, Slovakia, Serbia Montenegro and the Former Yugoslav Republic of Macedonia.

Data sources: Customs sources. Eurostat Comext database: Phare domain for Romania's trade with the rest of the world. EEC special trade domain for bilateral trade between the EU and Romania. Divergences between the two sources on figures concerning bilateral trade can be partly explained by the use of different

methodologies and concepts.

System: Special trade.

Classification: in figure 2: primary products: sections I-V of the Harmonised system (HS); manufactured articles: HS sections VI-XXI.

The nomenclature used in table 3 (CEA or Classification for Economic Analysis) facilitates the analysis of macroeconomic issues (production, investment, consumption, employment, etc.) by offering indicators that are less geared to production analysis.

Statistical values: EU: values CIF for imports and FOB for exports; Romania: CIF/FOB.

In this report, 1 Bn euro= 1000 million euro

Basic figures for 1999

	Romania	EU-15
Population (Mio)	22.5	375.3
GDP/capita (in PPS)	5 700	21 190
Unemployment rate	6.8% ⁽¹⁾	9.2%
Inflation rate	45.8% ⁽²⁾	1.2%

⁽¹⁾ provisional ⁽²⁾ PROXY HICP.

See also "Eurostat Statistics in focus, External trade, no 1/97, Romania's external trade" which you can order.

For further information, please consult www.europa.eu.int/comm/eurostat

Further information:

➤ Reference publications

Title External and intra-EU trade - monthly statistics
 Catalogue No CA-AR-00-004-EN-C Price EUR 20

➤ Databases

Comext: Domains EC Special Trade, PHARE

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