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RUMANIAN FOREIGN TRADE IN 1966*

Summary: This paper analyzes Rumania's foreign trade in 1966, on the basis of data published in the Statistical Yearbook for 1967. The first part deals with the overall volume of imports and exports (in contrast to 1965, the balance of trade was again negative) and discusses the lack of trade with various areas of the world. The second part examines import and export figures for commodities, and a final short section is devoted to the progress of trade in the first half of 1967. Notable was a decline in the absolute volume of trade with the other Comecon countries (and a further drop in their share in Rumania's overall trade); at the same time the share of trade with the Common Market and EFTA countries rose.

* * *

Although the growth in foreign trade (10.1 per cent) shows a higher figure than the increase in the national income (7.9 per cent) and the social product (8.9 per cent), its achievements were not up to expectations. Moreover, the volume of foreign trade, calculated per inhabitant, is still one of the lowest in Europe -- \$ 115, as against \$ 1,310 for Belgium, \$ 379 in the CSSR, \$ 287 in Bulgaria, \$ 171 in Greece, etc.

Trade Balance

In contrast to 1965, when, by drastically reducing imports, a favorable trade balance was achieved, last year imports again exceeded exports by 162.4 million lei. It must, however, be recalled that Ceausescu announced at the foreign trade conference in February 1967 that imports would exceed exports by 2.5 billion lei in the

* This paper is based on data contained in the Statistical Yearbook for 1967.

1966-1970 period. When one contrasts this huge figure with last year's deficit, the latter appears comparatively small.

It must be mentioned that, according to the 1966-1970 Five-Year Plan, trade was to be balanced during this period. The overall trade increase was to amount to 55 per cent, while exports were to increase from 6,609 million lei to 10,300-10,400 million lei by 1970 (56 per cent). Ceausescu's statement came less than eight months after approval of the plan, and gave no explanation for the causes of the 2.5 billion lei planned deficit.

Plan Achievements

The goal of the 1966 plan has not been reached. It must, however, be noted that two contradictory figures have been mentioned for the 1966 plan. Premier Maurer, in his speech before the Grand National Assembly on 21 December 1965, said that the volume of foreign trade was to increase by 12 per cent, i.e., to 14,640 million lei, while according to the 1966 plan, published in Scanteia of 22 December 1965, overall foreign trade was to increase 13.2 per cent to 14,800 million lei. Neither of these figures was actually achieved, since the actual total was only 14,396.2 million lei, an increase of only 1,324.3 million lei (10.1 per cent) as against 1,568.6 million lei (12 per cent) or 1,728 million lei (13.2 per cent), i.e., respective shortages of 15.5 per cent and 23.3 per cent of the growth envisaged.

Further Decline of Trade with Comecon Countries (see Table II)

It is interesting to note the decline in the absolute value of Rumania's trade with the Comecon countries, though overall trade increased by 10.1 per cent in 1966.

Overall trade with these countries decreased by almost 100 million lei, and their share in Rumania's trade declined from 60.4 per cent to 54.1 per cent. This decrease is mainly due to the decline in Rumanian-Soviet trade which fell by 244.4 million lei (five per cent). The Soviet share in Rumania's overall trade decreased from 38.8 per cent in 1965 to 33.5 per cent in 1966.

The share of trade with Bulgaria rose from 1.0 per cent to 1.35 per cent, with East Germany from 6.20 to 6.30 per cent; trade with Czechoslovakia dropped from 7.5 to 6.75 per cent, with Hungary from 3.0 to 2.66 per cent, with Poland from 3.80 to 3.54 per cent. Trade in absolute value with Poland rose by 17 million lei.

In contrast to her trade with Western countries, Rumania,

in trade with her Comecon partners, had a positive trade balance of over 136 million lei in 1966.

Rumania's trade with the USSR and the other Comecon countries has been dropping steadily in recent years. Her share of trade with the USSR amounted to over 47 per cent in 1959, and with the whole Comecon Bloc to over 72 per cent. The absolute value of trade with these countries increased in the 1959-1966 period by 3,339 million lei, or 75 per cent, while Rumania's overall trade rose by 113 per cent during the same period.

It is of interest that, according to the 1966-1970 long-term trade agreements, Rumania's trade with the other Comecon countries is expected to increase over the 1961-1965 period as follows:

USSR	30 per cent
CSSR	30 " "
East Germany	44 " "
Hungary	20 " "
Poland	80 " "
Bulgaria	50 " "

It is difficult to get a clear picture from these percentages, because there is no indication whether the increase provided by these long-term trade agreements is compared with planned targets for the 1961-1965 period or to actual achievements during this period. Moreover, nothing is said about the revision of prices in trade among Comecon countries. It may safely be assumed that the relatively low level of trade volume in 1966 was caused mainly by the decrease in prices which in part also accounts for the rather low increase provided for the 1966-1970 period.

Rumania's trade with the USSR and the 1966-1970 trade agreement between the two countries best illustrates the non-conformity of the various figures:

The 1966-1970 agreement provides for an increase of 30 per cent over the 1961-1965 period, totalling an overall trade of 3.8 billion rubles (official figure).

Actual trade volume during 1961-1965 amounted to 3.539 billion rubles, and the planned figure for this period was 3.4 billion rubles (550 in 1961; 600 in 1962; 700 in 1963; 760 in 1964 and 790 in 1965).

Adding 30 per cent to these figures, the respective totals would be 4.60 billion rubles and 4.42 billion rubles -- far more than

the 3.8 billion rubles envisaged. The tentative explanation for this difference may be sought in the restructuring of prices in trade among the Comecon countries, but it is doubtful whether this difference can account for a gap of 21 per cent (4.60 against 3.8), or 16 per cent (4.42 against 3.8); it is sure, however, that trade between Rumania and most of her Comecon partners will not increase as fast as her overall trade, for which a 55 per cent increase is envisaged.

Other Communist-Ruled Countries (see Table III)
(Including Albania and Outer Mongolia.)

Trade with these countries rose from 606 million lei in 1965 to 789 million lei in 1966, i.e., by over 30 per cent, with a positive trade balance for Rumania. Most of the increase is due to Rumania's growing trade with Communist China (from 291 million lei to 395 million lei, or about 36 per cent), with Yugoslavia (from 173 million lei to 233 million lei, almost 35 per cent), with North Vietnam (from 32.6 million lei to 54.8 million lei, about 68 per cent) and with Cuba (from 14.6 to 22.2 million lei).

Trade with the Common Market Countries (see Table IV)

Rumania's trade with these countries again rose sharply -- from 2,331.7 million lei (17.8 per cent of total trade) to 2,998.1 million lei (20.83 per cent), i.e., by about 29 per cent.

Rumania's trade deficit remained almost unchanged (383.5 million lei in 1965 and 385.5 million lei in 1966). It was the Common Market which profited most from the shift in the Rumanian trade pattern, with its share increasing from 9.10 per cent in 1959 to 20.83 per cent in 1966. In absolute value trade with these countries rose during this period by 2,439 million lei, or 436 per cent.

The most notable increases in turnover in 1966 over 1965 were registered by the FRG (28 per cent), which is, after the USSR, Rumania's most important trade partner, and France (52 per cent).

The Outer Seven (see Table V)

Trade with these countries also rose sharply -- by 331 million lei, or 33 per cent. The trade deficit fell slightly in 1966 as against 1965 (from 106.4 million lei to 88.6 million lei).

Trade with Britain rose by 22 per cent, with Austria 13 per cent, Switzerland 80 per cent, Sweden 44 per cent, Denmark 27 per cent; it fell by 59 per cent with Norway, and 38 per cent with Portugal.

Other Countries (see Tables VI - IX)

Worth mentioning is the increase in Rumania's trade with the US (166 per cent), Japan (22 per cent), the UAR (14 per cent), and above all the increasing trade deficit with the US (from 39 million lei in 1965 to 133 million lei in 1966), and Japan (22.5 million lei in 1965 and 48.1 million lei in 1966).

(over)

TABLE I
(in million lei)

	1964	1965	1966	1966/65 (%)
Total Foreign Trade	13,009.2	13,071.9	14,396.2	10.13
Rumanian Exports	6,000.4	6,609.2	7,116.9	7.68
Rumanian Imports	7,008.8	6,462.7	7,279.3	12.63
Balance	- 1,008.4	+ 146.5	- 162.4	

Taking 1950 as 100, the country's foreign trade developed as follows since 1961:

	1961	1962	1963	1964	1965	1966
Total Foreign Trade	353	386	425	476	478	526
Rumanian Exports	373	385	431	471	519	558
Rumanian Imports	335	387	420	480	442	498

Rumania's trade with the Communist-ruled countries (see Tables II and III) and the non-Communist world has developed as follows during the past seven years (in percentages):

	1960	1961	1962	1963	1964	1965	1966
Non-Communist World	27.0	31.3	32.1	31.2	31.6	35.0	40.4
Communist Countries	73.0	68.7	67.9	68.8	68.4	65.0	59.6

TABLE II
(in million lei)

Development of Trade with Comecon Member Countries
(Albania and Outer Mongolia Listed Separately)

	1964		1965		1966	
	Lei	%	Lei	%	Lei	%
<u>USSR Total</u>	5,489.2	42.2	5,067.5	38.8	4,823.2	33.5
Rumanian exports	2,531.0		2,630.6		2,458.7	
Rumanian imports	2,958.2		2,436.9		2,364.5	
<u>CSSR Total</u>	1,029.7	7.9	989.0	7.5	971.6	6.75
Rumanian exports	451.0		571.5		553.6	
Rumanian imports	578.7		417.5		418.0	
<u>GDR Total</u>	836.8	6.4	805.4	6.2	906.5	6.3
Rumanian exports	426.0		430.4		400.3	
Rumanian imports	410.8		375.0		506.2	
<u>Hungary Total</u>	501.8	3.9	399.3	3.0	383.2	2.66
Rumanian exports	245.5		230.7		197.6	
Rumanian imports	256.3		168.6		185.6	
<u>Poland</u>	421.3	3.2	492.1	3.8	509.7	3.54
Rumanian exports	174.7		269.7		247.9	
Rumanian imports	246.6		222.4		261.8	
<u>Bulgaria</u>						
Rumanian exports						
Rumanian imports	125.1	1.3	133.7	1.1	194.4	1.35
<u>Total for six countries</u>	8,403.9	64.9	7,887.0	60.4	7,788.6	54.10
Rumanian exports	3,869.8	64.5	4,188.2	63.4	3,962.5	55.68
Rumanian imports	4,534.1	64.7	3,698.8	56.0	3,826.1	52.56

TABLE III
(in million lei)

Trade with other Communist-Ruled Countries

	1964		1965		1966	
	Lei	%	Lei	%	Lei	%
<u>Albania total</u>	30.6	0.23	33.6	0.26	34.0	0.25
Rumanian exports	17.4		18.5		17.9	
Rumanian imports	13.2		15.1		16.1	
<u>Yugoslavia total</u>	121.9	0.94	173.1	1.32	233.4	1.62
Rumanian exports	60.3		98.6		130.7	
Rumanian imports	61.6		74.5		102.7	
<u>Cuba Total</u>	36.1	0.28	14.6	0.11	22.2	0.15
Rumanian exports	35.9		14.5		16.5	
Rumanian imports	0.2		0.1		5.7	
<u>Outer Mongolia Total</u>	10.5	0.08	9.7	0.07	9.9	0.07
Rumanian exports	6.4		5.2		4.9	
Rumanian imports	4.1		4.5		5.0	
<u>CPR Total</u>	203.4	1.56	291.0	2.23	395.0	2.74
Rumanian exports	95.6		159.8		204.6	
Rumanian imports	107.8		131.2		190.4	
<u>North Korea Total</u>	66.1	0.51	51.4	0.39	39.8	0.28
Rumanian exports	33.1		30.4		21.2	
Rumanian imports	33.0		21.0		18.6	
<u>North Vietnam Total</u>	21.8	0.17	32.6	0.25	54.8	0.38
Rumanian exports	8.5		20.1		53.9	
Rumanian imports	13.3		12.5		0.9	
<u>Total for seven countries</u>	490.4	3.77	606.0	4.63	789.1	5.49
Rumanian exports	257.2	4.26	347.1	5.78	449.7	6.32
Rumanian imports	233.2	3.33	258.9	3.69	339.4	4.66

TABLE IV
(in million lei)

Trade with the Common Market

	1964		1965		1966	
	Lei	%	Lei	%	Lei	%
<u>FRG</u> Total	848.5	6.5	1,042.2	8.0	1,333.9	9.27
Rumanian exports	321.7		379.4		444.7	
Rumanian imports	526.8		662.8		889.2	
<u>Italy</u> total	584.9	4.5	707.3	5.4	740.1	5.14
Rumanian exports	295.4		395.7		448.0	
Rumanian imports	289.5		311.6		292.1	
<u>France</u> total	429.8	3.3	426.5	3.3	648.6	4.50
Rumanian exports	157.6		131.2		307.8	
Rumanian imports	272.2		295.3		340.8	
<u>Belgium</u> total	106.2	0.8	58.8	0.4	105.5	0.73
Rumanian exports	51.7		27.4		47.2	
Rumanian imports	54.5		31.4		58.3	
<u>Netherlands</u> total	85.4	0.7	96.9	0.7	170.0	1.18
Rumanian exports	34.9		40.4		58.6	
Rumanian imports	50.5		56.5		111.4	
Total turnover	2,054.8	15.8	2,331.7	17.8	2,998.1	20.82
Rumanian exports	861.3	14.3	974.1	14.7	1,306.3	18.35
Rumanian im- ports	1,193.5	17.0	1,357.6	20.5	1,691.8	23.24

TABLE V
(in million lei)

Trade with the "Outer Seven"

	1964		1965		1966	
	Lei	%	Lei	%	Lei	%
<u>Great Britain</u>	439.9	3.38	446.6	3.41	543.4	3.77
total						
Rumanian exports	189.9		183.2		269.7	
Rumanian imports	250.0		263.4		273.7	
<u>Austria</u> total	298.1	2.29	289.0	2.21	310.8	2.16
Rumanian exports	145.2		145.8		128.0	
Rumanian imports	152.9		143.2		182.8	
<u>Switzerland</u> total	145.2	1.12	129.0	0.99	231.5	1.61
Rumanian exports	71.4		56.6		127.3	
Rumanian imports	73.8		72.4		104.2	
<u>Sweden</u> total	62.7	0.48	82.5	0.63	119.2	0.83
Rumanian exports	20.7		37.7		39.5	
Rumanian imports	42.0		44.8		79.7	
<u>Portugal</u> total	25.1	0.19	24.2	0.19	14.9	0.10
Rumanian exports	15.1		13.9		4.8	
Rumanian imports	10.0		10.3		10.1	
<u>Norway</u> total	12.7	0.10	13.4	0.10	5.7	0.04
Rumanian exports	7.8		4.9		3.0	
Rumanian imports	4.9		8.5		2.7	
<u>Denmark</u> total	12.2	0.09	16.1	0.12	20.5	0.14
Rumanian exports	3.3		5.1		6.4	
Rumanian imports	8.9		11.0		14.1	
<u>Total turnover</u>	995.9	7.65	1,000.8	7.65	1,246.0	8.65
Rumanian exports	453.4	7.56	447.2	6.77	578.7	8.13
Rumanian imports	542.5	7.74	553.6	8.57	667.3	9.17

TABLE VI
(in million lei)

Other European Countries

	1964	1965	1966
<u>Greece total</u>	71.9	70.7	113.0
Rumanian exports	48.6	49.1	62.8
Rumanian imports	23.3	21.6	50.2
<u>Finland total</u>	31.8	37.5	35.1
Rumanian exports	14.7	18.4	13.1
Rumanian imports	17.1	19.1	22.0
<u>Spain total</u>	29.7	66.2	60.1
Rumanian exports	15.3	37.9	29.1
Rumanian imports	14.4	28.3	31.0
<u>Iceland total</u>	10.7	9.0	9.0
Rumanian exports	5.2	4.2	4.3
Rumanian imports	5.5	4.8	4.7
Total turnover	144.1	183.4	217.2
Rumanian exports	83.8	109.6	109.3
Rumanian imports	60.3	73.8	107.9
=	1.11%	= 1.40%	= 1.51%

TABLE VII
(in million lei)

Trade with Non-Communist Asian Countries

	1964	1965	1966
<u>Burma</u> total	7.9	0.6	1.7
Rumanian exports	7.9	0.6	1.7
<u>Ceylon</u> total	12.5	34.0	39.9
Rumanian exports	10.7	11.0	19.3
Rumanian imports	1.8	23.0	20.6
<u>Cyprus</u> total	4.9	12.3	9.6
Rumanian exports	2.2	8.9	5.6
Rumanian imports	2.7	3.4	4.0
<u>India</u> total	76.4	93.4	85.3
Rumanian exports	36.0	40.5	41.1
Rumanian imports	40.4	52.9	44.2
<u>Indonesia</u> total	75.0	22.0	20.3
Rumanian exports	68.3	11.4	6.9
Rumanian imports	6.7	10.6	13.4
<u>Iran</u> total	2.4	7.1	58.8
Rumanian exports	2.4	3.7	35.8
Rumanian imports	-	3.4	23.0
<u>Iraq</u> total	15.3	17.7	23.2
Rumanian exports	15.2	16.8	23.2
Rumanian imports	0.1	0.9	-
<u>Israel</u> total	24.1	21.1	30.4
Rumanian exports	7.7	9.7	14.1
Rumanian imports	16.4	11.4	16.3
<u>Japan</u> total	166.9	189.5	230.5
Rumanian exports	55.4	83.5	91.2
Rumanian imports	111.5	106.0	139.3
<u>Jordan</u> total	6.1	7.6	8.4
Rumanian exports	6.1	7.6	8.4
<u>Kuwait</u> total	5.3	6.1	17.9
Rumanian exports	5.3	6.1	17.9
<u>Lebanon</u> total	68.0	52.6	102.6
Rumanian exports	49.7	47.2	96.1
Rumanian imports	18.3	5.4	6.5
<u>Syria</u> total	95.6	104.5	81.6
Rumanian exports	40.8	46.2	34.4
Rumanian imports	54.8	58.3	47.2
<u>Turkey</u> total	17.0	35.4	47.2
Rumanian exports	11.5	18.6	27.9
Rumanian imports	5.5	16.8	19.3
Total turnover	577.4	603.9	757.4
Rumanian exports	319.2	311.8	423.6
Rumanian imports	258.2	292.1	333.8
	= 4.44%	= 4.62%	= 5.26%

TABLE VIII
(in million lei)

Trade with African Countries

	1964	1965	1966
<u>Algeria</u> total	-	6.2	2.4
Rumanian exports	-	1.0	1.0
Rumanian imports	-	5.2	1.4
<u>Libya</u> total	12.6	19.0	26.3
Rumanian exports	12.6	19.0	26.3
<u>Ghana</u> total	6.9	32.6	10.1
Rumanian exports	5.8	22.8	2.8
Rumanian imports	1.1	9.8	7.3
<u>Sudan</u> total	27.8	22.2	25.0
Rumanian exports	13.4	12.8	20.1
Rumanian imports	14.4	9.4	4.9
<u>U.A.R.</u> total	150.7	206.3	235.4
Rumanian exports	67.5	101.8	120.8
Rumanian imports	83.2	104.5	114.6
Total turnover	198.0	286.3	299.2
Rumanian exports	99.3	157.4	171.0
Rumanian imports	98.7	128.9	128.2
	= 1.52 %	= 2.19%	= 2.08%

TABLE IX
(in million lei)

Trade with American Countries
(Cuba excepted)

	1964	1965	1966
<u>Argentina</u> total	23.9	13.4	22.5
Rumanian exports	5.7	6.4	20.2
Rumanian imports	18.2	6.7	2.3
<u>Brazil</u> total	42.3	57.7	18.3
Rumanian exports	15.4	27.2	5.2
Rumanian imports	26.9	30.5	13.1
<u>Canada</u> total	2.8	3.8	3.9
Rumanian exports	0.5	1.7	2.7
Rumanian imports	2.3	2.1	1.2
<u>Mexico</u> total	-	0.1	0.1
Rumanian exports	-	0.1	0.1
<u>USA</u> total	42.3	70.6	188.0
Rumanian exports	11.1	15.8	27.6
Rumanian imports	31.2	54.8	160.4
<u>Uruguay</u> total	0.1	-	-
Rumanian exports	0.1	-	-
Total turnover	111.4	145.6	232.8
Rumanian exports	32.8	51.4	55.8
Rumanian imports	78.6	94.1	177.0
	= 0.86	= 1.11	= 1.62

TABLE X

Rumania's Trade Partners in Order of Their Importance
(Volume above ten million dollars)

1964		1965	
1) USSR	5,489.2	1) USSR	5,067.5
2) CSSR	1,029.7	2) FRG	1,042.2
3) FRG	848.5	3) CSSR	989.0
4) East Germany	836.8	4) East Germany	805.4
5) Italy	584.9	5) Italy	707.3
6) Hungary	501.8	6) Poland	492.1
7) Britain	439.9	7) Britain	446.6
8) France	429.8	8) France	426.5
9) Poland	421.3	9) Hungary	399.3
10) Austria	298.1	10) China	291.0
11) China	203.4	11) Austria	289.0
12) Japan	166.0	12) UAR	206.3
13) UAR	150.7	13) Japan	189.5
14) Switzerland	145.2	14) Yugoslavia	173.1
15) Bulgaria	125.1	15) Bulgaria	133.7
16) Yugoslavia	121.9	16) Switzerland	129.0
17) Belgium	106.2	17) Syria	104.5
18) Syria	95.6	18) Holland	96.9
19) Holland	85.4	19) India	93.4
20) India	76.4	20) Sweden	82.5
21) Indonesia	75.0	21) Greece	70.7
22) Greece	71.9	22) USA	70.6
23) Lebanon	68.0	23) Spain	66.2
24) North Korea	66.1		
25) Sweden	62.7		

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1) USSR	4,823.2	14) Switzerland	231.5
2) FRG	1,333.9	15) Japan	230.5
3) CSSR	971.6	16) Bulgaria	194.4
4) East Germany	906.5	17) USA	188.0
5) Italy	740.1	18) Holland	170.0
6) France	648.6	19) Sweden	119.2
7) Britain	543.4	20) Greece	113.0
8) Poland	509.7	21) Belgium	105.5
9) China	395.0	22) Lebanon	102.6
10) Hungary	383.2	23) India	85.3
11) Austria	310.8	24) Syria	81.6
12) UAR	235.4	25) Spain	60.1
13) Yugoslavia	233.4		

COMMODITIES

As in previous years, it is impossible to provide a complete picture of economic exchanges, because some categories of goods are not mentioned (uranium, gold, non-ferrous metals, military equipment, etc.) and because figures are expressed in units of varying nature (value and volume).

Imports

In order to modernize and to re-tool her existing enterprises, Rumania has continued to import substantial quantities of machinery, equipment, and installations. At the same time the development of the various branches of the processing industry has entailed an increased demand for raw materials and semifabricated and production material. The principal imports in this category are iron ore, coking coal, metallurgical coke, and ferro-alloys.

The following tables show the development of imports, by commodity groups, in 1960, 1965, and 1966, in percentages and in absolute value:

	1960	1965	1966
	(in million lei)		
Machinery and equipment	1,262.8	2,516.5	2,982.8
Fuel, mineral raw materials, metals	1,377.1	2,094.8	2,077.0
Chemicals, fertilizers, rubber	289.1	407.3	521.8
Building materials and fittings	40.9	92.3	105.1
Vegetable and animal raw materials	520.2	716.4	831.1
Live animals	11.6	0.8	1.6
Raw materials for producing foodstuffs	85.9	45.5	55.7
Foodstuffs	98.8	155.4	171.2
Consumer industrial goods	200.7	433.7	533.0
Total	3,887.1	6,462.7	7,279.3

	1960	1965	1966
	(in percentages)		
Machinery and equipment	32.5	39.0	41.0
Fuel, mineral raw materials, metals	35.4	32.4	28.5
Chemicals, fertilizers, rubber	7.4	6.3	7.2
Building materials and fittings	1.1	1.4	1.4
Vegetable and animal raw materials	13.4	11.1	11.4
Raw materials for producing foodstuffs	2.2	0.7	0.8
Foodstuffs	2.6	2.4	2.4
Consumer industrial goods	5.1	6.7	7.3

The list of imports (Appendix I) reveals the following trends: increased imports were registered in almost all sectors: in electrical and power equipment, by 88,300,000 lei (57 per cent); electric motors, by 8,320 units (250 per cent); mining equipment, by 18,800,000 lei (78 per cent); forging and pressing equipment, by 15,500,000 lei (106 per cent); metal cutting machines, by 527 units (74 per cent); equipment for the chemical industry, by 21,100,000 lei (69 per cent); equipment for the textile industry, by 44,900,000 lei (100 per cent); road equipment, excavators, etc., by 29,200,000 lei (57 per cent); equipment for complete industrial plants, by 233,000,000 lei (27 per cent); automobiles, by 4,227 units (37 per cent); iron ore, by 230,900 tons (9 per cent); apatite concentrates, by 33,000 tons (19 per cent); etc.

Only minor decreases were registered during this year: in agricultural equipment, by 6,000,000 lei (13 per cent), tires, by 17,000 sets (17 per cent), etc.

Exports

In Rumania's foreign trade policy, stress is laid on increasing exports of highly processed products (this definition is both vague and relative). The five-year plan called for 90 per cent of exports to consist of such goods, as against 80 per cent in 1965 and 1966. It must, however, be borne in mind that the 10 per cent increase envisaged for 1970 refers to overall exports, which according to the provision of the plan will amount to 10.3-10.4 billion lei by 1970. Assuming fulfillment of the above-mentioned plan targets, exports of highly processed goods will increase in absolute value by about 3,620 million lei, or about 63.5 per cent, over 1966.

Rapidly growing exports of machinery, equipment, and chemical products will constitute the main portion of this increase. Exports of machinery and equipment will increase, according to the 1966-1970 plan, to 28 per cent of the total (16 per cent in 1960 and 17.3 per cent in 1966), i.e., by 1,667 million lei, or 13.5 per cent, in absolute value over 1966.

In connection with exports of machinery and equipment, Lupta de Clasa No. 8/1967 complained that though some good results have been achieved in this respect, Rumania is still lagging far behind certain other European countries. Compared with 16.6 per cent in Rumania in 1965, the share of such products amounted in Bulgaria to 24.6 per cent, in Czechoslovakia to 48.5 per cent, in the FRG to 49.2 per cent (1964), and in East Germany to 49.0 per cent (1963).

The share of chemical and petro-chemical products in total exports is to increase to 15 per cent (27 per cent of production), from 5.8 per cent in 1966 and 2.2 per cent in 1960, i.e., by 1,140 million lei, or 276 per cent in absolute value.

There are no 1970 plan provisions available for other categories of goods. The table below reveals that the percentage rose in all categories of processed goods between 1960 and 1966, while it fell or remained almost unchanged for the various categories of raw materials during the same period:

	1960	1965	1966
	(in percentages)		
Production machinery and equipment	16.6	18.5	17.3
Chemical fertilizers, rubber, etc.	2.2	6.5	5.8
Building material and fittings	2.5	3.4	3.2
Foodstuffs	11.8	13.9	14.1
Consumer industrial goods	5.8	11.0	11.4
Mineral raw materials, fuel, etc.	37.0	25.3	24.3
Vegetable and animal raw materials	15.1	14.0	14.3
Raw materials for producing foodstuffs	9.0	7.3	9.6

No progress, or only minor progress, was recorded in 1966 over 1965, as indicated in the following table (absolute values):

	1965	1966	+/-
	(in million lei)		
Production machinery and equipment	1,223.4	1,234.7	+ 11.3
Chemical fertilizers, rubber	425.2	410.9	- 14.3
Fuel, mineral raw materials --	1,667.4	1,732.0	+ 64.6
of which petroleum products	834.8	731.3	-103.5
Building material	224.5	226.2	+ 1.7
Vegetable and animal raw materials	934.8	1,016.1	+ 81.0
Raw materials for producing foodstuffs	485.2	683.6	+198.4
Foodstuffs	918.7	1,000.4	+ 81.7
Consumer industrial goods	728.5	811.4	+ 82.9

The list of Rumanian exports (see Appendix II) reveals the following trends:

Decreases were registered above all in exports of equipment for industrial installations: equipment for crude oil refineries, by 79.3 million lei (86 per cent); technological equipment for the chemical industry, by 62.9 million lei (78 per cent); equipment for thermo-electric plants, by 6.4 million lei (88 per cent). Also striking is the decline in exports of freight- and tankcars, by 772 units (27 per cent); some processed oil products, such as petrol, by 263,000 tons (18 per cent); mineral oil, by 20,000 tons (6 per cent); petroleum and natural bitumen, by 36,500 tons (34 per cent); and petroleum coke, by 14,600 tons (28 per cent).

Big gains were made in exports of electrical motors, by 5,310 units (13 per cent); Diesel engines, by 12,300,000 lei (81 per cent); tractors, by 1,028 units (30 per cent); excavators, by 80 units (89 per cent); lathes, by 153 units (21 per cent); bearings, by 1,352,000 units (33 per cent); rolled ferrous metals, by 102,500 tons (30 per cent); synthetic resins, by 3,843 tons (15 per cent); window glass, by 1,400,300 square meters (15 per cent); fibreboard, by 1,715,900 square meters (16 per cent); leather footwear, by 736,500 pairs (24 per cent); sugar, by 71,500 tons (208 per cent), etc.

Appendix I

IMPORTS

(in million lei: 6 lei=one dollar)

	1960	1961	1962	1963	1964	1965	1966
Equipment for complete plants	510.8	707.1	848.4	1,044.6	961.4	818.2	1,082.0
Power and electrical equipment	68.6	90.3	104.2	120.6	141.6	154.1	242.4
Oil extraction equipment	28.9	34.6	39.5	28.7	12.4	20.5	29.5
Mining equipment	7.6	13.6	19.5	16.0	13.1	24.2	43.0
Metallurgical equipment for foundries and rolling mills	9.6	17.7	18.9	28.2	27.2	11.2	7.6
Metallurgical equipment for forges and presses	12.6	40.3	34.3	24.2	18.5	14.6	30.1
Machine tools for metal cutting (units)	1,469.-	2,238.-	1,812.-	1,096.-	827.-	713.-	1,240.-
Equipment for pumps and compressors	11.7	26.0	36.4	29.9	33.3	40.4	39.1
Equipment for the chemical industry	12.2	19.6	30.2	37.5	32.0	30.6	51.7
Equipment for the paper and wood industry	13.6	16.6	18.8	5.5	19.6	25.6	25.8
Equipment for the textile industry	10.7	45.1	68.8	59.5	32.6	45.1	90.0
Transport and lifting equipment	26.9	34.5	59.6	46.0	55.9	45.3	72.1
Road building equipment	12.2	28.2	42.3	34.5	32.0	50.9	80.1
Telecommunications equipment	29.5	59.8	88.9	41.5	40.0	46.5	39.5
Agricultural machinery	43.5	41.5	42.0	30.8	45.1	47.5	41.5
Buses (units)	151.-	111.-	101.-	81.-	106.-	127.-	161.-
Automobiles (units)	1,186.-	1,308.-	2,317.-	2,934.-	8,593.-	11,880.-	16,107.-
Motorcycles (units)	39,231.-	48,336.-	19,365.-	515.-	320.-	240.-	249.-
Ball bearings (millions of units)	1.6	3.6	4.5	3.9	3.7	4.4	5.4
Pharmaceutical products	23.3	21.2	27.7	37.6	23.3	30.6	37.2
Radio sets (thousands of units)	8.9	23.2	41.5	30.4	16.8	28.6	33.1
TV sets (thousands of units)	29.3	28.1	32.3	51.5	61.2	77.5	151.7
Electric motors (units)	1,225.-	1,535.-	905.-	1,925.-	2,511.-	3,335.-	11,655.-

Appendix I

IMPORTS

(raw materials and various, in thousands of tons)

	1960	1961	1962	1963	1964	1965	1966
Iron ore	917.1	1,258.2	1,920.0	2,236.5	2,305.1	2,623.2	2,854.1
Coking coal	416.3	440.7	749.9	679.9	717.8	706.3	696.2
Metallurgical coke	656.8	479.7	718.7	918.0	945.6	929.8	1,091.4
Ferrous alloys	25.3	27.7	35.4	33.9	43.0	52.6	51.4
Ferrous rolled products	848.8	860.8	986.2	945.2	1,213.3	1,117.0	1,281.5
Ferrous pipe segments	84.0	112.1	101.9	108.5	142.9	81.3	81.8
Cables and conductors	45.5	35.1	43.3	31.5	49.2	63.2	58.6
Natural rubber	9.3	11.5	13.8	19.2	22.3	19.2	24.9
Synthetic rubber	9.2	12.2	12.4	16.8	5.4	5.1	7.4
Tires (thousands of sets)	204.6	301.3	270.9	135.1	63.8	100.1	83.1
Organic dyes	2.2	3.3	5.5	5.1	7.3	10.1	12.5
Potassium fertilizers	4.0	12.0	10.3	5.8	8.8	13.3	22.0
Nitrogenous fertilizers	8.6	4.5	1.2	3.5	1.9	-	0.1
Apatite concentrates	72.8	79.8	102.8	150.3	94.5	174.3	207.3
Raw hides	8.3	11.3	11.6	6.5	12.2	14.4	20.8
Paper	-	-	13.6	6.0	5.7	6.2	4.5
Cotton	50.7	60.8	60.8	65.4	66.6	67.0	76.8
Rubber footwear (thousands of pairs)	817.9	803.8	311.6	315.0	606.0	77.3	124.0
Breeding stock (head)	7,017.-	5,641.-	1,706.-	903.-	754.-	651.-	1,034.-
Rice	13.5	15.8	25.1	43.1	29.2	36.7	29.5
Olives	5.1	7.0	6.1	8.1	6.4	6.9	5.3
Sugar	-	30.4	37.0	44.9	-	-	-
Cocoa	2.8	2.1	2.5	3.8	3.7	5.6	5.1

Appendix II

EXPORTS
(per cent of output)

		1964		1965		1966	
		Exports	%	Exports	%	Exports	%
Rolled Steel	thousand tons	272.7	13.2	342.0	14.6	444.5	17.2
Steel Tubes	" "	235.4	42.7	234.9	40.0	251.1	39.9
Equipment for oil extraction	million lei	287.2	-	237.6	-	238.1	-
Equipment for oil refineries	" "	79.1	-	91.8	-	12.5	-
Equipment for the chemical industry	" "	86.5	-	80.0	-	18.0	-
Equipment for the cement industry	" "	15.8	-	3.8	-	4.3	-
Equipment for thermal power stations	" "	5.9	-	7.3	-	0.9	-
Electrical motors	units	42,846.0	-	40,882.0	-	46,192.0	-
Power transformers	" "	3,202.0	-	3,971.0	-	4,124.0	-
Diesel motors and gas generators	million lei	10.5	-	15.1	-	27.4	-
Naval constructions	" "	82.2	-	104.6	-	113.6	-
Agricultural machinery	" "	54.6	-	117.9	-	133.8	-
Tractors	units	1,703.0	10.7	3,405.0	21.5	4,433.0	24.5
Excavators	" "	115.0	26.5	90.0	19.4	170.0	29.8
Lathes	" "	887.0	42.1	717.0	31.8	870.0	36.6
Railroad freight cars and tanks	" "	3,490.0	40.7	2,860.0	33.3	2,088.0	27.4
Ball bearings	thousand units	3,711.3	32.6	4,099.0	30.2	5,451.0	35.6
Window glass	" square m.	7,499.7	29.7	8,958.6	31.1	10,475.0	34.3
Carpets	" "	329.1	-	580.5	-	756.3	-
Ready made clothes	million lei	125.6	-	233.5	-	236.4	-
Leather footwear	thousand pairs	2,180.8	8.9	3,085.5	10.7	3,822.0	12.0
Grain (seed excluded)	" tons	1,234.2	11.1	882.2	7.0	1,303.0	9.4
Fresh vegetables	" "	105.4	-	136.7	-	127.6	-
Potatoes	" "	8.5	-	11.1	-	21.1	-
Canned vegetables	" "	29.5	32.4	25.9	26.2	36.1	33.8
Fresh fruit	" "	53.6	-	156.8	-	52.0	-
Canned fruit	" "	93.7	-	86.0	-	81.4	-
Eggs	million	148.3	-	245.8	-	286.2	-
Edible oil	thousand tons	37.1	22.1	33.3	19.3	77.0	37.4
Sugar	" "	52.9	15.2	34.5	6	106.0	23.9
Wine	" "	42.4	-	43.3	-	46.0	-

Appendix II

EXPORTS

(per cent of output)

		1964		1965		1966	
		Exports	%	Exports	%	Exports	%
Petrol	thousand tons	1,655.3	65.9	1,444.1	58.7	1,181.4	50.0
Kerosine	"	337.7	-	280.1	-	276.9	-
Gas oil (Diesel oil)	"	1,899.8	56.1	1,979.1	54.9	1,949.7	52.1
Mineral oils	"	303.1	-	292.8	-	274.1	-
Oil and natural bitumen	"	104.9	-	106.2	-	69.7	-
Oil coke	"	56.3	-	51.5	-	36.9	-
Paraffin	"	20.7	-	19.8	-	20.7	-
Methane gas	million m ³	205.6	1.8	200.0	1.6	200.0	1.4
Cement	thousand tons	1,298.3	27.3	1,538.2	26.5	1,635.7	27.8
Timber	thousand m ³	1,962.0	42.4	1,976.8	41.4	2,248.0	41.6
Furniture	million lei	203.3	7.8	251.5	8.2	282.2	8.3
Plywood	thousand m ²	80.3	43.0	112.2	56.1	109.0	51.9
Chipboards	thousand tons	2,881.9	-	2,413.6	-	3,123.0	-
Paper	"	8.6	3.9	17.0	6.9	25.0	8.7
Caustic soda	"	104.2	53.1	108.0	46.3	94.0	37.3
Soda ash	"	190.7	57.0	167.4	47.8	183.2	49.4
Pharmaceutical products	million lei	9.7	-	17.4	-	29.1	-
Organic dyes	"	1.7	-	1.9	-	1.7	-
Tires	thousand sets	279.9	10.5	362.1	14.5	242.2	9.8
Synthetic fibres	tons	-	-	350.0	10.6	1,777.0	32.5
Fibreboard	thousand m ²	-	-	10,425.0	-	12,141.0	-
Carbon black	thousand tons	-	-	17.3	-	17.7	-
Salt	"	387.2	21.4	478.4	23.7	429.8	21.0

CONCLUSIONS

From the above figures and tables it can easily be seen that the trend in Rumania's foreign trade policy is still following the direction of the previous years, in accordance with the provisions of the economic plan.

The substantial imports of equipment (19 per cent) and of certain raw materials reflect the growing industrialization of the country, envisaged by the 1966-1970 plan.

Imports of iron ore are steadily increasing, coinciding with the growing steel production, which is to amount to 6.3 million tons by 1970 (3.67 million tons in 1966).

Exports of oil products have declined further, by 11 per cent in 1965 over 1964 and by 12.4 per cent in 1966 over 1965. Since crude oil production has increased slightly it may be assumed that the decline is due to increasing domestic consumption. It is worth recalling that Rumania will import 3.5 million tons of crude oil from Iran in the 1968-1970 period, for which purpose Rumania has purchased two tankers, each of 36,150 tons, from Japan.

The rapid increase in imports of complete industrial installations (by 27 per cent in 1966 over 1965) is also noteworthy.

On the export side, Diesel-electric locomotives are so far being exported only to Poland and Bulgaria.

As to the breakdown by countries, the FRG still holds second place among Rumania's trade partners, and is making considerable progress, and among Rumania's Western trade partners France and Italy are currently also making important strides forward. The share of trade with the "socialist countries" is still declining (to 53.3 per cent of total trade in the first six months of 1967 compared with 65.0 per cent for the whole of 1965, and 59.6 per cent for the whole of 1966).

THE FIRST SIX MONTHS OF 1967

According to Agerpres of 19 August 1967, Rumania's foreign trade in the first half of 1967 increased by 24.9 per cent over the same period of 1966, as against 20 per cent envisaged for the whole of 1967.

Of the total, 53.3 per cent was with "socialist countries" (59.6 per cent in 1966); 39.6 per cent with Western countries (34.1 per cent with all European countries, the US, Japan, Israel, and Canada in 1966); and 7.1 per cent with the developing African and Asian countries (6.7 per cent in 1966).

The share of the machine building industry was 23 per cent (17.3 per cent in 1966); the value of chemical products sold abroad was 31 per cent higher than in the same period of last year.

The share of the timber industry amounted to over 15 per cent of total exports.

As for imports, the main weight continues to be carried by machinery, equipment and complete plants -- about 44 per cent; iron ore, rolled goods, ferro-alloys, coking coal, and other raw materials represented 30 per cent of total imports, as against 23 per cent in the same period of 1966.

These figures indicate that the trend in both exports and imports has remained the same for the last few years.

Regarding Rumania's trade balance with some of her Western partners, a few figures are available for the first months of 1967:

FRG

Handelsblatt of October 18 reported that Rumania's trade deficit in the first six months of 1967 amounted to DM 62.0 million, or \$ 15.50 million.

Belgium

According to RFE Special/Dybvik of October 18, in the first eight months of 1967 Belgium exported goods worth \$ 15.8 million and imported goods worth only \$ 5.14 million, -- i.e., Rumania's trade deficit amounted during this period to \$ 10.66 million.

Austria

According to official sources Austrian exports in the first six months amounted to \$ 24.0 million, while imports totalled only \$ 7.83 million, resulting in a deficit of \$ 16.17 million.

France

Official sources in Paris stated that France exported goods worth \$ 37.40 million in the first five months of 1967, and imported in the same period goods worth \$ 17.0 million, i.e., a deficit of \$ 20.40 million.

Britain

The British Board of Trade announced that trade between Rumania and Britain in the first eight months of 1967 amounted to \$ 55,398,000 in exports and \$ 20,084,000 in imports, representing a favorable balance of \$ 35,314,000 for Rumania.

Italy

No figures for 1967 are available, but it is worth noting that the 1968 trade agreement provides for a 50 per cent increase over 1966, i.e., \$ 185 million as against \$ 123.3 million in 1966.

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