

MUNICH, April 9, 1963 (Target Area Research and Analysis/ Rumanian Unit) -- Effective April 1 new exchange rates for non-commercial payments to and from Sino-Soviet bloc countries have been introduced in Rumania.

The list published in "Romania Libera" of March 31 indicates that in the same way as in the change recently announced in Poland, tourist rates for Western countries and Yugoslavia are not to be affected for the time being. The non-commercial exchange rates of some Sino-Soviet bloc countries increased (Albania, Red China, North Korea, North Vietnam, CSSR and GDR) those of other countries (Bulgaria, Poland, Hungary, Soviet Russia and Mongolia) decreased.

Following is a comparison between non-commercial exchange rates of 1 January and 1 April 1963:

	<u>1 January 1963 (Lei)</u>	<u>1 April 1963 (Lei)</u>
Albania (100 Lekas)	9.70	9.91
Bulgaria (100 Leva)	1,089.32	1,064.10
Red China (100 JMP)	581.88	643.41
Czechoslovakia (100 Crowns)	83.33	86.01
East Germany (100 Marks)	250.26	259.38
Hungary (100 Forint)	69.28	63.31
North Korea (100 Voni)	557.00	576.39
Mongolia (100 Tugriki)	213.42	198.56
Poland (100 zloty)	64.67	54.25
Soviet Russia (1 Ruble)	9.70	8.30
North Vietnam (100 Dongy)	315.00	432.29

Unlike the devaluation of the zloty (non-commercial payments), the Leu has been adjusted in some cases upwards and in some cases downwards in relation to other Sino-Soviet bloc currencies. Of particular interest is the devaluation of the Ruble in relation to the leu. This means that Soviet officials, experts will have to spend more rubles in Rumania for certain commodities or services, whereas Rumanian tourists or students will find life less expensive in Soviet Russia. Czechoslovak and East German tourists and experts will have to pay less during their stay in Rumania, while Hungarian or Polish tourists will be faced with higher bills in terms of their own currency. Rumanian experts sent to Bulgaria will find life less costly than before.

As far as technicians are concerned one can interpret the changes also as an alleviation of their burden to the countries to which they are sent in the event of their pay being fixed in the currency of these countries.

Noteworthy is the big increase of the non-commercial North-Vietnamese Dongy toward the leu. (x) The same could be

(x) On the basis of 9 February 1961 agreement, signed in Bucharest, Rumania granted a 37.5 million dollar credit to North Vietnam and the training of Vietnamese staff in enterprises in Rumania and North Vietnam was agreed upon.

noticed in the rate of the dongy toward the zloty.

It is tentatively assumed that one of the factors which might have determined the changes of non-commercial exchange rates was the need for adjusting expenditures of tourists, technicians etc. to differences in the price level of the countries involved.

In the case of some countries (Poland) a policy toward restricting tourism because of internal economic difficulties may also play a role.

The fact, however, that all countries of the Comecon seem to have decided to change their non-commercial exchange rates at the same time (1 April 1963) shows that a general adjustment became necessary concerning the balance of non-commercial payments, a change which may be related to the recent non-commercial clearance agreement. (For a general discussion on this problem see Trend paper of 8 April 1963.)

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