

**BALANCE OF PAYMENTS
AND INTERNATIONAL
INVESTMENT POSITION
OF ROMANIA**

ANNUAL REPORT
2000

Note

The drafting of the Annual Report 2000 – Balance of payments and international investment position of Romania was completed on 30 October 2001, based on the data available as of 31 August 2001.

Some of the data are provisional and will be updated as appropriate in the subsequent issues.

Sources of data are mentioned when institutions other than the National Bank of Romania supplied data.

The Statistics Department carried out the drafting, while the Research and Publications Department carried out the English version and technical co-ordination.

Reproduction of the publication is forbidden. Data may be used only by indicating the source.

*National Bank of Romania, 25 Lipscani St, 70421, Bucharest - Romania
Phone: 40 1/312 43 75; Fax: 40 1/314 97 52*

<http://www.bnro.ro>

Contents

I. External environment	5
II. The external sector of transition economies in Central and Eastern Europe	8
III. Romanian economy in 2000.....	11
IV. Developments in the balance of payments and the international investment position of Romania.....	13
A. Balance of payments	13
1. Current account	14
1.1. Trade balance (goods and services).....	14
1.1.1. Trade balance (goods).....	14
1.1.1.1. Exports by commodity and group of countries	16
1.1.1.2. Composition and geographical distribution of imports.....	21
1.1.1.3. Foreign trade composition by currency and foreign trade efficiency.....	24
1.1.1.4. Private sector contribution	25
1.1.1.5. Net imports of energy products	26
1.1.2. Services balance	26
1.1.2.1. Transport services.....	27
1.1.2.2. Tourism-travel services	28
1.1.2.3. Other services.....	28
1.2. Income balance.....	29
1.3. Current transfers.....	31
2. Capital and financial account	32
2.1. Direct investment	34
2.2. Portfolio investment	35
B. International investment position.....	36
1. Institutional sectors.....	37
1.1. Overview	37
1.2. Monetary authority (NBR).....	38
1.2.1. Foreign assets	38
1.2.2. Foreign liabilities	39
1.3. General government	39
1.3.1. Foreign assets	39
1.3.2. Foreign liabilities	41
1.4. Banking sector.....	46
1.4.1. Foreign assets	46
1.4.2. Foreign liabilities	47
1.5. Non-bank sector	48
1.5.1. Foreign assets	48
1.5.2. Foreign liabilities.....	49
Charts.....	51
Statistical section.....	69

MAIN DEVELOPMENTS IN 2000

I. External environment

In 2000, world output stayed on an upward trend, posting a 4.8 percent growth (the best performance in the past decade) propelled by the economies of the USA and the EU member countries, the same as in 1999. These positive developments were accompanied by acceleration in international trade, up 10 percent (twice as high the 1999 growth rate) amid economic growth in Western Europe and Latin America and as a result of demand for imports from the USA and the emerging markets in Asia.

However, in the latter half of 2000, the global economic picture grew dimmer as the US economy unexpectedly entered a downturn and the Japanese economy posted a limp rebound. Meanwhile, economic growth in Western Europe slowed down as well under the detrimental impact of oil price shocks and interest rate hikes.

Nonetheless, the economic picture of **Western Europe** in 2000 as a whole may be viewed as bright considering the highest growth rate in twelve years and the 10-year low in unemployment while inflationary pressures remained moderate, the spike in the oil price notwithstanding.

In **Latin America**, economic activity improved after the alleviation of international financial turmoil in the prior years, rising by 4 percent after having edged up only 0.3 percent in 1999. The region benefited from the economic recovery in Brazil and the strong performance of the Mexican economy, driven by the US economy and higher oil prices. Conversely, Argentina faced sluggish economic growth and a gradual drop in investor confidence, the effects of which were limited access to international financial markets and the imposition of tight monetary policies meant to put a brake on capital drain and underpin the domestic currency.

The emerging markets in **East Asia** showed robust growth (with rates of increase as high as 8 percent in China and Korea) prompted by exports to countries in the region as well as by the demand for imports from Western Europe and the USA; domestically, economic growth was boosted by accommodating monetary and fiscal policies.

In **Japan**, export-led growth in the first half of 2000 dampened down subsequently amid setback in domestic demand and the build-up of non-performing loans.

On **international currency markets** the US dollar strengthened during most of 2000, which caused international capital flows – including those from the euro zone – to head for the USA.

On **international oil markets**, the oil price hit a 10-year high (USD 37/barrel) in September 2000 but has been falling ever since. The oil price influenced to some extent the price of commodities, energy and raw materials in particular.

In 2000, the **US** economy showed the best performance since 1978; however, H2 2000 saw a slowdown in economic growth as a result of decline in private consumption and exports. The gradual monetary tightening, which became manifest in mid-1999, continued until May 2000; subsequently, the economic downturn was leading to capping interest rates.

The upward path in the economies of the **euro zone** was led by Germany, France and Italy. The slowdown in growth across the region starting with Q3 2000 was caused solely by the curtailment in domestic demand – as a direct effect of rising oil prices – that could not be offset by net exports. Several factors such as the weaker euro, the step-up in trade between member countries and the rise in demand for imports in Central and Eastern Europe boosted exports of goods and services in late 2000. The region experienced a 10-year high in economic growth (3.4 percent compared with 2.6 percent in 1999) as every country reported growth rates of at least 3 percent. The inflation rate outstripped the 2 percent mark set by the European Central Bank, reaching 2.4 percent due to higher energy costs. Improving conditions on the labour market brought about an almost 2 percentage point increase in employment, sending the average unemployment rate lower to 9.1 percent from 10 percent a year earlier.

European countries in transition posted positive economic growth rates averaging out at 6 percent, thus surpassing the global rate of growth. This performance was driven by revival in the Russian Federation as well as by stronger demand in key export markets of the region as exporters reaped the benefits of higher world prices and better terms of trade. Although all countries in transition enjoyed favourable external conditions, differences were detected in terms of country-specific external effects and the manner in which they made themselves felt domestically.

The economies in **Central and Eastern Europe** saw a 3.9 percent growth that resulted from both sub-regions, i.e. 4 percent in Central Europe and 3.6 percent in South East Europe. This was prompted by higher demand for processed and intermediate products from Western Europe. In addition, the economies whose currencies are quoted against the EUR – Bulgaria, the Czech Republic, Hungary, Poland and Slovakia – benefited from its depreciation against the USD as exporters enjoyed competitiveness gains as regards USD-traded merchandise in particular.

Table 1. Main macroeconomic indicators in transition countries

	- percent -							
	GDP (growth rate)		Industrial output (growth rate)		Inflation (Dec./Dec.)		Unemployment rate (end of period)	
	1999	2000	1999	2000	1999	2000	1999	2000
CENTRAL AND EASTERN EUROPE	1.3	3.9	-0.1	8.3	...	...	14.6	15.1
Central Europe	3.0	4.0	2.9	8.7	...	...	12.5	13.3
Czech Republic	-0.8	3.1	-3.1	5.1	2.5	4.1	9.4	8.8
Poland	4.1	4.1	4.8	7.1	9.9	8.6	13.0	15.0
Slovakia	1.9	2.2	-3.6	9.1	14.2	8.3	19.2	17.9
Slovenia	5.2	4.8	-0.5	6.2	8.1	9.0	13.0	12.0
Hungary	4.4	5.2	10.4	18.3	11.3	10.1	9.6	8.9
South East Europe	-3.0	3.6	-9.9	6.6	...	...	16.5	17.8
Albania	7.3	8.0*	16.0	12.0*	-1.0	4.2	18.2	16.9
Bosnia-Herzegovina**	...	10.0*	10.6	8.8	-0.4	3.4	39.0	39.4
Bulgaria	2.4	5.0*	-12.3	2.3	6.2	11.2	16.0	17.9
Croatia	-0.4	3.7	-1.4	1.7	4.6	7.5	20.8	22.6
Yugoslavia***	-19.3	10.0	-23.1	10.9	54.0	115.1	27.4	26.6
Macedonia	2.7	5.1	-2.6	3.5	2.3	10.8	43.8	44.9
Romania****	-2.3	1.6	-8.0	8.0	54.8	40.7	11.8	10.5

Source: United Nations, *Economic Survey of Europe, No.1/2001*

*) Estimates of EEC Secretariate.

***) Data leave Republika Srpska out of account.

****) Data for 1999 and 2000 leave Kosovo and Metohia out of account.

*****) Data updated as of 15 August 2001.

... Not available.

Industrial production rose on average by 8.3 percent, with Central Europe posting the fastest pace (8.7 percent) while South East Europe registered an average growth of 6.6 percent.

In most economies, acceleration of economic growth was accompanied by a bout of inflation stoked up by steeper import prices (especially for crude oil, energy and fuels) and aggravated by long-dated macroeconomic imbalances in certain countries.

Unemployment rate across the region increased from 14.9 percent at end-1999 to 15.1 percent at end-2000, and went even higher in South East Europe amid the ongoing corporate restructuring process.

The external position of countries in transition experienced overall improvement in 2000, differentiated from one country to another, from wider surpluses in oil-exporting countries to lowering shortfalls based on strengthening domestic policies. Although in some countries the external position worsened, experts say that most of these gaps can be financed, at least in the short run, since direct investment inflows are steady and access to international financial markets has improved.

II. The external sector of transition economies in Central and Eastern Europe

The current account deficit of **Central and Eastern Europe** narrowed slightly in 2000, after a decade-long increase, more or less continuous, reaching 5.1 percent of GDP. The narrowing current account deficit as a share of GDP stemmed from the relative improvement in the deficits of both sub-regions: by 0.5 percentage points in Central Europe (on the back of larger receipts from tourism and transport) and by 0.4 percentage points in South East Europe (owing to the rise in surplus under services and current transfers).

Table 2. Foreign trade and external position of transition countries

	Exports		Imports		Trade balance		Current account	
	- growth rate -				- share of GDP -			
	1999	2000*	1999	2000*	1999	2000*	1999	2000*
CENTRAL AND EASTERN EUROPE	-1.2	12.9	-2.5	11.0	-9.6	-9.8	-5.6	-5.1
Central Europe	0.1	12.2	-1.0	10.3	-8.7	-9.1	-5.8	-5.3
Czech Republic	-0.4	10.4	-2.5	14.9	-3.5	-6.6	-3.0	-4.8
Poland	-2.9	15.5	-2.4	6.6	-11.9	-10.9	-7.4	-6.3
Slovakia	-4.6	15.8	-13.4	12.5	-5.0	-4.0	-5.5	-3.7
Slovenia	-5.6	2.2	-0.2	0.3	-7.7	-7.6	-3.9	-3.2
Hungary	8.7	12.3	9.0	14.5	-6.2	-8.5	-4.3	-3.7
South East Europe	-6.8	16.2	-7.9	13.8	-12.5	-12.4	-5.1	-4.7
Albania	28.3	-10.0	11.3	14.0	-16.9	-20.6	-4.2	-13.4
Bosnia-Herzegovina	47.3	30.2	14.7	-5.8	-42.1	-32.6	-21.4	-17.7
Bulgaria	-4.5	20.0	11.3	17.6	-12.2	-13.6	-5.3	-5.6
Croatia	-5.3	3.0	-7.0	1.6	-17.4	-18.3	-7.6	-3.9
Yugoslavia	-47.6	15.1	-31.8	12.6	-10.9	-7.9	-8.7	-5.6
Macedonia	-9.1	11.3	-7.2	16.3	-17.0	-21.0	-3.9	-5.7
Romania**	2.2	22.1	-10.8	23.7	-3.6	-4.6	-4.2	-3.7

Source: United Nations, *Economic Survey of Europe, No.1/2001*

*) Preliminary data.

**) Data updated as of 31 August 2001.

Foreign trade of Central and Eastern Europe was marked by an increase in exports sharper than in imports in spite of dearer energy resources and the stepped-up demand for intermediate goods. Exports were boosted by demand for imports from Western Europe and CEFTA countries and therefore posted a 12.9 percent growth, which went even higher in the countries in South East Europe. With foreign demand on the increase, the region's exports became less sensitive to exchange rate movements and the countries that usually sell low-processed goods recorded the highest export growth. The exports of the Czech Republic, Hungary and Poland were upheld by direct investment of multinational companies from the European Union and the USA in the machinery, equipment and transport means sector.

**Table 3. Financial and capital account net flows
and foreign exchange reserves of transition countries**

	Financial and capital account flows**				Change in official reserves***			
	- USD bill.-		Capital flows-to-		-USD bill.-		Reserves-	
	1999	2000	1999	2000****	1999	2000****	1999	2000****
CENTRAL AND EASTERN EUROPE*****	27.1	23.5*	7.3	6.6	6.2	5.4*	1.7	1.5
Central Europe	21.9	18.9	7.4	6.5	4.8	3.5	1.6	1.2
Czech Republic	3.2	3.2	6.1	6.4	1.7	0.8	3.1	1.7
Poland	11.8	10.6	7.6	6.7	0.2	0.6	0.1	0.4
Slovakia	1.8	1.5	9.1	8.0	0.7	0.8	3.7	4.3
Slovenia	0.7	0.8	3.5	4.2	-0.1	0.2	-0.4	1.0
Hungary	4.4	2.8	9.1	6.0	2.3	1.1	4.8	2.3
South East Europe*****	5.2	4.6*	7.0	7.3	1.4	1.9*	1.9	2.6
Albania	0.3	0.5*	7.6	12.1	0.1	-*	3.4	-1.3
Bosnia-Herzegovina	1.4	0.9*	31.2	18.3	0.4	-*	9.9	0.6
Bulgaria	1.2	1.1	9.5	8.9	0.6	0.4	4.3	3.3
Croatia	1.9	1.2*	9.7	6.5	0.4	0.5*	2.1	2.5
Yugoslavia	1.3	...	8.2	6.2	-0.1	0.1	-0.4	0.4
Macedonia	0.3	0.4*	8.0	10.2	0.1	0.1*	4.1	4.5
Romania*****	1.5	1.4	4.3	3.8	0.2	0.9	0.6	2.5

Source: United Nations, *Economic Survey of Europe, No.1/2001*

*) Estimates of EEC Secretariate.

***) Including IMF funds and errors and omissions.

****) "+" indicates increase in reserves. Reserves-to-GDP stands for the ratio between percentage change in reserves and GDP (%).

*****) For Yugoslavia, data cover the period January through September.

*****) Excluding Bosnia-Herzegovina, Yugoslavia.

*****) Data updated as of 31 August 2001.

In 2000, significant capital streams, mostly in the form of direct investment, entered into Central and Eastern Europe due to the prospects of EU accession and some large-scale privatisation programmes implemented in Poland and Slovakia.

In 2000, more than half of total direct investment in the transition countries went to the Czech Republic, Hungary and Poland.

Direct investment was in numerous countries the main source of financing current account deficits and containing external debt, thus contributing to reduction of exposure to financial crises.

Table 4. Foreign direct investment

	- USD bill. -		Direct investment/GDP (%)	
	1999	2000	1999	2000
CENTRAL AND EASTERN EUROPE**	17.3	21.5*	4.7	5.8
Central Europe	14.0	18.3	4.7	6.2
Czech Republic	5.1	4.6	9.6	9.3
Poland	6.5	9.4	4.2	6.0
Slovakia	0.3	2.1	1.7	10.8
Slovenia	0.2	0.2	0.9	1.0
Hungary	1.9	2.0	4.0	4.2
South East Europe**	3.3	3.2*	4.5	4.3
Albania	0.04	0.1	1.1	2.7
Bosnia-Herzegovina	0.1	0.1*	1.4	2.4
Bulgaria	0.8	1.0	6.5	7.9
Croatia	1.4	1.0*	7.0	5.2
Yugoslavia	-	-*	...	-
Macedonia	0.03	0.1	0.9	4.5
Romania***	1.0	1.0	2.9	2.9

Source: United Nations, *Economic Survey of Europe, No.1/2001*

*) Estimates of EEC Secretariate.

***) Excluding Bosnia-Herzegovina, Yugoslavia.

****) Data updated as of 31 August 2001.

- Small value.

... Not available.

Net inflows of portfolio investment adding up to USD 2 billion were channelled mainly to Croatia, Poland and Romania. The investment streams consisted largely of new Eurobond issues – however, the proceeds (USD 5 billion) were far below the levels recorded prior to the financial crises of 1997-98, hinting at either weaker investor confidence or lower financing requirements amid rising direct investment and narrowing budget shortfalls.

Croatia, Hungary, Poland, and Slovakia were the most active countries on the international capital markets. Poland and Slovakia alone raised over USD 1 billion, whereas Romania re-entered the foreign markets via two Eurobond issues worth EUR 300 million.

The brighter financial picture world-wide helped to improve borrowing terms, resulting both in lower lending rates and a larger share of medium- and long-term loans, particularly in the countries where the economic rebound was confirmed by rating agencies (the Czech Republic, Hungary, Poland and Slovenia).

Table 5. External debt and foreign exchange reserves of transition countries

	Gross external debt		Gross external debt/ exports (%)****		Gross external debt / GDP (%)		Forex reserves		
	-USD bill.-						mths. of		
	1999	2000	1999	2000	1999	2000	1999	2000	2000
CENTRAL AND EASTERN EUROPE***	164.1	165.3	113.0	102.0	44.0	45.0	64.4	69.8	4.4
Central Europe	132.5	131.8	112.0	101.0	45.0	45.0	54.8	58.0	4.6
Czech Republic	22.9	20.1*	66.0	51.0	43.0	39.0	12.8	13.0	3.8
Poland	64.4	63.7*	204.0	187.0	41.0	40.0	24.5	26.6	6.4
Slovakia	10.5	11.0	84.0	76.0	53.0	57.0	3.4	4.0	3.2
Slovenia	5.4	6.2	49.0	56.0	27.0	34.0	3.2	3.2	3.2
Hungary	29.3	30.8	104.0	94.0	61.0	66.0	10.9	11.2	3.9
South East Europe***	31.6	33.5	119.0	108.0	43.0	44.0	9.6	11.8	3.8
Albania	1.0	1.1**	154.0	194.0	26.0	31.0	0.4	0.4	3.0
Bosnia-Herzegovina	3.1	2.6	199.0	174.0	68.0	53.0	0.5	0.5	2.2
Bulgaria	10.2	10.4	168.0	142.0	82.0	84.0	3.1	3.3	4.8
Croatia	9.8	10.1	118.0	115.0	49.0	53.0	3.0	3.6	4.1
Yugoslavia	13.1	12.2	652.0	509.0	80.0	49.0	0.1	0.5	1.6
Macedonia	1.5	1.5	101.0	89.0	44.0	42.0	0.4	0.6	3.2
Romania*****	9.1	10.4	92.9	85.8	26.0	28.4	2.7	3.9	3.4

Source: United Nations, *Economic Survey of Europe, No.1/2001*

*) Data for September

**) IMF projection

***) Excluding Bosnia-Herzegovina, Yugoslavia

****) Exports of goods and services, including incomes (credit).

Imports of goods and services, including incomes (debit).

*****) Data updated as of 31 August 2001.

III. Romanian economy in 2000

The year 2000 saw the Romanian economy pulling out of the recession thanks to stepped-up external demand, which led many analysts to consider it as the “year of exports”. Domestic demand – affected in 1999 by several macroeconomic constraints – recovered slightly starting in the latter half of 2000, thereby offsetting the slowing dynamics of external demand. The lack of some clear-cut effects and not fast enough pace of economic restructuring further hurt stimulation of domestic demand components.

Pressures from external constraints eased in 2000 compared with the previous year, as Romania had to cope with a much lower current account deficit and moderate external debt service. The turnaround in the international financial environment after past years’ crises and upgrading of sovereign rating created favourable conditions for Romania to re-enter the international capital markets.

Exports were buoyed by the ripple effects of the economies in the European Union, Romania's chief exports market.

As a result, real GDP growth equalled 1.6 percent in 2000 after contracting by 2.3 percent in 1999. The positive effect of absorption (4.4 percent, of which investment accounted for one percent of GDP growth) was hurt by the negative growth rate of net exports of goods and services (-2.8 percent) since imports grew faster than exports.

Table 6. Expenditures contribution to change in GDP

	previous year = 100	
	1999	2000
Real GDP	-2.3	1.6
Absorption	-5.2	4.4
Final consumption	-4.0	1.5
Household consumption	-3.4	-0.8
Private administration consumption	0.7	1.8
Government consumption	-1.3	0.5
Investment	-0.8	1.0
Change in inventories	-0.4	1.9
Exports, net	2.9	-2.8
Exports	2.6	6.8
Imports	-0.3	9.6

Source: National Institute of Statistics (NIS)

Inflation rate (December on December) overshot the 27 percent target and came in at 40.7 percent. Average monthly rate stood at 2.9 percent compared with 3.7 percent in 1999. Food prices posted the highest increase (45.8 percent) because of the effects of the drought while prices for non-food and services showed below-average growth (approximately 37 percent). The hefty rise in the oil price on world markets translated into higher domestic prices for electricity, heating, natural gas, fuels, as well as costlier transports. Therefore, Romania came in last among Central and East European countries (except Yugoslavia).

The **ROL** eased by 1.1 percent in real terms versus the USD (average exchange rate for December) but strengthened by 11.35 percent against the EUR following the latter's depreciation versus the USD.

Unemployment rate dropped to 10.5 percent as of year-end 2000, from 11.8 percent a year earlier, as a result of revival in industry, construction, and services. Romania thus further ranked third among Central and South East European countries, after the Czech Republic and Hungary.

IV. Developments in the balance of payments and the international investment position of Romania

A. Balance of payments

In 2000, foreign demand (from Western European and CEFTA member states) and the proceeds from Eurobond issues amid the improving international financial environment upheld the positive performance of the balance of payments. Romania counts among the countries in Central and Eastern Europe (besides the Czech Republic, Hungary and Slovenia) which managed to contain their current account deficits to sustainable levels of below 5 percent of GDP over the past few years. Moreover, direct investment stood out, for the fourth successive year, as the main source of current account financing, thereby facilitating reasonable growth of external debt and strengthening official foreign reserves.

Table 7. GDP* and external sector

	-USD million-	
	1999	2000
1. Absorption	36,860.4	38,656.9
Final consumption	30,663.7	31,712.8
Investment (I)	6,196.7	6,944.1
2. Exports, net	-1,684.0	-1,938.0
3. Net income from abroad	-411.0	-285.0
4. Current transfers, net	626.0	860.0
GDP (1+2)	35,176.4	36,718.9
Gross national disposable income (1+2+3+4)	35,391.4	37,293.9
BALANCE OF PAYMENTS CURRENT ACCOUNT	-1,469.0	-1,363.0
GROSS SAVING	4,727.7	5,581.1
Current account balance to GDP (%)	-4.2	-3.7
Share of saving in GDP (%)	13.4	15.2
Share of investment in GDP (%)	17.6	18.9

**) Computed based on average ROL/USD exchange rate consistent with NIS data*

The balance-of-payments current account deficit narrowed by 7.2 percent year on year to USD 1,363 million, while domestic absorption edged 5 percent higher. The ratio between final consumption and investment displayed a slim improvement and the proportion of investment in absorption grew 1.2 percentage points, clearing the way for economic growth and external gap financing.

1. Current account

The current account deficit hit a 6-year low in 2000 both in terms of absolute value and as a percentage of GDP.

	-USD million-					
	1999			2000		
	Credit	Debit	Balance	Credit	Debit	Balance
1. CURRENT ACCOUNT	10,810	12,279	-1,469	13,537	14,900	-1,363
Goods and services	9,854	11,538	-1,684	12,133	14,071	-1,938
- Goods	8,487	9,744	-1,257	10,366	12,050	-1,684
- Services	1,367	1,794	-427	1,767	2,021	-254
Incomes	152	563	-411	325	610	-285
Current transfers	804	178	626	1,079	219	860
2. FINANCIAL AND CAPITAL ACCOUNT	5,634	5,132	502	5,413	4,180	1,233
Capital transfers	46	1	45	37	1	36
Direct investment	1,102	77	1,025	1,122	71	1,051
Portfolio investment	213	928	-715	472	371	101
Other capital investment (inclusive in-transit and clearing accounts)	3,535	3,215	320	3,768	2,795	973
Reserve assets ("-" increase, "+" fall)	738	911	-173	14	942	-928
3. ERRORS AND OMISSIONS	967	0	967	130	0	130

The driving force behind the current account deficit was the widening of trade deficit, from 3.6 percent of GDP in 1999 to 4.6 percent in 2000. The share of the shortfall under “Services” and “Incomes” declined markedly whilst the surplus under “Current transfers” edged higher. The current account deficit built up in the second and fourth quarters of 2000, the same as a year earlier, as a result of net imports of goods. In year-over-year comparison, the share of trade balance in the current account deficit increased against the fall of those of services and incomes. The share of the surplus under “Current transfers” expanded by over one-fifth.

1.1. Trade balance (goods and services)

In 2000, the balance on goods and services ran a deficit of USD 1,938 million, up 15.1 percent year on year due solely to the developments in the trade balance (goods), hinting at external resources covering most of the increase in domestic consumption.

1.1.1. Trade balance (goods)

The trade gap widened in terms of absolute figures and as a percentage of GDP (by USD 427 million, one percentage point respectively) over the year before since imports grew faster than exports. The trade deficit climbed over one-third year on year to reach USD 1,684 million in 2000. The deficit stemmed from transition countries (78.7 percent, of which the Russian Federation and CEFTA members accounted for 56.1 percent and 15.5 percent respectively),

developed countries (26.3 percent, of which the EU made up 11.9 percent), and other countries (19.1 percent). A surplus of USD 407.2 million was recorded with developing countries.

Table 9. Trade balance (goods)

	M.U.	1999	2000	Difference (+/-)
Exports (fob)	USD mn.	8,487.0	10,366.0	1,879.0
Imports (fob)	USD mn.	9,744.0	12,050.0	2,306.0
Trade balance	USD mn.	-1,257.0	-1,684.0	-427.0
Share of exports in GDP	%	24.1	28.2	4.1
Share of imports in GDP	%	27.7	32.8	5.1
Share of trade balance in GDP	%	-3.6	-4.6	-1.0
Share of trade balance in current account balance	%	85.6	123.6	38.0
Economy openness: (exports+imports)/GDP	%	51.8	61.0	9.2

Source: National Institute of Statistics (NIS)

Openness of the Romanian economy moved up by 9.2 percentage points to 61 percent following the record readings of both exports and imports. The growth is indicative of greater external vulnerability.

Exports of goods in 2000 hit a 10-year high of USD 10,366 million, up 22.1 percent year on year due primarily to larger volumes. The successive increases over the last three years caused exports to outrun 25 percent share-to-GDP. During the considered year, exports followed the trend in foreign demand, rising steadily January through September but slowing in the final quarter. Both domestic and external factors provided underpinning for the export surge such as:

- mounting production in manufacturing, especially the less import-dependent sectors;
- slashing profit tax for the companies engaged in outward-bound activities;
- rising external demand in the EU and CEFTA;
- shift in Western Europe’s demand for imports as regards electrical machinery and equipment to Central to South East European countries; and
- spike in the oil price on foreign markets.

Imports of goods (fob) also reached a 10-year high in 2000, jumping 23.7 percent year on year to USD 12,050 million (32.8 percent of GDP) amid soaring exports and the rebound in domestic demand.

1.1.1.1. Exports by commodity and group of countries

a) Exports composition

In 2000, the changes in domestic economic conditions, i.e. increase in manufacturing production and lowering output of vegetables and livestock – as a result of the drought – generated shifts in the shares of these activities in total exports. In fact, manufacturing drove exports higher.

Table 10. Exports by main economic activity

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	8,487.0	10,366.0	122.1	100.0	100.0
Agriculture, forestry and fishery	384.5	267.3	69.5	4.5	2.6
Mining	33.0	34.4	104.2	0.4	0.3
Manufacturing	7,989.0	10,013.0	125.3	94.1	96.6
Electricity	72.6	46.7	64.3	0.9	0.5
Other*	7.9	4.6	58.2	0.1	0.0

*) Including non-classified activities

Source: National Institute of Statistics (NIS)

Exports of manufactured goods moved 25.3 percent higher on the year in most sectors, except the beverages and food-processing sector (-6.1 percent), the industry of other non-metallic products, as well as metallic constructions and metal products (-6 percent and -6.1 percent respectively).

Above-average increases were reported for the following activities: radio, television and communications equipment (9.1 times), oil processing (103.8 percent), pulp, paper, and cardboard (70 percent), chemicals and man-made fibres (42.5 percent) and metallurgy (36.2 percent).

In year-on-year comparison, the composition of exported goods (classified by the **National Accounts System – NAS**) developed in line with changes in external demand and the domestic potential. The weight of intermediate goods and capital goods widened by 1.8 percentage points and 0.9 percentage points respectively, whereas the weight of consumer goods contracted by 3.3 percentage points.

Table 11. Exports by main manufacturing activity

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	7,989.0	10,013.0	125.3	100.0	100.0
of which:					
Food and beverages industry	156.7	147.2	93.9	2.0	1.5
Textiles and textile products industry	370.2	424.4	114.6	4.6	4.2
Textile, fur and leather ready-to-wear industry	1,824.4	2,081.6	114.1	22.8	20.8
Leather and footwear industry	718.2	836.2	116.4	9.0	8.4
Wood working	466.5	531.6	114.0	5.8	5.3
Pulp, paper and cardboard industry	44.4	75.5	170.0	0.6	0.8
Oil processing and coal coking	341.2	695.5	203.8	4.3	6.9
Chemicals and man-made fibres industry	443.5	631.9	142.5	5.6	6.3
Rubber and plastics processing	80.6	90.2	111.9	1.0	0.9
Non-metallic mineral products industry	219.9	206.8	94.0	2.8	2.1
Metallurgy	1,167.5	1,590.7	136.2	14.6	15.9
Metallic construction and metal products	174.5	163.8	93.9	2.2	1.6
Machinery and equipment	488.0	516.3	105.8	6.1	5.2
Electric machinery and appliances	325.1	370.2	113.9	4.1	3.7
Radio, television and communication equipment	43.4	394.0	907.8	0.5	3.9
Medical instruments and apparatus, watches and clocks	28.2	33.8	119.9	0.4	0.3
Road transport means	184.7	230.4	124.7	2.3	2.3
Other transport means	325.1	339.3	104.4	4.1	3.4
Furniture and other activities	478.7	516.3	107.9	6.0	5.2

Source: National Institute of Statistics (NIS)

In 2000, the composition of exports by **major economic category** showed significant rises under the following headings: 2.6 percentage points for “Capital goods” (excluding transport equipment) due to expansion of OPT in radio, television and communications equipment, 2.3 percentage points for “Fuels and lubricants” (on the back of higher world prices for primary energy) and 1.1 percentage points for ‘Industrial supplies’ (mainly non-processed commodities such as wood, metal).

Table 12. Exports in accordance with the National Accounts System

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL*	8,487.0	10,366.0	122.1	100.0	100.0
of which:					
1. Capital goods	563.9	772.7	137.0	6.6	7.5
2. Intermediate goods	4,048.1	5,133.5	126.8	47.7	49.5
3. Consumer goods	3,627.8	4,084.0	112.6	42.7	39.4

**) Including non-classified goods*

Source: National Institute of Statistics (NIS)

Over the period, the export offer consisted of products of most **commodity groups**, less agrifoodstuffs, down 30 percent.

Table 13. Exports by main economic category

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL*	8,487.0	10,366.0	122.1	100.0	100.0
1. Food and beverages	387.0	277.8	71.8	4.6	2.7
- of which: processed goods	75.5	76.8	101.7	0.9	0.7
2. Industrial supplies	2,806.3	3,547.3	126.4	33.1	34.2
- of which: processed goods	2,512.7	3,090.2	123.0	29.6	29.8
3. Fuels and lubricants	409.5	740.3	180.8	4.8	7.1
- of which: processed goods	409.4	740.0	180.8	4.8	7.1
4. Capital goods (less transport equipment, parts and accessories)	755.4	1,188.4	157.3	8.9	11.5
5. Transport equipment, parts and accessories	562.2	616.0	109.6	6.6	5.9
6. Consumer goods, not specified elsewhere	3,506.3	3,969.4	113.2	41.3	38.3

*) Including other non-classified goods

Source: National Institute of Statistics (NIS)

Table 14. Exports by group of commodities

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	8,487.0	10,366.0	122.1	100.0	100.0
Agrifoodstuffs	483.6	338.5	70.0	5.7	3.3
Mineral products	501.9	821.8	163.7	5.9	7.9
Chemical and plastic products	509.4	747.9	146.8	6.0	7.2
Paper and wood products	543.2	645.0	118.7	6.4	6.2
Textiles, ready-made clothes, and footwear	2,879.9	3,295.0	114.4	33.9	31.8
Base metals	1,310.3	1,657.9	126.5	15.5	16.0
Machinery, equipment, and transport means	1,418.1	1,960.1	138.2	16.7	18.9
Other	840.6	899.8	107.0	9.9	8.7

Source: National Institute of Statistics (NIS)

Larger shares in exports were detected for: mineral products (2 percentage points), machinery and equipment, transport means (2.2 percentage points), chemicals and plastics (1.2 percentage points) and base metals (0.5 percentage points).

b) Geographical distribution of exports

The geographical distribution of exports underwent changes in 2000 compared with the previous year, mainly increase in exports to countries in transition following expansion of intra-regional trading with CEFTA countries.

Exports to **developed countries** amounted to USD 7,292.3 million, 19.1 percent higher than in 1999, however, dropping as a share of total exports due to the rise in exports to transition countries. The trade with European Union rose by 19 percent. Exports to European Union made up 63.8 percent of total 2000 exports (falling 1.7 percentage points from a year earlier) and went, in a proportion of almost 84 percent, to the following five countries: Italy, Germany, France, the United Kingdom and the Netherlands.

Table 15. Exports by group of countries

	- USD mill. -		2000/1998 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	8,487.0	10,366.0	122.1	100.0	100.0
1. Developed countries	6,124.1	7,292.3	119.1	72.2	70.3
of which:					
- European Union	5,562.3	6,618.4	119.0	65.5	63.8
- EFTA	98.6	101.1	102.5	1.2	1.0
- USA	316.9	379.8	119.8	3.7	3.7
- Japan	19.4	16.1	83.0	0.2	0.2
2. Transition countries	997.8	1,434.6	143.8	11.8	13.9
of which:					
- CEFTA	597.4	848.4	142.0	7.0	8.2
- Russian Federation	47.0	88.8	188.9	0.6	0.9
- Ukraine	63.1	89.7	142.2	0.7	0.9
- Republic of Moldova	101.0	142.3	140.9	1.2	1.4
3. Developing countries	1,358.1	1,638.1	120.6	16.0	15.8
of which:					
- Turkey	468.2	627.3	134.0	5.5	6.1
- Egypt	153.2	171.1	111.7	1.8	1.7
- Syria	84.6	75.8	89.6	1.0	0.7
4. Other	7.0	1.0	14.3	0.0	0.0

Source: National Institute of Statistics (NIS)

The analysis by commodity groups shows that exports to EU grew for most goods excepting agrifoodstuffs, the exports of which fell by 23.4 percent. Increases in the share of exports showed machinery, apparatus, equipment and transport means (3.5 percentage points), chemicals and plastic products (0.7 percentage points) and base metals (0.3 percentage points).

Table 16. Exports by group of commodities to the EU

	- USD mill. -		2000/1998 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	5,562.3	6,618.4	119.0	100.0	100.0
Agrifoodstuffs	210.8	161.5	76.6	3.8	2.4
Mineral products	54.1	57.2	105.7	1.0	0.9
Chemical and plastic products	189.0	271.5	143.7	3.4	4.1
Paper and wood products	243.0	253.8	104.4	4.4	3.8
Textiles, ready-made clothes, and footwear	2,666.6	3,041.6	114.1	47.9	46.0
Base metals	672.6	817.5	121.5	12.1	12.4
Machinery, equipment, and transport means	922.4	1,331.8	144.4	16.6	20.1
Other	603.8	683.5	113.2	10.8	10.3

Source: National Institute of Statistics (NIS)

Exports to **countries in transition** totalled USD 1,434.6 million, up 43.8 percent year on year, of which exports to CEFTA countries soared by 42 percent. The share of exports to countries in transition in total exports was 2.1 percentage points higher than the 1999 figure, with the share of exports to CEFTA countries moving up 1.2 percentage points on the back of exports of mineral products and base metals.

Table 17. Exports by group of commodities to CEFTA

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	597.4	848.4	142.0	100.0	100.0
Agrifoodstuffs	46.0	50.8	110.4	7.7	6.0
Mineral products	121.4	249.8	205.8	20.3	29.5
Chemical and plastic products	64.7	84.3	130.3	10.8	9.9
Paper and wood products	51.3	66.2	129.0	8.6	7.8
Textiles, ready-made clothes, and footwear	72.0	79.2	110.0	12.1	9.3
Base metals	59.5	90.2	151.6	10.0	10.6
Machinery, equipment, and transport means	135.8	175.9	129.5	22.7	20.8
Other	46.7	52.0	111.3	7.8	6.1

Source: National Institute of Statistics (NIS)

Exports to **developing countries** edged up 20.6 percent from 1999 to USD 1,638.1 million. Even though the share of developing countries in total exports posted a slight decline (by 0.2 percentage points), these countries continued to remain Romania's second largest trading partners.

1.1.1.2. Composition and geographical distribution of imports

a) Composition of imports

Resumption of economic growth in 2000 contributed to the pick up in imports of goods included in all three categories classified in accordance with the National Account System, especially intermediate goods.

Table 18. Imports fob in accordance with the National Accounts System

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL*	9,744.0	12,050.0	123.7	100.0	100.0
1. Capital goods	1,628.2	1,899.1	116.6	16.7	15.8
2. Intermediate goods	6,348.5	8,206.8	129.3	65.2	68.1
3. Consumer goods	1,610.2	1,794.2	111.4	16.5	14.9

*) Including non-classified goods

Source: National Institute of Statistics (NIS)

Behind the drop in the share of capital goods imports stood the removal of tax incentives and customs facilities for imports of technology by foreign investors, while behind the fall in the share of consumer goods imports was the wage policy.

Compared with 1999, the share of **processed goods** (by **main economic category**) went down from 86.2 percent to 84.3 percent of total imports. The share of **unprocessed goods** rose, thereby reflecting the expansion in imports of intermediate goods.

Table 19. Imports (fob) by main economic category

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL*	9,744.0	12,050.0	123.7	100.0	100.0
1. Food and beverages	549.8	660.1	120.1	5.6	5.5
- of which: processed goods	384.9	450.5	117.1	4.0	3.7
2. Industrial supplies	4,243.1	4,959.0	116.9	43.5	41.2
- of which: processed goods	3,885.9	4,501.5	115.8	39.9	37.4
3. Fuels and lubricants	965.5	1,446.3	149.8	9.9	12.0
- of which: processed goods	229.8	268.9	117.0	2.4	2.2
4. Capital goods (less transport equipment, parts and accessories)	2,281.2	2,888.6	126.6	23.4	24.0
5. Transport equipment, parts and accessories	394.1	642.8	163.1	4.0	5.3
6. Consumer goods, not specified elsewhere	1,228.5	1,409.9	114.8	12.6	11.7

*) Including unspecified goods

Source: National Institute of Statistics (NIS)

Import demand for all **commodity groups** remained strong, with above-average increases for mineral products, machinery, equipment and transport means, and base metals.

Table 20. Imports (fob) by group of commodities

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	9,744.0	12,050.0	123.7	100.0	100.0
Agrifoodstuffs	734.0	860.2	117.2	7.5	7.1
Mineral products	1,155.4	1,747.2	151.2	11.9	14.5
Chemical and plastic products	1,340.1	1,531.0	114.2	13.8	12.7
Paper and wood products	306.4	345.0	112.6	3.1	2.9
Textiles, ready-made clothes, and footwear	1,963.5	2,172.4	110.6	20.2	18.0
Base metals	634.9	822.3	129.5	6.5	6.8
Machinery, equipment, and transport means	2,679.2	3,477.1	129.8	27.5	28.9
Other	930.5	1,094.8	117.7	9.5	9.1

Source: National Institute of Statistics (NIS)

Compared with 1999, the following groups of commodities posted increases in imports: mineral products (by 2.6 percentage points at the expense of the rise in world prices), machinery, equipment, transport means (by 1.4 percentage points due to expansion of imports under OPT arrangements), base metals (0.3 percentage points due to the rise in the volume of imports of cast iron, iron and steel).

b) Geographical distribution of imports

In terms of import origin, **developed countries** were the largest source of imports with a 64.2 percent share, followed by **transition countries** and **developing countries**, accounting for 22.9 percent and 10.2 percent respectively of total imports.

Table 21. Imports (fob) by group of countries

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	9,744.0	12,050.0	123.7	100.0	100.0
1. Developed countries	6,704.4	7,735.8	115.4	68.8	64.2
of which:					
- European Union	5,912.0	6,819.6	115.4	60.7	56.6
- EFTA	134.9	168.4	124.8	1.4	1.4
- USA	341.8	361.0	105.6	3.5	3.0
- Japan	108.5	157.1	144.8	1.1	1.3
2. Transition countries	1,891.3	2,760.2	145.9	19.4	22.9
of which:					
- CEFTA	896.8	1,109.2	123.7	9.2	9.2
- Russian Federation	649.9	1,034.2	159.1	6.7	8.6
- Ukraine	100.2	181.0	180.6	1.0	1.5
- Republic of Moldova	37.3	38.1	102.1	0.4	0.3
3. Developing countries	1,080.0	1,230.9	114.0	11.1	10.2
of which:					
- Turkey	218.8	250.4	114.4	2.2	2.1
- Egypt	31.0	15.7	50.6	0.3	0.1
- Syria	5.1	6.2	121.6	0.1	0.1
4. Other	68.3	323.1	473.1	0.7	2.7

Source: National Institute of Statistics (NIS)

Imports from **developed countries** amounted to USD 7,735.8 million, up 15.4 percent from 1999. This development was due to the pick up in imports from the **European Union** (by 15.4 percent), **EFTA** countries (by 24.8 percent) and **Japan** (by 44.8 percent). The share of imports from developed countries dropped by 4.6 percentage points.

Imports from the European Union accounted for 56.6 percent of 2000 imports (down 4.1 percentage points from 1999), with Italy, Germany, France, the United Kingdom and Greece providing over 82 percent of total imports from the EU.

Table 22. Imports (fob) by group of commodities from the EU

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	5,912.0	6,819.6	115.4	100.0	100.0
Agrifoodstuffs	265.5	273.1	102.9	4.5	4.0
Mineral products	88.1	114.3	129.7	1.5	1.7
Chemicals and plastic products	862.1	970.7	112.6	14.6	14.2
Paper and wood products	188.6	197.7	104.8	3.2	2.9
Textiles, ready-made clothes, and footwear	1,690.3	1,828.1	108.2	28.6	26.8
Base metals	353.0	397.0	112.5	6.0	5.8
Machinery, equipment, and transport means	1,789.1	2,261.8	126.4	30.2	33.2
Other	675.3	776.9	115.0	11.4	11.4

Source: National Institute of Statistics (NIS)

Increases in imports from the EU were detected for all groups of commodities, especially mineral products (by 29.7 percent) and machinery, apparatus, equipment and transport means (by 26.4 percent).

Table 23. Imports (fob) by group of commodities from CEFTA

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
TOTAL	896.8	1,109.2	123.7	100.0	100.0
Agrifoodstuffs	152.2	196.3	129.0	17.0	17.7
Mineral products	69.3	75.2	108.5	7.7	6.8
Chemicals and plastic products	215.9	250.1	115.8	24.1	22.5
Paper and wood products	86.7	109.5	126.3	9.7	9.9
Textiles, ready-made clothes, and footwear	59.6	74.3	124.7	6.6	6.7
Base metals	92.9	118.1	127.1	10.4	10.7
Machinery, equipment, and transport means	143.8	191.1	132.9	16.0	17.2
Other	76.4	94.6	123.8	8.5	8.5

Source: National Institute of Statistics (NIS)

Imports from **transition countries** totalled USD 2,760.2 million, up 45.9 percent from 1999, of which imports from CEFTA countries rose by 23.7 percent. The share of imports from transition countries in total imports edged up 3.5 percentage points (Russian Federation by 1.9 percentage points, Ukraine by 0.5 percentage points) while that of imports from CEFTA countries remained unchanged from the previous year, i.e. 9.2 percent.

Increases in imports from CEFTA countries were recorded for all groups of commodities, special mention deserving the following: machinery, equipment and transport means (up 32.9 percent), agrifoodstuffs (29 percent), base metals (27.1 percent), paper and wood products (26.3 percent) and textiles, ready-made clothes and footwear (24.7 percent).

Imports from **developing countries** equalled USD 1,230.9 million, up 14 percent from 1999, but down 0.9 percentage points as a share of total imports.

1.1.1.3. Foreign trade composition by currency and foreign trade efficiency

Changes underwent by geographical distribution of foreign trade in the last few years had a direct impact on the currency composition of trade, with the share of European currencies increasing while that of the USD declining. In 2000, depreciation of the EUR against the USD had a favourable influence on the trade balance, since the fall in the value of imports outpaced that of exports.

Table 24. Foreign trade by currency

	- percent -			
	Exports		Imports	
	1999	2000	1999	2000
TOTAL	100.0	100.0	100.0	100.0
US dollar (USD)	45.2	42.8	37.7	33.7
EURO (EUR)	50.5	51.0	56.9	60.2
of which:				
Deutschmark (DEM)	25.2	20.4	27.4	23.6
Lira italiana (ITL)	16.7	17.2	16.1	15.6
Franc français (FRF)	4.7	5.1	5.3	4.9
Nederlandse guilder (NLG)	0.8	0.5	1.3	0.9
Oesterreichischer Schilling (ATS)	0.4	0.8	1.6	1.8
Franc belge (BEF)	0.2	0.1	0.7	0.5
Pound sterling (GBP)	2.9	4.6	2.7	3.8
Svensk krona (SEK)	0.9	0.9	0.5	0.5
Franc suisse (CHF)	0.2	0.1	1.2	1.1
Other	0.3	0.6	1.0	0.7

Source: Customs General Department

External competitiveness, as measured by index of terms of trade, net, continued to improve due to faster drop in import prices compared to that of export prices, thereby enabling the cut

in exports needed to obtain an import unit, in other words, raising the purchasing power of exports.

Table 25. Foreign trade efficiency

	M.U.	1999	2000
Value indices		- previous year = 100 -	
Exports	%	102.2	122.1
Imports	%	89.2	123.7
Unit value indices*			
Exports	%	92.8	98.5
Imports	%	89.4	95.2
Volume indices*			
Exports	%	110.1	124.0
Imports	%	99.7	129.9
Terms of trade index			
net (unit value)	%	103.8	103.5
gross (volume)	%	110.4	95.5
Export purchasing power index	%	114.3	128.3

*) Calculated by the National Institute of Statistics

1.1.1.4. Private sector contribution

Privately-owned enterprises (commission agents and producers), which carry out foreign trade activity, exported goods worth USD 6,814.4 million, up 22.3 percent from 1999. Their share in total exports was 65.7 percent, remaining almost unchanged from the precedent year. Private sector imports amounted to USD 8,443.2 million, up 20.2 percent from 1999, accounting for 70.1 percent of total imports (72.1 percent in 1999). Coverage of imports through exports in the private sector expanded from 79.3 percent in 1999 to 86 percent in 2000.

Table 26. Private sector foreign trade

	M.U.	1999	2000	2000/1999 (%)
Exports (fob)		5,573.3	6,814.4	122.3
Imports (fob)	USD mill.	7,026.6	8,443.2	120.2
Trade balance	USD mill.	-1,453.3	-1,628.8	112.1
Coverage of imports	%	79.3	86.0	x

Source: Customs General Department

1.1.1.5. Net imports of energy products

Net imports of energy products equalled USD 718.6 million (42.7 percent of the trade deficit) more than one-fourth higher than a year earlier. By resource, the rise in net imports of energy products was alleviated by net exports of petroleum products and electric power. **Exports** of primary energy resources amounted to USD 742.8 million (7.2 percent of total exports), up almost 80 percent compared with 1999, due to the rise in prices for petroleum products and mineral fuels. **Imports** (fob) of energy products totalled USD 1,461.4 million (12.1 percent of total imports), more than 50 percent higher from 1999, due mostly to the increase in world prices.

Table 27. Net imports (fob) of energy products

	- USD mill. -	
	1999	2000
TOTAL	-556.0	-718.6
1. Natural gas	-183.3	-301.1
2. Electric power	30.0	23.6
3. Crude oil	-441.3	-759.2
4. Petroleum products	166.6	465.6
5. Mineral fuels	-128.0	-147.5

Source: Customs General Department

1.1.2. Services balance

Services **deficit** was USD 254 million, down 40.5 percent from 1999 and 0.5 percentage points lower as a share of GDP as a result of receipts, which increased faster than payments under “Transport”, “Tourism-travel” and “Other services”. Their share in total services deficit was 1.2 percent, 26 percent and 72.8 percent respectively.

Table 28. Balance of services

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
Receipts	1,367	1,767	129.3	100.0	100.0
transport	536	652	121.6	39.2	36.9
tourism-travel	252	359	142.5	18.4	20.3
other	579	756	130.6	42.4	42.8
Payments	1,794	2,021	112.7	100.0	100.0
transport	579	655	113.1	32.3	32.4
tourism-travel	402	425	105.7	22.4	21.0
other	813	941	115.7	45.3	46.6
Balance	-427	-254	59.5	100.0	100.0
transport	-43	-3	7.0	10.1	1.2
tourism-travel	-150	-66	44.0	35.1	26.0
other	-234	-185	79.1	54.8	72.8

Receipts from services equalled USD 1,767 million, up 29.3 percent from 1999; all headings posted increases. **Services payments** totalled USD 2,021 million, 12.7 percent higher from 1999 on the back of all headings, tourism-travel posting an increase in payments below average.

1.1.2.1. Transport services

Transport deficit was insignificant (USD 3 million) compared with that recorded in 1999, owing to the surplus from “Other transport services” (air and sea transport) which increased 2.9 times. Goods transport was the sole contributor to the transport deficit.

Table 29. Transport services

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
Receipts	536.0	652.0	121.6	100.0	100.0
freight (goods transport)	365	442	121.1	68.1	67.8
passenger transport	54	35	64.8	10.1	5.4
other transport services	117	175	149.6	21.8	26.8
Payments	579.0	655.0	113.1	100.0	100.0
freight (goods transport)	473	573	121.1	81.7	87.5
passenger transport	30	26	86.7	5.2	4.0
other transport services	76	56	73.7	13.1	8.5
Balance	-43	-3	7.0		
freight (goods transport)	-108	-131	121.3		
passenger transport	24	9	37.5		
other transport services	41	119	290.2		

Table 30. Goods transport

	- thousand of tonnes -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
Exports (resident carriers)	5,427.7	5,739.2	105.7	100.0	100.0
- railroad	2,285.9	2,717.1	118.9	42.1	47.3
- road	1,486.7	1,685.0	113.3	27.3	29.4
- river	166.1	101.7	61.2	3.1	1.8
- sea	1,474.6	1,229.5	83.4	27.2	21.4
- air	5.4	5.9	109.3	0.1	0.1
- pipelines	9.0	-	x	0.2	x
Imports (nonresident carriers)	17,941.3	20,362.1	113.5	100.0	100.0
- railroad	4,075.0	7,794.6	191.3	22.7	38.3
- road	2,273.9	1,295.4	57.0	12.7	6.4
- river	147.1	192.8	131.1	0.8	0.9
- sea	11,226.0	8,931.7	79.6	62.6	43.9
- air	5.3	4.9	92.5	*)	*)
- pipelines	214.0	2,142.7	1,001.3	1.2	10.5

Source: Customs General Department

“Goods transport” posted a deficit of USD 131 million, one-fifth higher than in 1999, against the backdrop of payments related to imports and receipts from exports.

The rise in resident carriers’ earnings was boosted mainly by higher volume of goods exports (railway, road and air transport) while the growth in payments to non-resident carriers was attributed to larger imports of raw materials (railway and river transport).

The surplus of “Passenger transport” decreased by almost two-thirds from the previous year at the expense of the smaller number of passengers travelling by air.

1.1.2.2. Tourism-travel services

In 2000, “Tourism-travel” deficit equalled USD 66 million, less than half from the previous year, due to the rise in receipts from business travel and private travel.

Table 31. Tourism-travel services

	- USD mill.-		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
Receipts	252	359	142.5	100.0	100.0
business travel	12	116	966.7	4.8	32.3
private travel	232	241	103.9	92.1	67.1
other	8	2	25.0	3.2	0.6
Payments	402	425	105.7	100.0	100.0
business travel	214	241	112.6	53.2	56.7
private travel	186	183	98.4	46.3	43.1
other	2	1	50.0	0.5	0.2
Balance	-150	-66	44.0		
business travel	-202	-125	61.9		
private travel	46	58	126.1		
other	6	1	16.7		

1.1.2.3. Other services

“Other services” posted a deficit of USD 185 million (72.8 percent of the services deficit), down by more than one-fifth of the year-earlier deficit due to faster increase in receipts than in payments. The following services were accountable for the services deficit: trade, professional, operational leasing and insurance services.

Table 32. Other services

	-USD mill.-		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
Receipts	579	756	130.6	100.0	100.0
of which:					
insurance services	22	21	95.5	3.8	2.8
trade, professional etc. services	176	160	90.9	30.4	21.2
financial services	34	110	323.5	5.9	14.6
operational leasing	1	2	200.0	0.2	0.3
communication services	92	145	157.6	15.9	19.2
construction services	33	30	90.9	5.7	4.0
cultural and leisure services	59	67	113.6	10.2	8.9
Payments	813	941	115.7	100.0	100.0
of which:					
insurance services	37	41	110.8	4.6	4.4
trade, professional etc. services	241	236	97.9	29.6	25.1
financial services	59	98	166.1	7.3	10.4
operational leasing	35	31	88.6	4.3	3.3
communication services	83	82	98.8	10.2	8.7
construction services	9	28	311.1	1.1	3.0
cultural and leisure services	95	63	66.3	11.7	6.7
Balance	-234	-185	79.1		
of which:					
insurance services	-15	-20	133.3		
trade, professional etc. services	-65	-76	116.9		
financial services	-25	12	x		
operational leasing	-34	-29	85.3		
communication services	9	63	700.0		
construction services	24	2	8.3		
cultural and leisure services	-36	4	x		

1.2. Income balance

In 2000, the income balance recorded a deficit of USD 285 million, more than 30 percent lower from the previous year, amid faster increase in receipts than in payments (by 113.8 percent and 8.3 percent respectively). The composition of receipts changed against the previous year, with incomes from portfolio investment holding a larger share to the detriment of labour incomes. As concerns "Other capital investment", the share of inflows remained on the upward path, reaching around one-third of total incomes. With regard to payments, the share of interest payments related to medium- and long-term loans as well as that of repatriation of dividends from direct investment increased while the share of labour incomes and of inflows from portfolio investment declined.

In 2000, income balance deficit accounted for more than one-fifth of the current account, down 7.1 percentage points from a year ago, as a direct effect of the developments of the corresponding headings in the financial account.

“Labour incomes” displayed a surplus almost similar to that recorded in 1999 (4.7 percent higher), with both receipts and payments remaining almost unchanged, due to repatriation, through the banking system, of incomes earned by the Romanian workers hired abroad on the basis of labour contract.

Table 33. Income balance

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
Receipts	152	325	213.8	100.0	100.0
labour incomes	92	94	102.2	60.6	28.9
direct investment incomes	2	8	400.0	1.3	2.5
portfolio investment incomes	9	103	1144.4	5.9	31.7
other capital investment incomes (interest)	49	120	244.9	32.2	36.9
Payments	563	610	108.3	100.0	100.0
labour incomes	7	5	71.4	1.2	0.8
direct investment incomes	52	72	138.5	9.2	11.8
portfolio investment incomes	89	74	83.1	15.8	12.1
other capital investment incomes (interest)	415	459	110.6	73.8	75.2
Balance	-411	-285	69.3		
labour incomes	85	89	104.7		
direct investment incomes	-50	-64	128.0		
portfolio investment incomes	-80	29	x		
other capital investment incomes (interest)	-366	-339	92.6		

Inflows of portfolio investment incomes posted a surplus of USD 29 million, compared with a USD 80 million deficit in 1999, as a result of increase in receipts and better management of government securities portfolio held by the central bank. On the other hand, the volume of interest payments or dividends from portfolio investment dropped as a result of contraction in external commitments falling due in 2000. Although external commitments of the public sector increased in the fourth quarter, this outcome will be registered in the next year’s income balance.

Table 34. Interest developments

	-USD mill.-					
	1999			2000		
	Credit	Debit	Balance	Credit	Debit	Balance
TOTAL	49	415	-366	120	459	-339
Interest on mediu- and long-term credits	6	395	-389	86	446	-360
IMF	0	20	-20	0	23	-23
G-24	0	27	-27	0	6	-6
IBRD	0	87	-87	0	101	-101
EBRD	0	50	-50	0	56	-56
other	6	211	-205	86	260	-174
Interest on short-term credits	43	20	23	34	13	21

Incomes from other capital investment posted a 7.4 percent lower deficit compared with 1999 amid faster increase in receipts than in payments. The balance of paid and received interest on short-term loans and investments remained almost unchanged from the previous year. The interest on claims and on medium- and long-term commitments edged up in terms of both receipts and payments. Receipts include the accrued interest on Romania's claims in the form of government credit and commercial credit granted in the previous years. For example, Romania's claim on Cuba entailed accrued interest worth USD 67 million. Medium- and long-term debt-related interest payments increased slightly by 12.9 percent in 2000. Almost half of interest payments were paid to the international financial institutions, which provided most of the medium- and long-term loans.

1.3. Current transfers

In 2000, the surplus in the current transfer account reached the highest level in the past several years (USD 860 billion, accounting for 2.3 percent of GDP), up 37 percent from the previous year. This reflected non-resident money inflows and non-repayable technical assistance. Under the main heading "Private transfers", receipts increased significantly compared with payments, on the back of grants, aids and Western-Union-type fast money transfers.

Table 35. Balance of current transfers

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
Receipts	804	1,079	134.2	100.0	100.0
Public administration	79	99	125.3	9.8	9.2
Private transfers	725	980	135.2	90.2	90.8
Payments	178	219	123.0	100.0	100.0
Public administration	22	29	131.8	12.4	13.2
Private transfers	156	190	121.8	87.6	86.8
Balance	626	860	137.4	100.0	100.0
Public administration	57	70	122.8	9.1	8.1
Private transfers	569	790	138.8	90.9	91.9

The funds received by Romania in 2000 under PHARE technical assistance and those received from other international financial institutions totalled USD 87 million¹, down by more than 15 percent from 1999. They were earmarked for non-repayable technical assistance (59.8 percent) and purchases of goods and public works (40.2 percent). The forms of assistance the most frequently resorted to consisted in consulting services, documentation trips, training courses and providing of equipment.

¹ Source: Ministry of Public Finance

2. Capital and financial account

Improvement of external environment, economic upturn in Romania, upgrading of Romania's sovereign debt rating by the international credit rating agencies and Romania's regaining access to international capital markets entailed an increase in net financial inflows.

The items in the capital and financial account posted the following developments during the reviewed period:

- net direct investment (paid-up capital in cash and in kind) remained almost unchanged from the previous year (USD 1,051 million) reflecting the foreign investors' cautious approach to the regulatory framework which continued to be fraught with flaws as well as the removal of customs facilities and tax incentives. Unlike the previous year, credits granted as direct investment from parent company to subsidiary rose slightly (by 17.7 percent), due to the economic upturn;
- portfolio investment improved from the previous year due to borrowings from the two Eurobond issues (USD 259 million) launched by the Ministry of Public Finance, after having redeemed, in 1999, the Samurai bonds and Merrill-Lynch-led Eurobond issues;
- the flow of medium- and long-term loans was highly influenced by accrued interest (USD 86 million) to government credit and commercial credit granted before 1989;
- under the stand-by arrangement concluded with the IMF the second tranche worth USD 115 million was released in June 2000; the other tranches were postponed as Romania failed to meet some performance criteria agreed on in the arrangement;
- the forex policy followed by the central bank in the latter half of 1999 led to the strengthening of forex reserves by USD 935 million, at the expense of net purchases from the interbank market, external loans (from the World Bank, European Union, the International Monetary Fund), Eurobond issues and a short-term loan from the Bank of China. On the other hand, payments on the public debt and publicly guaranteed debt as well as repayment of the two club loans drew down the forex reserves held by the central bank. As of end-2000, the central bank's reserves stood at USD 3.4 billion, the highest level recorded in the last few years.

Table 36. Financial and capital account

	- USD mill. -		2000/1999 %	Composition (%)	
	1999	2000		1999	2000
Credit	5,634	5,413	96.1	100.0	100.0
capital transfers	46	37	80.4	0.8	0.7
direct investment	1,102	1,122	101.8	19.6	20.7
portfolio investment	213	472	221.6	3.8	8.7
other capital investment	3,523	3,693	104.8	62.5	68.2
transit, clearing/barter accounts	12	75	625.0	0.2	1.4
NBR reserve assets	738	14	1.9	13.1	0.3
Debit	5,132	4,180	81.4	100.0	100.0
capital transfers	1	1	100.0	*)	*)
direct investment	77	71	92.2	1.5	1.7
portfolio investment	928	371	40.0	18.1	8.9
other capital investment	3,182	2,717	85.4	62.0	64.8
transit, clearing/barter accounts	33	78	236.4	0.6	1.9
NBR reserve assets	911	942	103.4	17.8	22.5
Balance	502	1,233	245.6		
capital transfers	45	36	80.0		
direct investment	1,025	1,051	102.5		
portfolio investment	-715	101	x		
other capital investment	341	976	286.2		
transit, clearing/barter accounts	-21	-3	14.3		
NBR reserve assets	-173	-928	536.4		

*) below 0.05 percent

Table 37. Foreign assets and liabilities

	1999			2000		
	Credit	Debit	Sold	Credit	Debit	Sold
Foreign assets	1,716	1,650	66	792	2,088	-1,296
direct investment	8	24	-16	45	34	11
portfolio investment	48	39	9	39	11	28
other capital investment	916	672	244	672	1,078	-406
clearing accounts	6	4	2	22	23	-1
NBR reserve assets	738	911	-173	14	942	-928
Foreign liabilities	3,872	3,481	391	4,584	2,091	2,493
direct investment	1,094	53	1,041	1,077	37	1,040
portfolio investment	165	889	-724	433	360	73
other capital investment	2,607	2,510	97	3,021	1,639	1,382
floats, clearing accounts	6	29	-23	53	55	-2

Financial account assets illustrate the changes in the residents' investment abroad, purchases of foreign securities, deposits with banks abroad, loans and official reserves. In 2000, foreign assets moved up by USD 1,296 million after posting a USD 66 million drop in the prior year.

Financial account liabilities cover investment of non-residents in Romania, purchases of domestic securities, deposits of non-residents, and loans and borrowings. In 2000, foreign liabilities increased by USD 2,493 million as compared to only USD 391 million a year earlier.

2.1. Direct investment

In 2000, direct investment stuck to a low level (USD 1,077 million) comparable to the previous year's, as a result of two factors: containment, as early as the spring of 1999, of machinery and equipment imports by removing tax inducements and inducements related to payment of customs duties granted to foreign investors and the fuzziness of the legal framework.

Table 38. Direct investment

	- USD mill. -		2000/1999 (%)	Composition (%)	
	1999	2000		1999	2000
Credit	1,102	1,122	101.8	100.0	100.0
Cash	797	743	93.2	72.3	66.2
- of non-residents in Romania	789	698	88.5	71.6	62.2
- of residents abroad	8	45	562.5	0.7	4.0
In kind (non-residents' in Romania)	305	379	124.3	27.7	33.8
Debit	77	71	92.2	100.0	100.0
Cash	77	71	92.2	100.0	100.0
- of non-residents in Romania	53	37	69.8	68.8	52.1
- of residents abroad	24	34	141.7	31.2	47.9
Balance	1,025	1,051	102.5		
Cash	720	672	93.3		
- of non-residents in Romania	736	661	89.8		
- of residents abroad	-16	11	x		
In kind (non-residents' in Romania)	305	379	124.3		

Compared to 1999, the composition of direct investment changed, the share of investment in kind increasing to the detriment of cash investment. The rebound in national economy and the improvement of external conditions were behind the one-fourth growth of investment in kind.

Net direct investment was, for the fourth consecutive year, the main source of funding the current account deficit (over 77 percent), totalling USD 1,051 million, slightly higher (by 2.5 percent) from 1999.

According to data provided by the Trade Register at end-2000, the subscribed foreign exchange capital posted the following composition:

- industry (45.2 percent);
- professional services (17.3 percent);
- wholesale trade (13.4 percent);

- transport (7.8 percent);
- construction (5.2 percent);
- retail trade (4.8 percent);
- agriculture (3.5 percent);
- tourism (2.8 percent).

In terms of **geographical distribution**, Bucharest was still the most attractive location for investors (51.6 percent of the foreign exchange subscribed share capital and 55.4 percent of the number of companies), followed by the counties of Timis, Prahova, Ilfov, Dolj, Cluj and Arges.

Foreign direct investment by origin shows the following picture: more than 61 percent of the foreign exchange subscribed share capital proceeded from the EU, 3.8 percent from CEFTA and 2.9 percent from EFTA.

At end-2000, based on total foreign exchange subscribed capital, investment hailed mainly from: the Netherlands, Germany, Cyprus, France, Italy, United Kingdom, Republic of Korea, Turkey, Hungary and Greece.

2.2. Portfolio investment

During 2000, portfolio investments in emerging markets were hit by the rise in oil price and the slowdown in the US economy, which had an impact on the shares traded on the Romanian stock market. The rebound of the Romanian economy in the second half of 2000 enabled Romania to re-enter the international capital markets with two Eurobond issues worth USD 259 million.

Under these conditions, net portfolio investment inflows ran at USD 101 million as compared to USD 715 million net outflows in 1999.

In 2000, investment portfolio inflows equalled USD 472 million, more than half deriving from the two issues of government securities led-managed by Credit Deutsche Bank AG and ING Bank Schroeder Salomon Smith Barney. Portfolio investment outflows totalled USD 371 million versus USD 928 million in 1999, when Samurai bonds and Merrill Lynch Eurobonds reached maturity.

In the period under review, Romania made a USD 1.3 million contribution to the EBRD capital increase and a USD 0.4 million contribution to Multilateral Investment Guarantee Agency (MIGA).

Table 39. Portfolio investment

	-USD mill.-					
	1999			2000		
	Credit	Debit	Balance	Credit	Debit	Balance
Assets	48	39	9	39	11	28
Banking sector	47	24	23	8	2	6
Non-bank sector	1	15	-14	31	9	22
Liabilities	165	889	-724	433	360	73
Monetary authority	0	678	-678	0	0	0
Nomura Securities	0	428	-428	0	0	0
Merrill Lynch	0	250	-250	0	0	0
Banking sector	0	43	-43	0	34	-34
Government sector	0	0	0	259	0	259
Credit Deutsche Bank AG	0	0	0	131	0	131
ING Bank Schroeder Salomon Smith Barney	0	0	0	128	0	128
Other sectors	165	168	-3	174	326	-152
of which:						
- debt securities	58	129	-71	67	277	-210
Romtehnica	40	68	-28	61	118	-57
CONEL-Merrill Lynch	0	0	0	0	125	-125
Mercur Trading-Merrill Lynch	0	0	0	0	2	-2
Short-term promissory notes	8	7	1	3	8	-5
Other	10	54	-44	3	24	-21
- equity securities	107	39	68	107	49	58
(National Securities Commission transactions)						

B. International investment position

Throughout 2000, the debit balance of the international investment position worsened further, hovering around USD 8 million at year-end. In the early '90s, Romania showed a net credit balance but it steadily switched to a net debit balance following the build-up of medium- and long-term external debt stock and the rise in the volume of foreign investment.

Year 2000 witnessed record highs of balances on foreign assets and liabilities. At end-1990, foreign assets equalled USD 6.3 billion and foreign liabilities ran at USD 3.5 billion; ten years later, assets totalled USD 10.9 billion and liabilities came in at USD 18.9 billion. The increase in official forex reserve by more than USD 1 billion had a favourable impact on the international investment position at end-2000, while the almost USD 1 billion rise in both external debt and the volume of foreign investment contributed to the worsening of Romania's external position.

Since mid-1999, the National Bank of Romania has pursued the policy of rebuilding its forex reserve. Thus, official forex reserve added up to USD 2.5 billion at 31 December 2000, roughly USD 1 billion more versus the prior year.

Acquisitions on the forex market, foreign borrowings and foreign exchange-denominated T-bills issued by the Ministry of Public Finance were the main sources for increase in official forex reserve. The good performance of the external sector, in particular, was confirmed by the international financial community and rating agencies, which helped Romania to re-enter foreign capital markets with two new Eurobond issues worth EUR 150 million each (in September and November, led-managed by Deutsche Bank and ING Bank Schroeder Salomon Smith Barney).

June witnessed the release of the second tranche worth USD 115 million under the IMF stand-by arrangement and of a USD 150 million instalment under the PSAL project concluded with the World Bank.

In 1999, the bunching of foreign debt service payments topped USD 3.5 billion. The foreign debt service in 2000 amounted to USD 2.4 billion, of which payments from official foreign reserve accounted for more than half. With exports growing and foreign debt service on the wane, the leading indebtedness indicators improved.

1. Institutional sectors

1.1 Overview

At end-2000, the debit balance of the international investment position was USD 8,065.5 million, up USD 1,022 million from the prior year. This development was brought about by net external transactions (USD 1,197 million), favourable differences from exchange rate movements (USD 223.6 million) and gold price changes (USD -46.6 million).

The balance of two institutional sectors was on credit: the monetary authority (USD 2,560.4 million) and the banking sector (USD 824.2 million). The monetary authority strengthened its net creditor position by restoring the forex reserve, its foreign assets rising by 21.5 percent in 2000, and by reducing the balance on foreign liabilities following foreign debt repayments. The banking sector improved its net creditor position by 100.8 percent versus 31 December 1999, as foreign assets increased by more than USD 300 million and foreign debt diminished.

The government sector reverted from creditor to debtor position at end-2000, on account of the 26.7 percent rise in foreign liabilities. The new borrowings made by the Government on the private capital markets exceeded USD 250 million and net inflows from international financial institutions topped USD 500 million. Romania's net debtor position was due mainly to the non-bank sector whose debit position deepened (USD -11,219.6 million) amid the drop in foreign assets and the rise in foreign liabilities following the growth of foreign investment and external debt.

1.2. Monetary authority (NBR)

The monetary authority experienced the most favourable development among institutional sectors regarding international investment position: foreign assets reached the record high in the last eleven years (USD 4,741 million) and foreign liabilities equalled USD 2,180.5 million.

1.2.1. Foreign assets

The gold stock expanded from 103.4 tonnes at end-1999 to 105 tonnes at end-2000, on the back of domestic output and the interest on investments made by the NBR. The value of monetary gold at end-2000 declined by USD 46.6 million as a result of the drop in the price of gold on the world market.

At end-2000, official forex reserve equalled USD 2,469.7 million, up 61.8 percent year on year. The NBR, which is the official forex reserve manager, mopped up the foreign exchange surplus following the rise in exports, maintaining its net buyer position on the forex market for most of the period under review. Net purchases by the NBR totalled USD 1,144.9 million in 2000.

The NBR's forex reserve also edged ahead due to drawings from the IMF, IBRD, EU and the private capital markets (USD 720.9 million) as well as to foreign exchange-denominated T-bill issues launched by the Ministry of Public Finance on the domestic market (USD 193.3 million). In July, the NBR renewed the short-term deposit contract worth USD 100 million with the Bank of China.

During the considered period, payments from official reserve related to foreign debt bulked up to USD 806.7 million, and redemption of foreign exchange-denominated T-bills issued by the Ministry of Public Finance amounted to USD 424.7 million. Club loans worth USD 180.9 million were repaid in June, and the USD 100 million loan contracted in 1999 from the Bank of China was repaid in April.

Table 40. NBR's international reserves

	31.12.1999	30.06.2000	-USD mill.- 31.12.2000
Convertible currencies	1,526.2	1,882.8	2,469.7
cash and cheques	0.6	0.0	0.0
deposits	256.6	418.7	495.0
of which:			
deposits with BIS	36.5	130.9	93.9
deposits with FED	25.8	87.9	105.2
deposits with banks abroad	184.2	192.0	294.9
SDRs with IMF	10.1	7.9	1.0
T-bills	1,269.0	1,464.1	1,974.7
Gold	966.6	969.4	920.0

NBR's long-term assets represent Romania's member quota in the share capital of both the IMF and the BIS (USD 1,351.2 million), whose value shrank following the weakening of the SDR against the USD.

1.2.2. Foreign liabilities

The NBR's foreign liabilities declined by USD 110.6 million during 2000, chiefly following the strengthening of the USD against other currencies (USD 116.6 million). In the period under review, repayments to the IMF totalled USD 94.8 million; in June, the second tranche worth USD 115 million under the 1999 stand-by arrangement was released, drawings from the IMF adding up to USD 452.8 million at end-2000.

Table 41. Loans under IMF arrangements

Arrangement	Drawings SDR mill.	Repayments SDR mill.	Debt	
			SDR mill.	Equivalent USD mill.
Stand-by 1994	-	94.26	-	-
Systemic adjustment facility	188.53	78.55	109.97	143.22
Stand-by 1997	120.60	22.61	97.99	127.61
Stand-by 1999	139.75	0.00	139.75	182.00

The NBR's foreign liabilities expressed in local currency, representing Romania's member quota in the IMF's share capital, and the ROL equivalent of the reserve tranche (fully turned to account) held the largest share in total liabilities of the banking system (61.5 percent).

1.3. General government

In 2000, the general government reverted to debit balance (USD 230.6 million at year-end 2000). This development occurred amid foreign assets remaining virtually unchanged and the rise in medium- and long-term debt.

1.3.1. Foreign assets

Government claims from exports to developing countries in the Middle East, Africa, Latin America and the former CMEA countries further held the largest share in total foreign assets of the government sector (87.6 percent).

Table 42. Medium- and long-term government claims as at 31 December 2000

Country	Total claims	by maturity		
		past-due	unknown maturity	due in 2000
Total	2,000,381	1,942,519	56,795	1,067
China	11,076	3,675	7,401	0
Guinea	17,082	16,314	497	271
Iraq	1,689,300	1,670,513	18,520	267
Mozambique	111,614	103,574	8,040	0
Sudan	122,692	122,163	0	529
Syria	48,617	26,280	22,337	0

Out of total government claims, more than 40 percent were expressed in transferable roubles and derived from exports and co-operation activities by Romania with former CMEA countries.

**Table 43. Medium- and long-term government claims
(transferable roubles)**

Country	Total claims	by maturity		
		past-due	unknown maturity	due in 2000
Total	1,621,046	835,084	762,211	23,751
of which:				
Cuba	916,839	825,376	73,106	18,357
Mongolia	3,050	1,504	1,546	0
Korea, D.P.R.	8,204	8,204	0	0
Russia	580,158	0	580,158	0
Ukraine	112,795	0	107,401	5,394

Retrieval of these claims proved to be a slow and intricate process, as past-due claims and claims with unknown maturities accounted for 99.4 percent. The poor economic conditions in most debtor countries and the fact that Iraq, the main debtor, was still under the embargo imposed by the UN Security Council were the reasons for the small volume of retrieved claims (only USD 5 million). Claims against Vietnam were the only ones liquidated during the considered period. Romania's credit balance in respect of Cuba and Ukraine, as regards the assembling works at Las Camariocas and Krivoi-Rog group of enterprises, stepped up by more than TR 81 million, as a result of including interest accruals in the claims balance.

Medium- and long-term foreign assets of the government sector include the contribution to international financial institutions. In April, Romania participated in the increase of the EBRD's capital by paying the third instalment worth EUR 1.350 million, via a promissory

note worth EUR 810 million issued by the Ministry of Public Finance and an EUR 450 thousand cash payment. In the period under review, Romania also took part in the increase of the MIGA's share capital, by paying a USD 0.4 million instalment.

Another component of medium- and long-term assets consists in the value of Romanian diplomatic missions' real estate abroad (USD 99.3 million).

The balances on clearing accounts in respect of convertible currencies and transferable roubles are included in "Other short-term assets". The slow pace of retrieving these claims maintained their balances unchanged, Syria and Cuba further ranking among the main debtor countries.

Deposits held by diplomatic missions abroad added up to USD 3.1 million at end-2000.

1.3.2. Foreign liabilities

Foreign debt of the government sector still held an overwhelming share (99.1 percent) of total foreign liabilities of this institutional sector and included loans contracted directly by the government and other government institutions, as well as the bond issues launched by the Ministry of Public Finance on the private capital market.

Table 44. Government external debt

	- USD mill. -	
	1999	2000
TOTAL	3,219.32	4,099.30
Public debt	3,152.42	3,882.34
Publicly-guaranteed debt	66.90	216.96
By creditor:	3,219.32	4,099.30
International institutions	2,442.63	2,897.74
EBRD	190.74	246.38
IBRD	1,639.97	1,902.04
EU	206.70	209.31
EIB	392.90	513.04
FIDA	0.00	2.60
EC SDF	12.33	21.34
OECF	0.00	3.03
Bilateral relations	382.64	309.37
Switzerland	7.20	0.00
Norway	2.70	0.00
Sweden	8.00	3.00
Austria	8.79	5.07
Finland	1.00	0.00
Japan	120.89	99.88
Canada	4.13	0.00
USA	34.06	35.34
Germany	182.32	137.36
Netherlands	0.00	15.53
China	13.54	13.19
Portfolio investment	309.32	564.45
Private banks	30.11	288.60
Canada	0.00	5.13
Germany	22.89	62.84
France	2.22	1.24
Netherlands	1.04	7.45
USA	2.48	153.24
Switzerland	0.00	8.56
Israel	1.50	37.70
Other	0.00	12.44
Supplier credit	54.61	38.53
Other	0.00	0.62

Source: Ministry of Public Finance

Table 45. IBRD credits

Project	Contracted value		Disbursements	
	foreign currency	equivalent USD mill.	foreign currency	equivalent USD mill.
TOTAL		2,654.09		2,179.53
1. FESAL	USD 150.0 mill.	150.00	USD 150.0 mill.	150.00
	DEM 51.8 mill.	29.90	DEM 51.8 mill.	29.90
2. SAL	USD 400.0 mill.	400.00	USD 400.0 mill.	400.00
3. ASAL	USD 280.0 mill.	280.00	USD 280.0 mill.	280.00
	DEM 117.5 mill.	55.89	USD 42.2 mill.	19.93
4. SPAL	USD 50.0 mill.	50.00	USD 50.0 mill.	50.00
5. PSAL	USD 300.0 mill.	300.00	USD 300.0 mill.	300.00
6. PBIL	USD 25.0 mill.	25.00	USD 6.6 mill.	6.60
7. Health sector rehabilitation	USD 150.0 mill.	150.00	USD 150.0 mill.	150.00
8. Critical imports	USD 179.2 mill.	179.20	USD 179.2 mill.	179.20
9. Private farmers	USD 100.0 mill.	100.00	USD 100.0 mill.	100.00
10. Oil sector rehabilitation	USD 175.6 mill.	175.60	USD 92.7 mill.	92.70
11. Education reform	USD 50.0 mill.	50.00	USD 29.2 mill.	29.20
12. Employment and social protection	USD 55.4 mill.	55.40	USD 17.7 mill.	17.70
13. Industrial development	USD 120.0 mill.	120.00	USD 92.0 mill.	92.00
14. Bucharest water supply	USD 25.0 mill.	25.00	USD 14.8 mill.	14.80
15. Higher education and research	USD 50.0 mill.	50.00	USD 18.6 mill.	18.60
16. School rehabilitation	USD 70.0 mill.	70.00	USD 7.3 mill.	7.30
17. General cadastre	USD 25.5 mill.	25.50	USD 1.7 mill.	1.70
18. Child welfare	USD 5.0 mill.	5.00	USD 1.1 mill.	1.10
19. Cultural heritage	USD 5.0 mill.	5.00	USD 0.4 mill.	0.40
20. Social development	USD 10.0 mill.	10.00	USD 5.4 mill.	5.40
22. Transport restructuring	USD 120.0 mill.	120.00	USD 120.0 mill.	120.00
23. Transport restructuring	USD 150.0 mill.	150.00	USD 112.0 mill.	112.00
24. Transport and trade in South-East Europe	USD 17.1 mill.	17.10	USD 0.1 mill.	0.10
25. Mine closures	USD 44.5 mill.	44.50	USD 0.8 mill.	0.80
26. Agricultural services	USD 11.0 mill.	11	USD 0.1 mill.	0.1

Source: Ministry of Public Finance

In 2000, a new strategy concerning Romania's regaining access to the international capital market was initiated. In 1999, the Government of Romania, urged by the IMF, had tapped private capital markets in order to contract a loan to partly fund the budget deficit. The unfavourable conditions on the market at that time rendered this alternative non-viable. However, given the macroeconomic policies implemented by the new government in 2000 and the progress of reform, rating agencies showed positive reaction. After a three-year absence from the private capital markets, the Government of Romania floated two Eurobond issues, in September and November, in amount of EUR 300 million, which provided resources for budget deficit funding and enabled the authorities to cut issuance costs by turning the favourable circumstances to best account.

Table 46. EIB credits

Project	Contracted value		Disbursements	
	foreign currency EUR mill.	equivalent USD mill.	foreign currency	equivalent USD mill.
TOTAL		1,461.28		550.86
1. Energy sector rehabilitation	25.00	23.26	DEM 25.1 mill. EUR 12.0 mill.	11.94 11.16
2. Industrial development	10.33	9.61	DEM 0.6 mill. EUR 3.6 mill. USD 7.1 mill.	0.29 3.35 7.10
3. Air traffic services	24.00	22.33	USD 30.0 mill.	30.00
4. Air traffic services	16.00	14.88	USD 16.5 mill.	16.50
5. Telecommunications development	80.00	74.42	DEM 77.7 mill. FRF 260.2 mill.	36.96 36.90
6. Telecommunications development	40.00	37.21	DEM 31.0 mill. EUR 6.8 mill. FRF 115.1 mill.	14.74 6.33 16.32
7. Constanta rehabilitation	35.00	32.56	EUR 22.1 mill.	20.56
8. Thermal-energy sector rehabilitation	60.00	55.82	EUR 47.0 mill.	43.72
9. Underground rehabilitation	100.00	93.03	CHF 32.1 mill. EUR 17.8 mill. FRF 14.0 mill.	19.61 16.56 1.99
10. Central heating rehabilitation	35.00	32.56	EUR 13.5 mill.	12.56
11. Railway sector rehabilitation	200.00	186.05	EUR 0.0 mill.	0.00
12. Cluj Napoca central heating rehabilitation	3.50	3.26	EUR 0.0 mill.	0.00
13. Timisoara city transport rehabilitation	19.00	17.67	EUR 0.0 mill.	0.00
14. Bucharest city transport rehabilitation	63.00	58.61	EUR 3 mill.	2.79
15. Transport rehabilitation	65.00	60.47	FRF 0.17 mill. USD 78.2 mill.	0.02 78.20
16. Transport rehabilitation	70.00	65.12	ITL 12,682.6 mill. EUR 27.1 mill. USD 23.4 mill.	6.09 25.21 23.40
17. Transport rehabilitation	225.00	209.31	EUR 31.3 mill. ITL 6,002.4 mill. USD 16.1 mill.	29.12 2.88 16.10
18. Motorway construction and rehabilitation	210.00	195.35	EUR 5 mill.	4.65
19. Removal of floods after-effects	250.00	232.57	EUR 20 mill.	18.61
20. Upgrading of TAROM fleet	40.00	37.21	EUR 40 mill.	37.21

Source: Ministry of Public Finance

International financial institutions further provided most of the financing to the government sector (70.7 percent of loans). The World Bank was the leading credit provider for this sector (46.4 percent of total government foreign debt). In 2000, loan inflows amounted to USD 354.9 million, of which USD 150 million under PSAL project, USD 100 million under ASAL project and USD 40.9 million for road rehabilitation. Repayments of IBRD loans totalled USD 90.9 million, of which USD 31.2 million were principal repayment under SAL project,

USD 15.8 million – repayments on critical imports and technical assistance and USD 11.3 million – repayments on the loan for health sector rehabilitation. World Bank loans by end-2000 totalled USD 2,654.1 million, of which drawings equalling USD 2,179.5 million were geared to funding various investment, sustaining the balance of payments and adjusting the private and agricultural sectors.

Table 47. EBRD credits

Project	Contracted value	-USD mill.-
		Disbursements
TOTAL	408.00	303.98
1. Wholesale market	25.00	24.45
2. Industrial development	28.00	28.00
3. Industrial development	75.00	46.47
4. Water and environment protection in Jiu Valley	16.00	11.84
5. Thermal energy conservation	45.00	21.84
6. Transport restructuring	80.00	80.00
7. Transport restructuring	85.90	41.48
8. National Agency for Roads	53.10	49.90

Source: Ministry of Public Finance

The European Investment Bank, the second largest creditor of public administration, granted loans worth USD 1,461.3 million by end-2000, of which drawings in amount of USD 550.9 million were intended to infrastructure upgrading.

At end-2000, EIB loans outstanding ran at USD 513 million. In the reviewed period, the loan inflows amounted to USD 161.3 million of which USD 54 million for road rehabilitation and modernisation, USD 38.7 million for upgrading TAROM fleet and USD 17.9 million were destined to offset the effects of floods.

EBRD loans contracted stood at USD 408 million at end-2000, of which drawings equalled USD 304 million.

As regards funding from bilateral sources, Romania has concluded a new agreement with the EU in amount of EUR 100 million and repaid in full the loans granted by the Governments of Switzerland, Norway, Canada and Finland.

1.4. Banking sector

At the end of 2000, the banking sector displayed a USD 824.2 million net debit position. Strengthening this sector's net balance was induced by the increase in foreign assets, amid the drop in external debt.

1.4.1. Foreign assets

Short-term assets (91.8 percent of banks' foreign assets) edged ahead by USD 291.8 million; they consisted in cash and cheques, payment orders, claims, securities and other assets. Deposits with banks abroad, which expanded by 25.5 percent in 2000, held the largest share (83.5 percent).

Table 48. Banks' foreign assets

	-USD mill.-	
	31.12.1999	31.12.2000
a) short-term	1,160.7	1,452.5
cash and cheques	72.0	73.3
deposits abroad	1,052.2	1,320.9
-demand	184.9	165.9
-time	855.6	1,144.8
-collateral	11.7	10.2
payment orders, claims, bank operations	10.0	36.5
foreign securities	3.7	0.4
other	22.8	21.4
b) long-term	90.6	94.2
equity stakes in foreign banks	90.6	94.2

Distribution of foreign assets by leading bank shows the following picture: Banca Comerciala Româna held 27.7 percent of foreign assets of the banking system, followed by Banca Româna pentru Dezvoltare with 18.6 percent, ABN AMRO Bank with 11.2 percent and ING Bank with 8.1 percent.

**Table 49. Foreign assets by leading bank
as at 31 December 2000**

	-USD mill.-		
	Total	of which:	
		short-term	long-term
Total	1,546.7	1,452.5	94.2
of which:			
BCR SA	429.0	360.8	68.2
BRD SA	288.2	286.5	1.7
ABN AMRO BANK	173.6	173.6	0.0
ING BANK	125.8	125.8	0.0
CITIBANK	63.3	63.3	0.0
BANK AUSTRIA CREDITANSTALT	50.9	50.9	0.0
Other	415.9	391.6	24.3

As regards the currency structure of banks' foreign assets, the USD made up 78.3 percent, the EUR accounted for 17.8 percent, of which the DEM took 2.7 percent.

1.4.2. Foreign liabilities

Foreign liabilities of the banking system dropped by one-third in 2000 following the USD 126.3 million decline in the medium- and long-term external debt. The structure by debtor indicates that 99.9 percent of the debt derived from private loans and 98.5 percent hailed from borrowings from banks and international financial institutions. In March 2000, the Eurobonds launched by Banca Comerciala Româna on the London market were redeemed in full, portfolio investment declining by 89.6 percent in the reviewed period. At end-2000, the balance on medium- and long-term credit lines amounted to USD 118.6 million (47.1 percent of medium- and long-term loans taken by the banking sector). BCR held USD 100.5 million in the form of credit lines, of which 80.4 percent were taken over from Bancorex.

Table 50. Medium- and long-term external debt of the banking sector

	-USD mill.-	
	31.12.1999	31.12.2000
TOTAL	382.07	255.80
private debt	381.97	255.71
publicly-guaranteed debt	0.09	0.09
Of total		
financial-banking loans	345.41	252.00
credit lines	182.80	118.60
portfolio investment	36.66	3.80

Another component of medium- and long-term foreign liabilities consisted in direct investment made by non-residents in the Romanian banking sector, which ran at USD 276.3 million at end-2000. In this category, medium- and long-term deposits of foreign banks with their branches in Romania stood at USD 45.8 million.

Short-term liabilities took 29.8 percent of total foreign liabilities of the banking system including short-term borrowings and (bank and non-bank) deposits of non-residents.

Table 51. Short-term external debt of the banking sector

	-USD mill.-	
	1999	2000
TOTAL	221.1	225.4
loans	24.2	17.7
credit lines	0.0	0.0
bank deposits	81.5	75.4
non-bank deposits	115.4	132.3

1.5. Non-bank sector

The non-bank sector exhibited a USD 11.2 billion debit balance at end-2000, up 16.5 percent year on year.

1.5.1. Foreign assets

The foreign assets of this institutional sector decreased by USD 49 million from end-1999 following the downtrend detected in the past several years.

**Table 52. Non-bank commercial claims as at
31 December 2000**

Country	Total	-equivalent USD thous.-	
		Past-due	
Total	135,884	135,884	
Angola	17,662	17,662	
Congo	1,444	1,444	
Libya	43,768	43,768	
Mozambique	9,125	9,125	
Nigeria	1,523	1,523	
Central African Republic	7,703	7,703	
Sudan	48,479	48,479	
Somalia	2,509	2,509	
Syria	3,029	3,029	
Zaire	546	546	
Other	96	96	

Long-term foreign assets consisted in commercial claims from Romanian exports to countries in Africa and the Middle East. The balance of commercial claims remained unchanged, as their retrieval proves as difficult as that of sovereign claims.

Another component of long-term foreign assets consisted in residents' investments abroad, which fell by 84.9 percent in the considered period.

Table 53. Short-term export bills

	-USD mill.-	
	31.12.1999	31.12.2000
Commercial claims	473.9	454.9
Documents against payment	173.7	172.6
Export letters of credit	219.3	218.5
Guarantees received	80.9	63.8

Short-term foreign assets include export bills, which totalled USD 454.9 million at end-2000 (68.4 percent of total foreign assets of the institutional sector).

1.5.2. Foreign liabilities

The balance of foreign liabilities increased by 14.9 percent in 2000 as a result of the step-up in foreign investment and external debt.

Medium- and long-term external debt displayed a USD 4,959.9 million balance, of which 58.8 percent was accounted for by private debt and 40.8 percent by government-backed loans. Foreign liabilities by creditor showed the following picture: 18.8 percent came from international financial institutions, 11.8 percent from government agencies and 69.4 percent from private sources. Out of USD 1,228.1 million derived from foreign companies, USD 229.3 million consisted in loans granted by parent companies to subsidiaries based in Romania; this value is included under the heading “direct investment – other capital funds”. The share of portfolio investment in external debt contracted from 11.2 percent at year-end 1999 to 5.7 percent at year-end 2000 following redemption of promissory notes issued by Romtehnica (USD 118.4 million) and bonds launched by CONEL on the London market (USD 125 million).

Table 54. Medium- and long-term external debt of the non-bank sector

	-USD mill.-	
	31 December	
	1999	2000
Total	4,393.00	4,959.89
public debt	19.65	21.72
publicly-guaranteed debt	2,203.94	2,024.09
private debt	2,169.41	2,914.09
Of total		
International institutions	911.10	931.83
EBRD	518.80	504.31
IBRD	66.32	95.65
EIB	38.82	44.63
CFI	238.94	241.71
CECO	12.68	7.80
NORDIC INVESTMENT BANK	35.54	36.73
Portfolio investment	493.82	284.56
Bilateral relations	585.68	586.55
Private banks	1,226.35	1,279.50
Leasing	400.08	522.20
Supplier credits	142.19	233.81
Other	636.02	1,228.13

Source: Ministry of Public Finance and National Bank of Romania

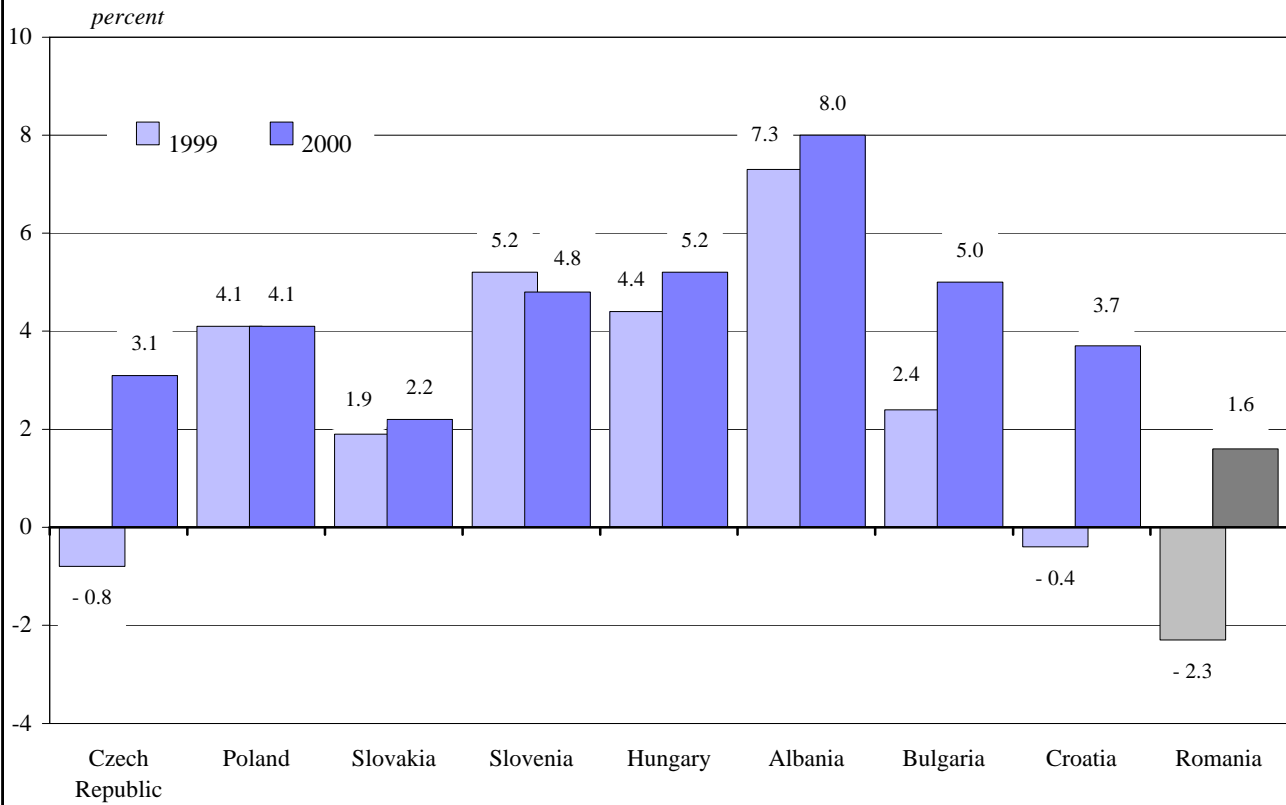
Over the last years, private companies resorted more frequently to foreign financing, and leasing became a usual lending instrument, due to the relatively limited access to domestic financing sources and the measures taken by the NBR on capital transactions liberalisation.

Charts

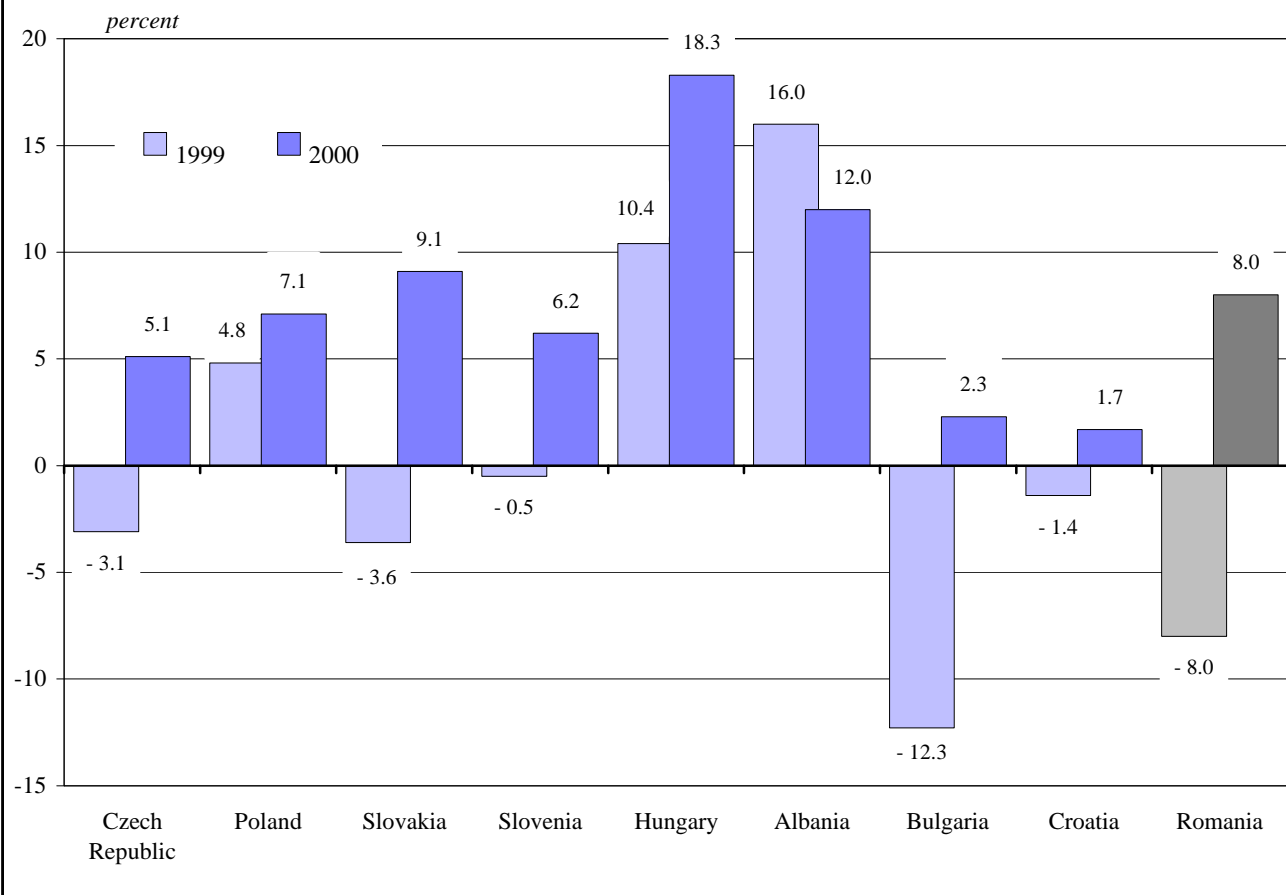
List of Charts

Economic growth rates in Central and East European countries.....	53
Industrial output growth rates in Central and East European countries.....	53
Trade balance in Central and East European countries (as % of GDP).....	54
Current account balance in Central and East European countries.....	54
Export growth rates in Central and East European countries.....	55
Import growth rates in Central and East European countries.....	55
Foreign direct investment in Central and East European countries.....	56
Foreign direct investment in Central and East European countries (as % of GDP).....	56
Inflation rate in Central and East European countries.....	57
Unemployment rate in Central and East European countries.....	57
Gross external debt in Central and East European countries.....	58
Gross external debt in Central and East European countries (as % of GDP).....	58
GDP Components	59
Commodity Composition of Exports	60
Commodity Composition of Imports	60
Coverage of Imports through Exports by Group of Commodities.....	60
Exports by Types of the National Account System (NAS).....	61
Imports by Types of the National Account System (NAS).....	61
Exports by Economic Sectors.....	62
Export Value of Energy Products.....	63
Import Value of Energy Products.....	63
Export Destination	64
Import Origin.....	64
Current Account Components.....	65
Incomes Balance.....	65
Services Balance.....	66
Direct Investment (inflows).....	66
Capital and Financial Account Components.....	67

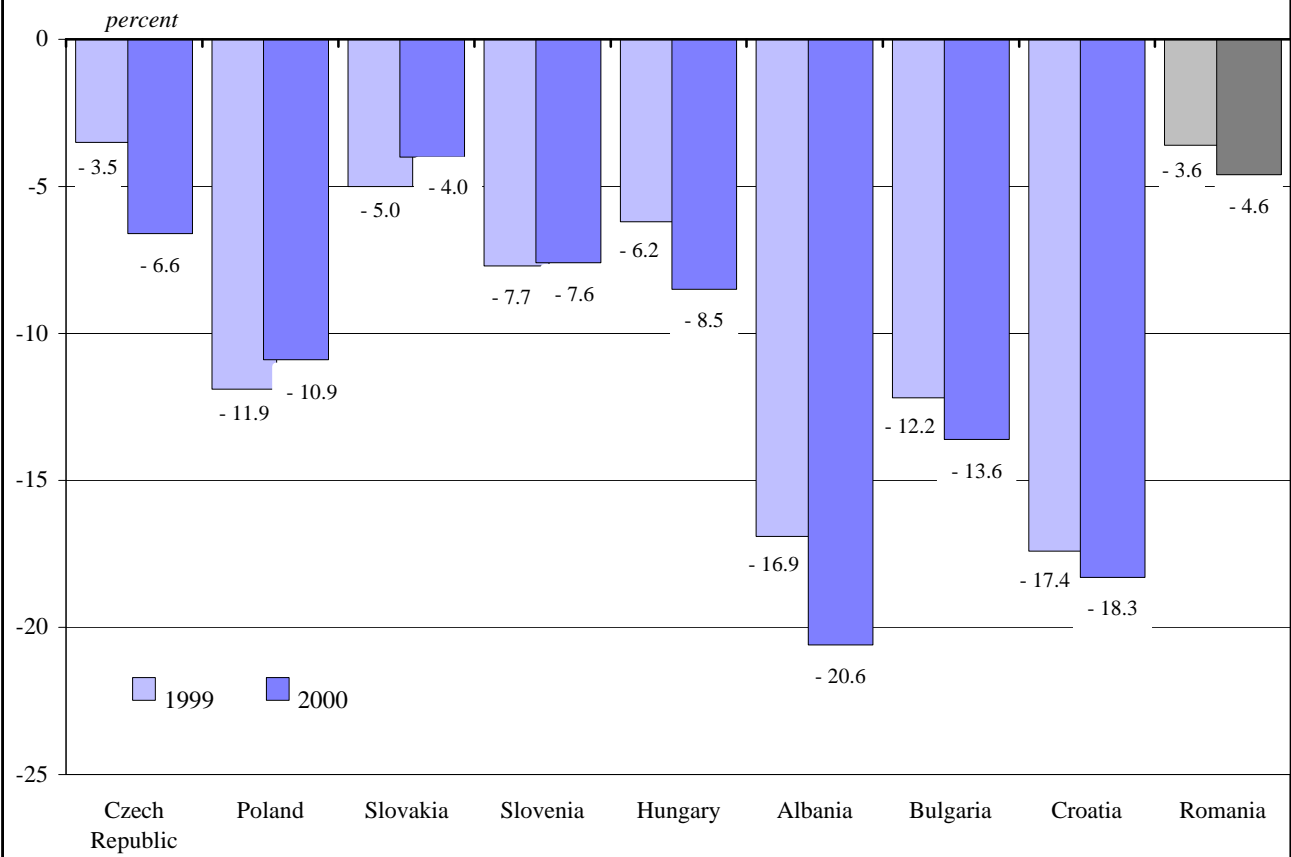
Economic growth rates in Central and East European countries



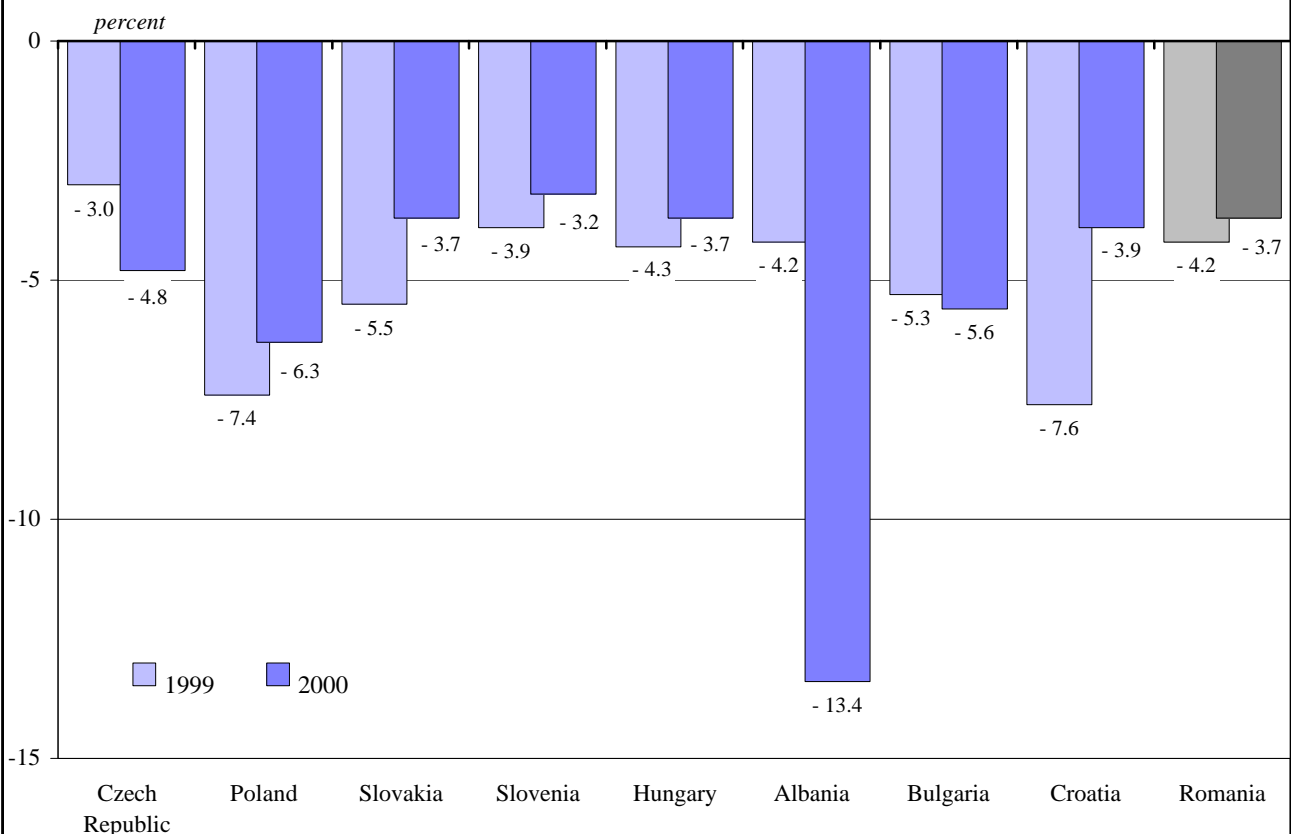
Industrial output growth rates in Central and East European countries



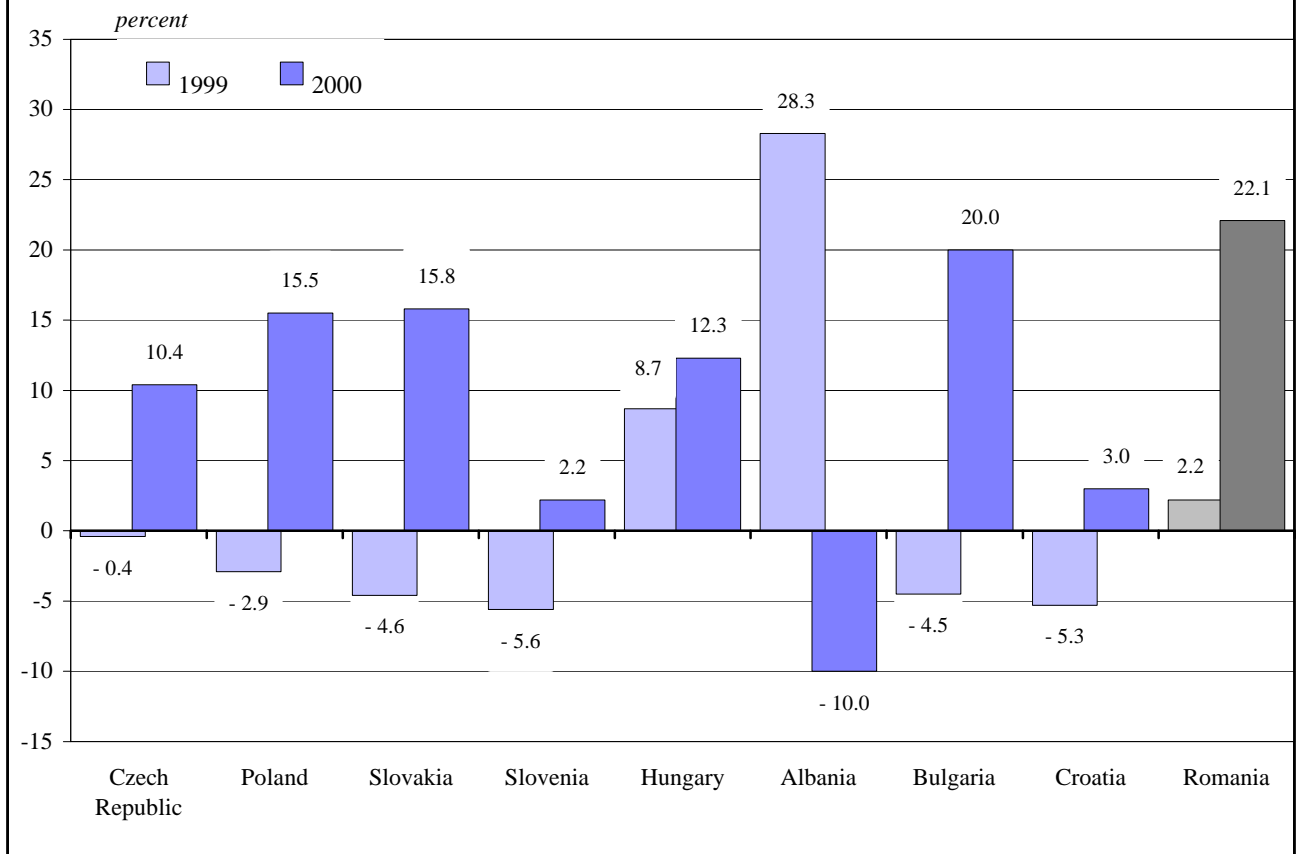
Trade balance in Central and East European countries (as % of GDP)



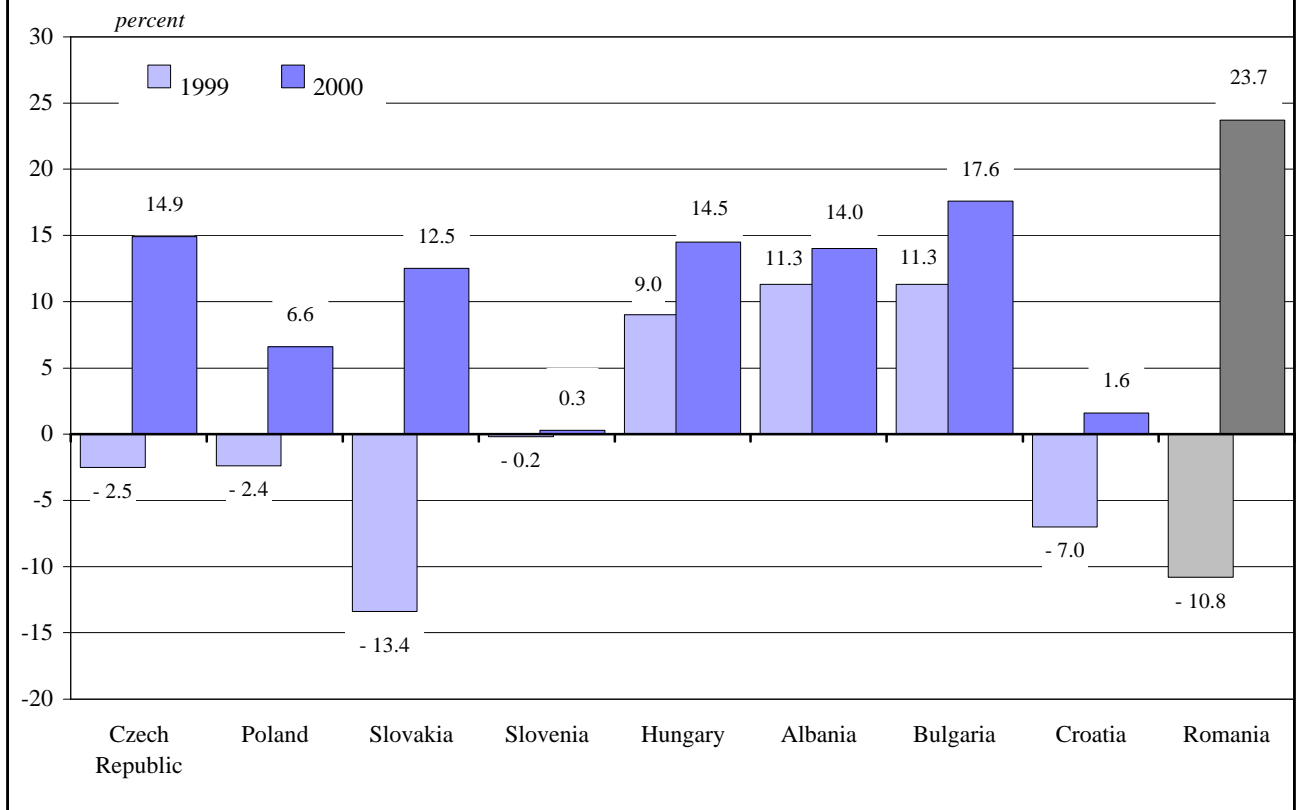
Current account balance in Central and East European countries



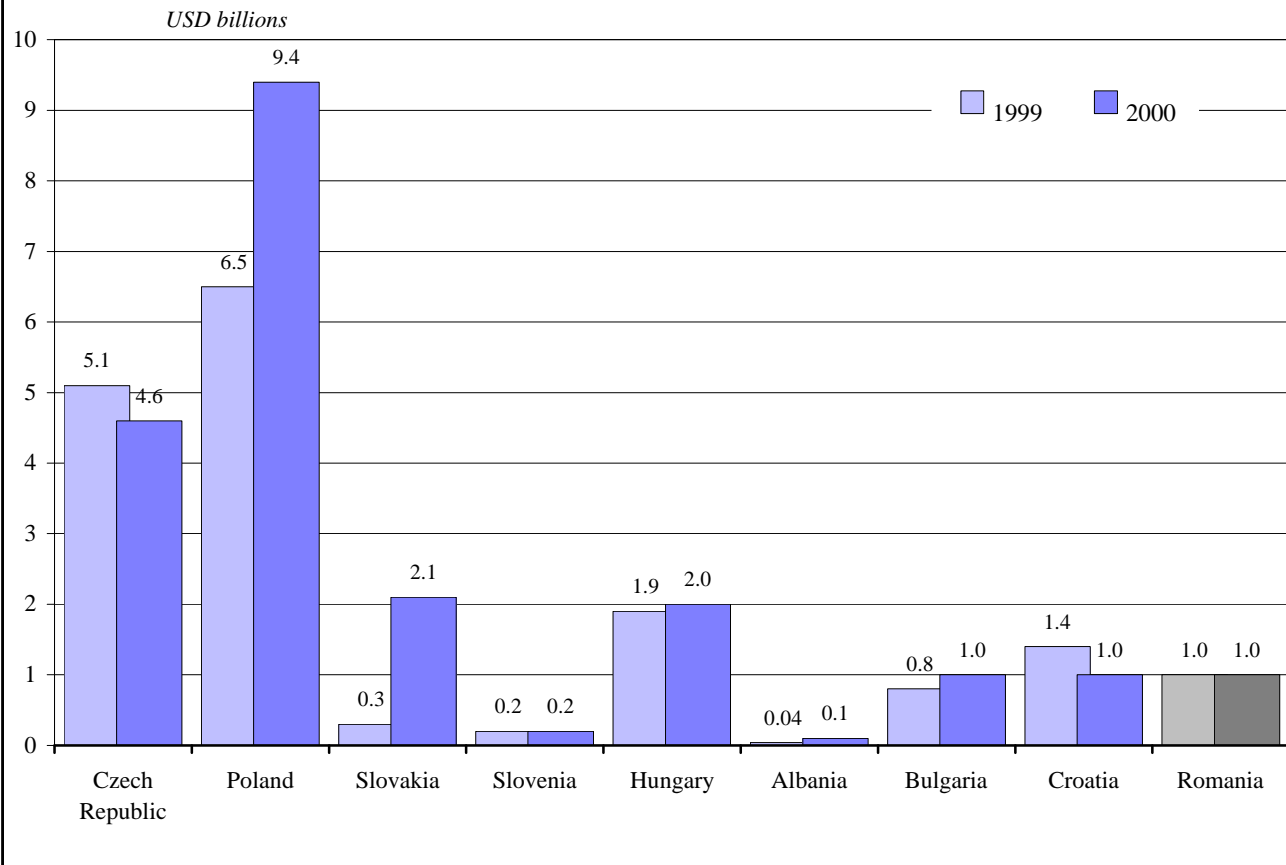
Export growth rates in Central and East European countries



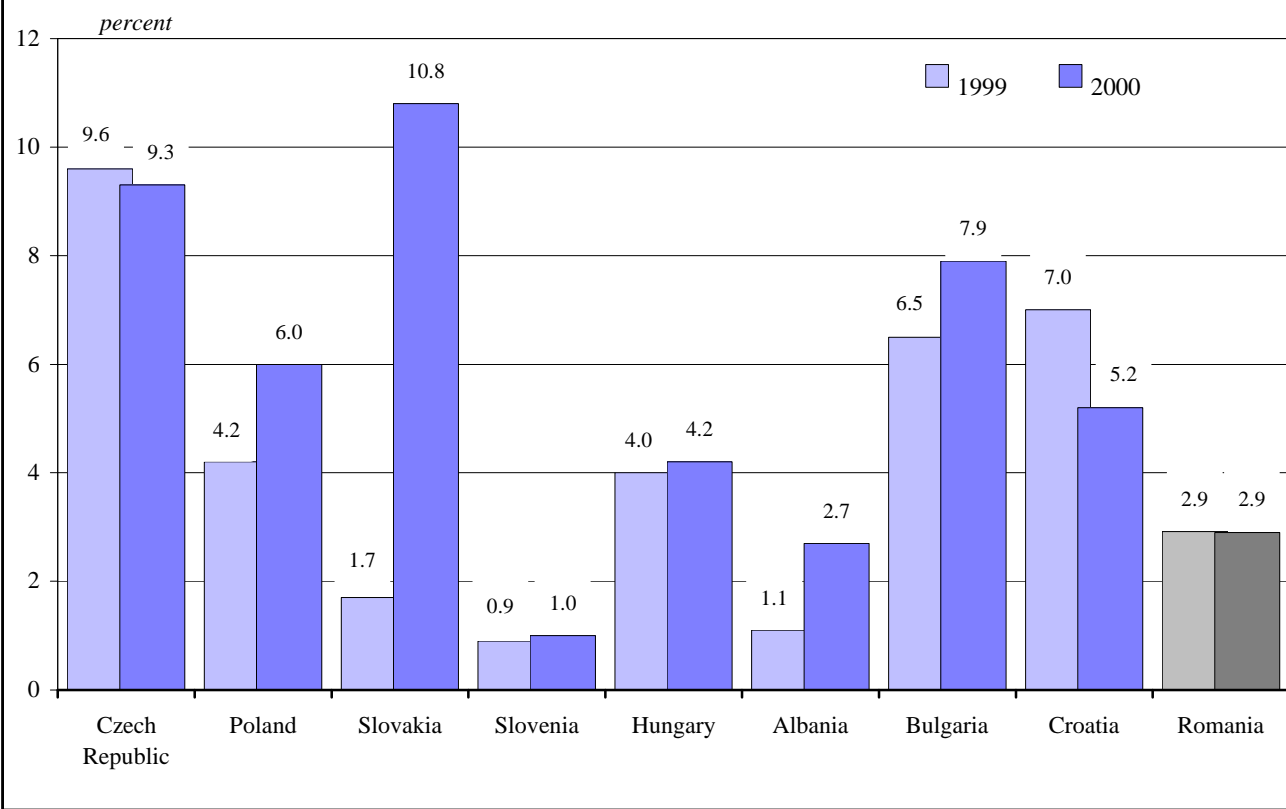
Import growth rates in Central and East European countries



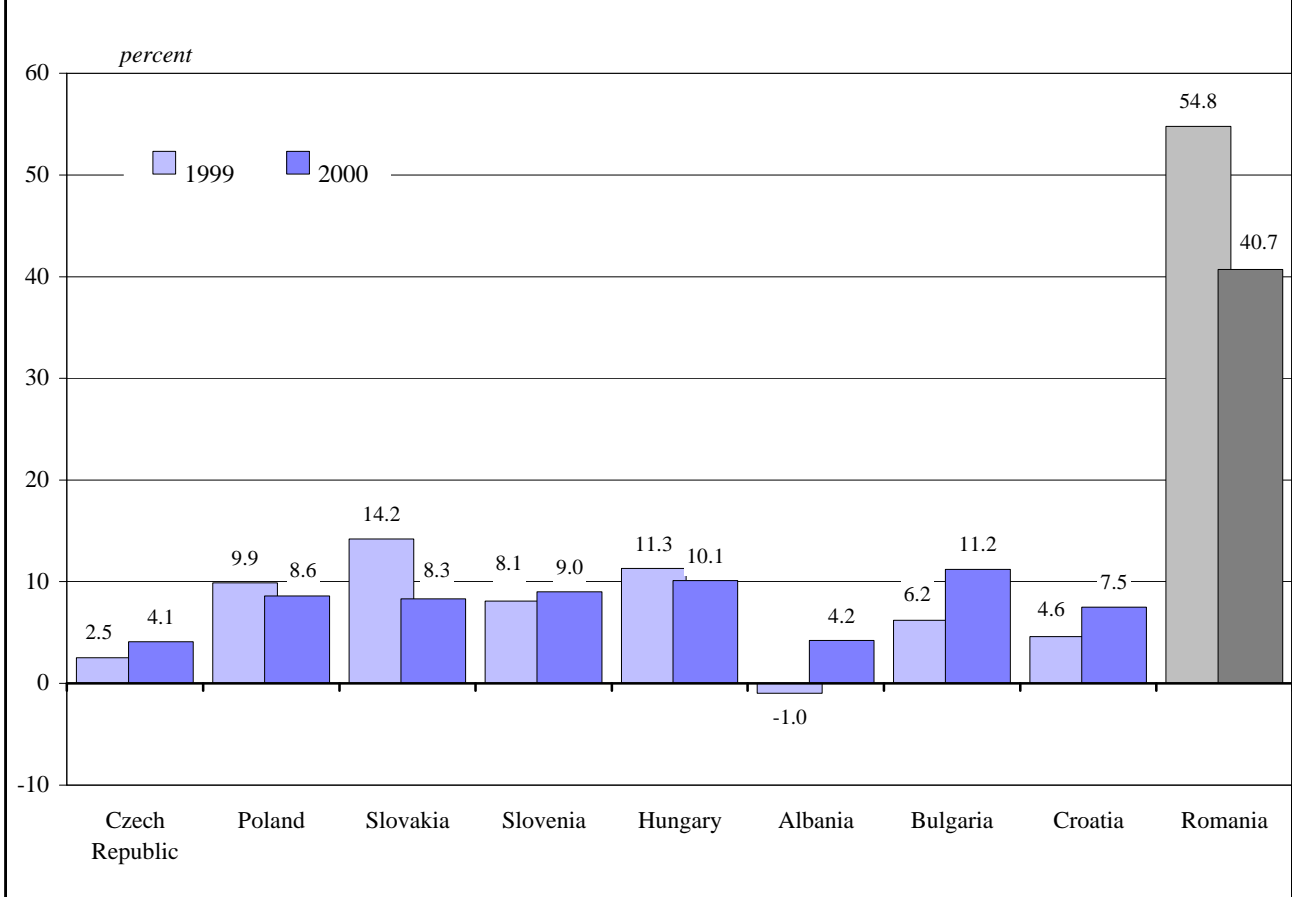
Foreign direct investment in Central and East European countries



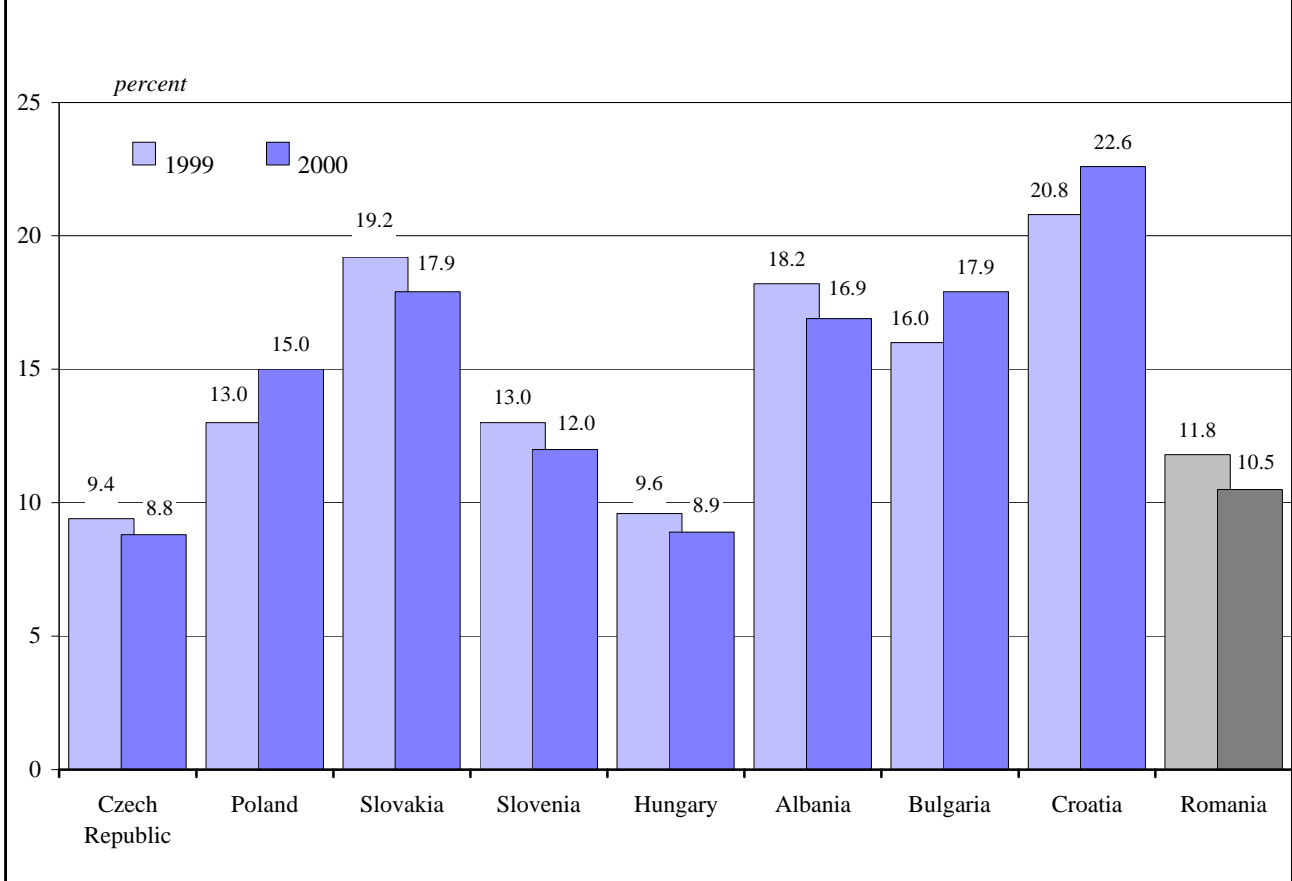
Foreign direct investment in Central and East European countries (as % of GDP)



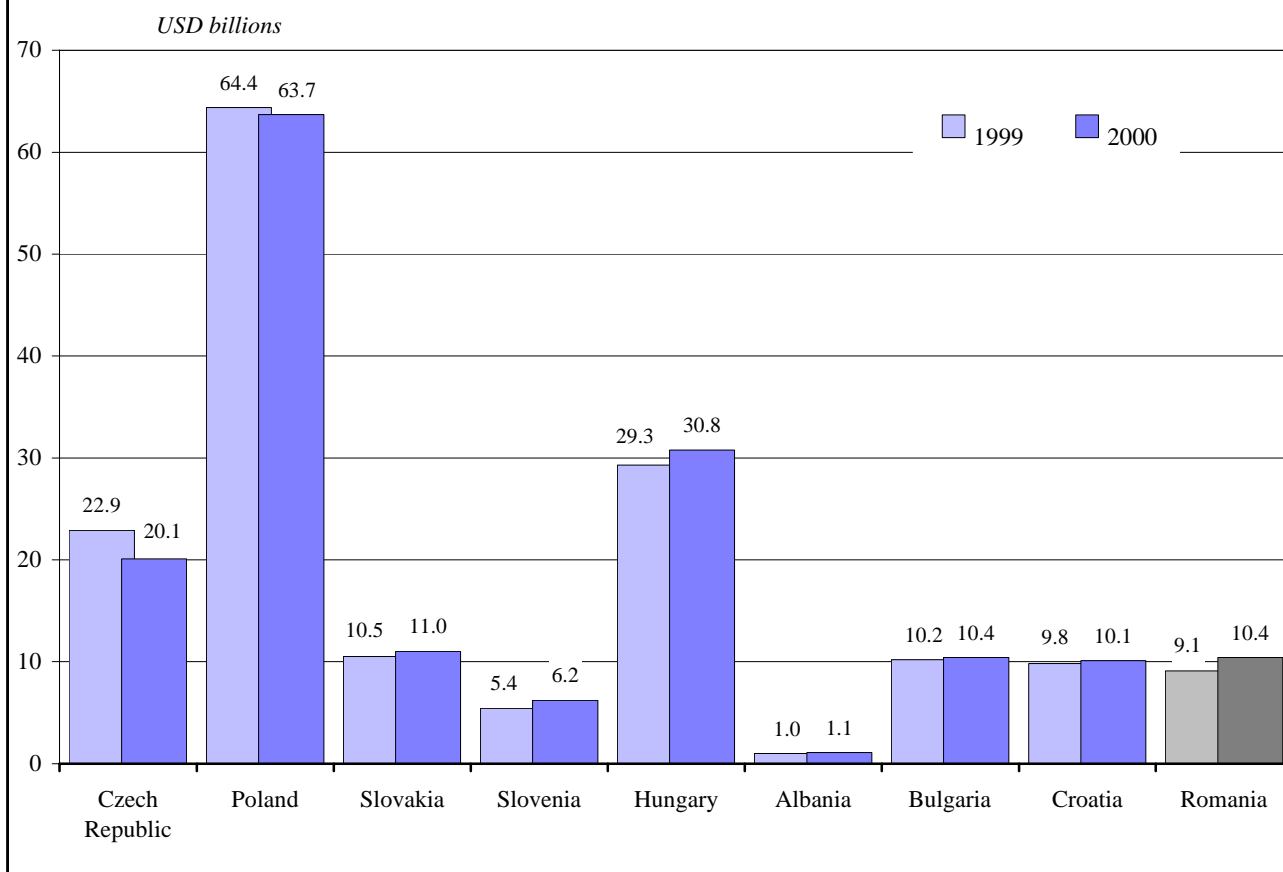
Inflation rate in Central and East European countries



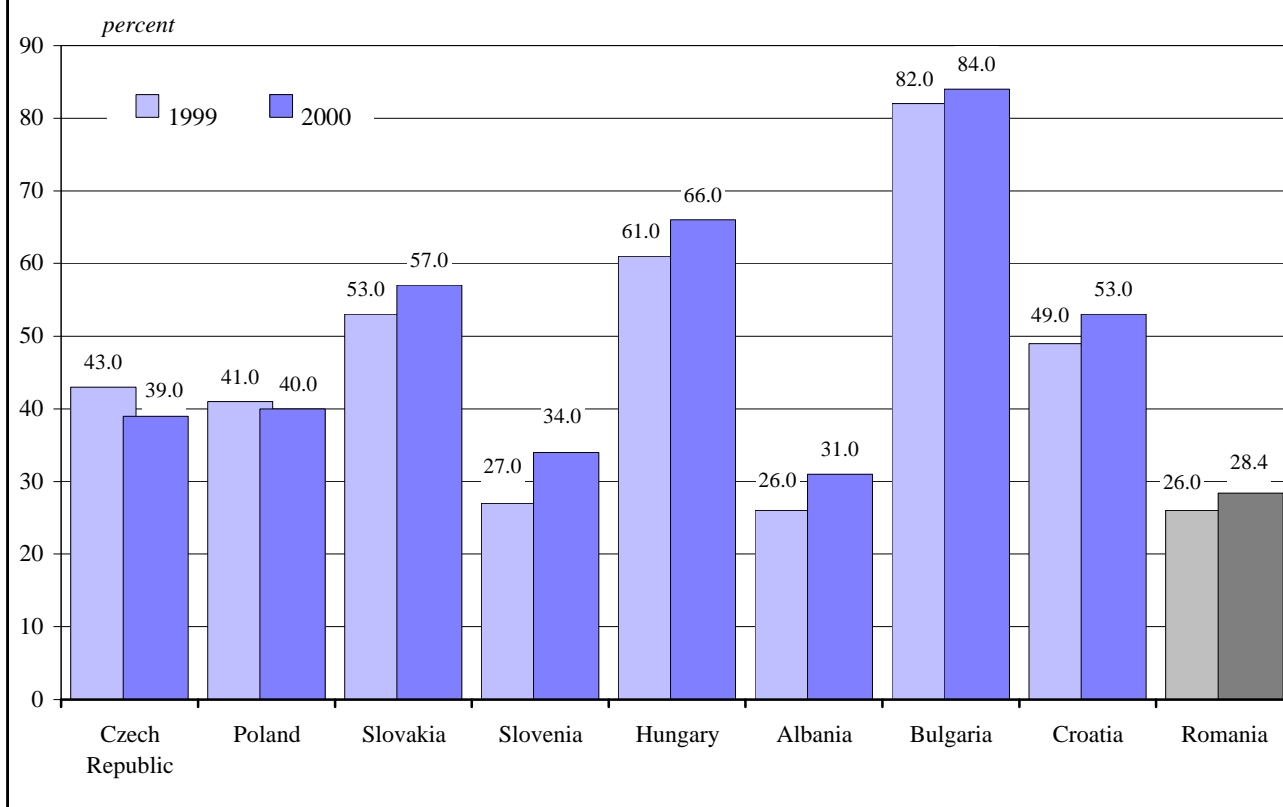
Unemployment rate in Central and East European countries



Gross external debt in Central and East European countries

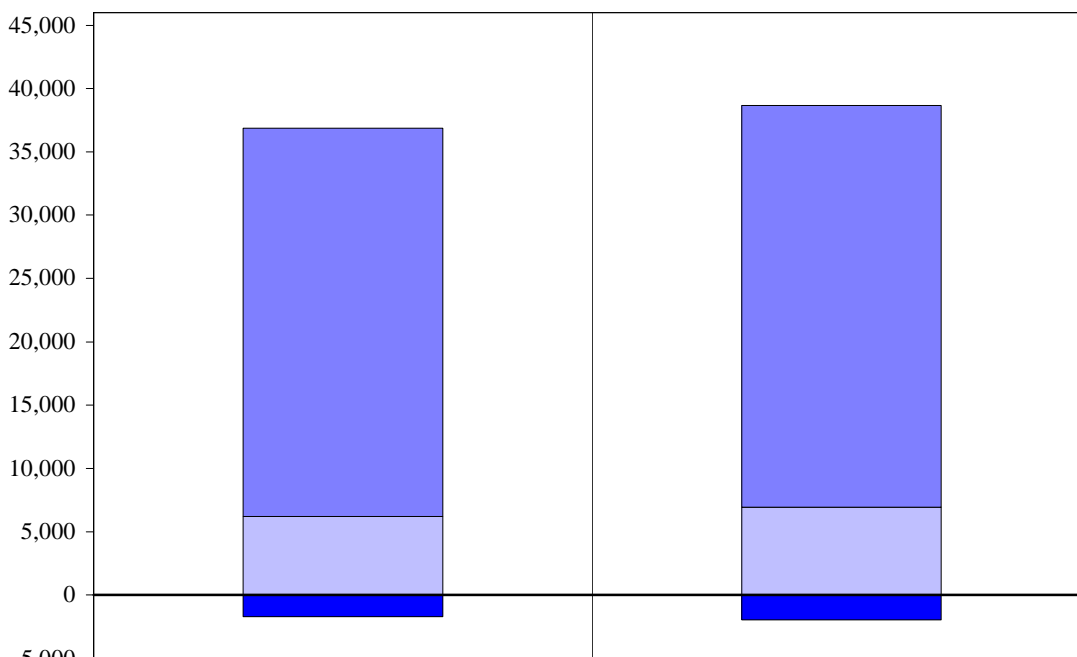


Gross external debt in Central and East European countries (as % of GDP)

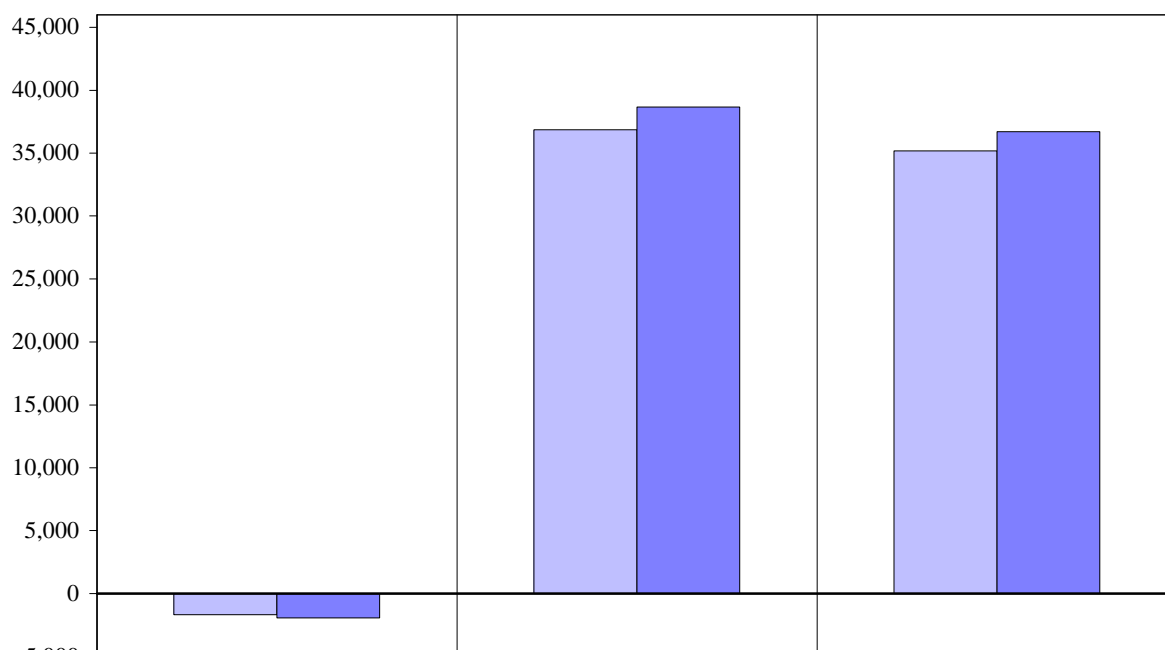


USD millions

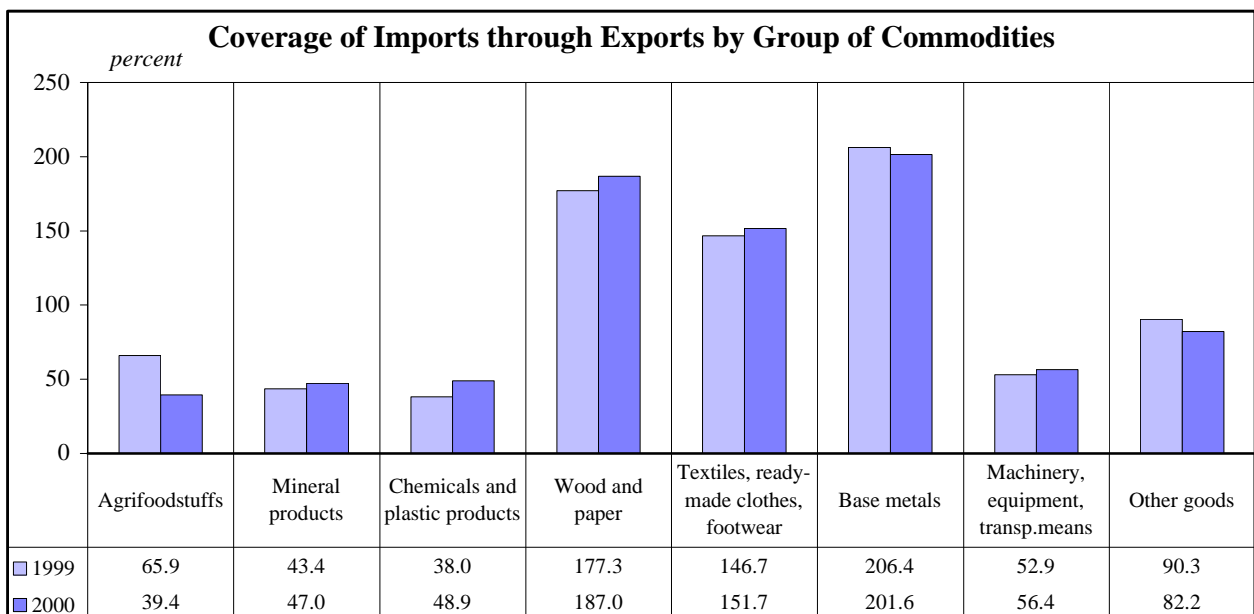
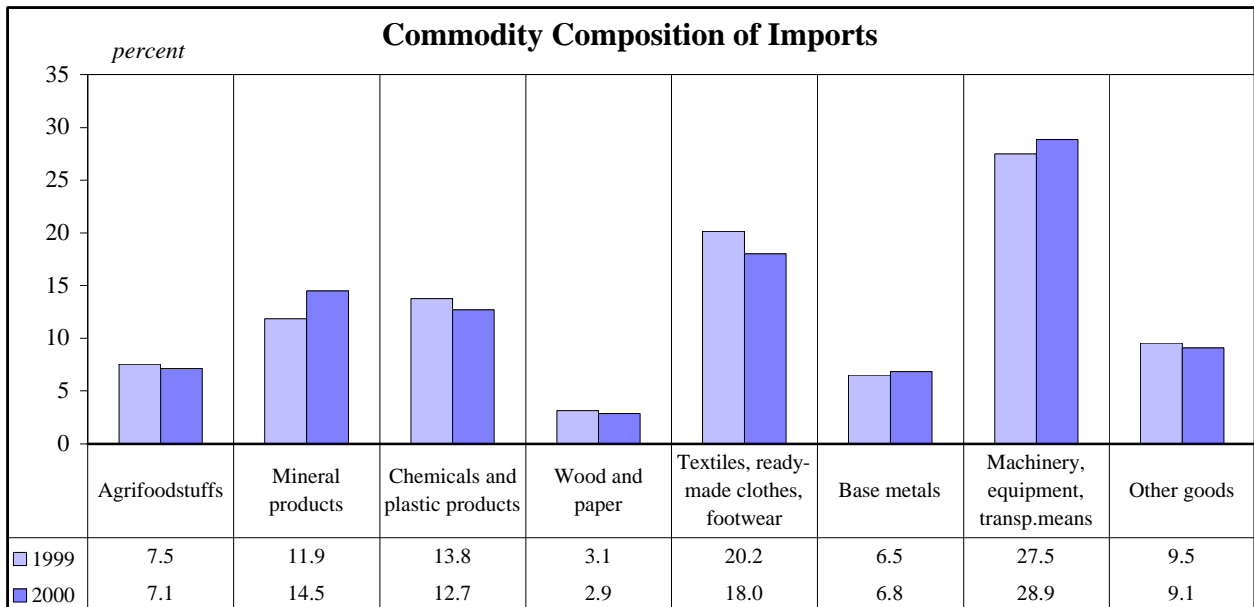
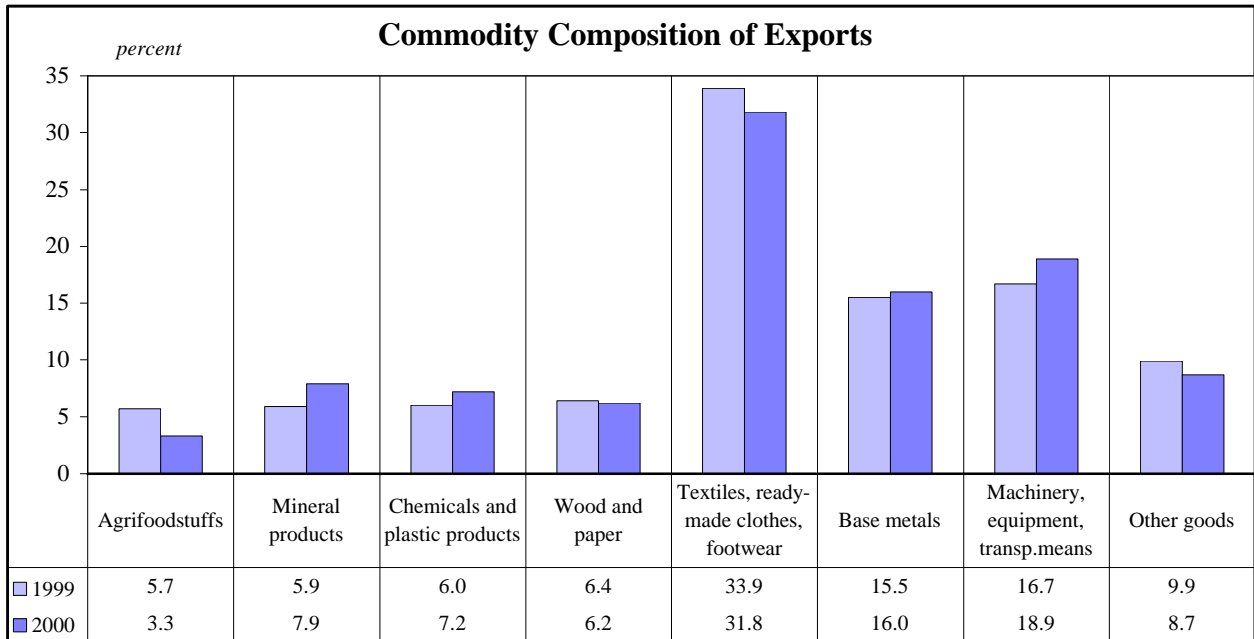
GDP Components



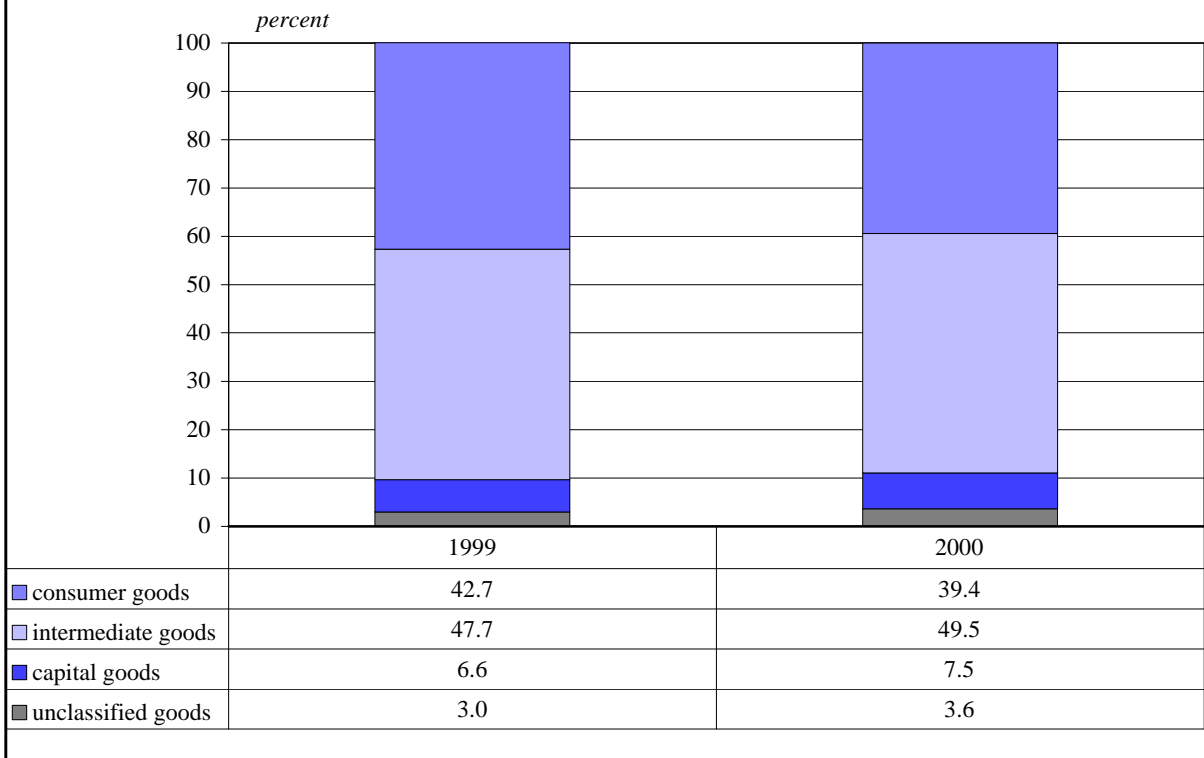
■ final consumption	30,663.7	31,712.8
■ investment	6,196.7	6,944.1
■ net exports	-1,684.0	-1,938.0



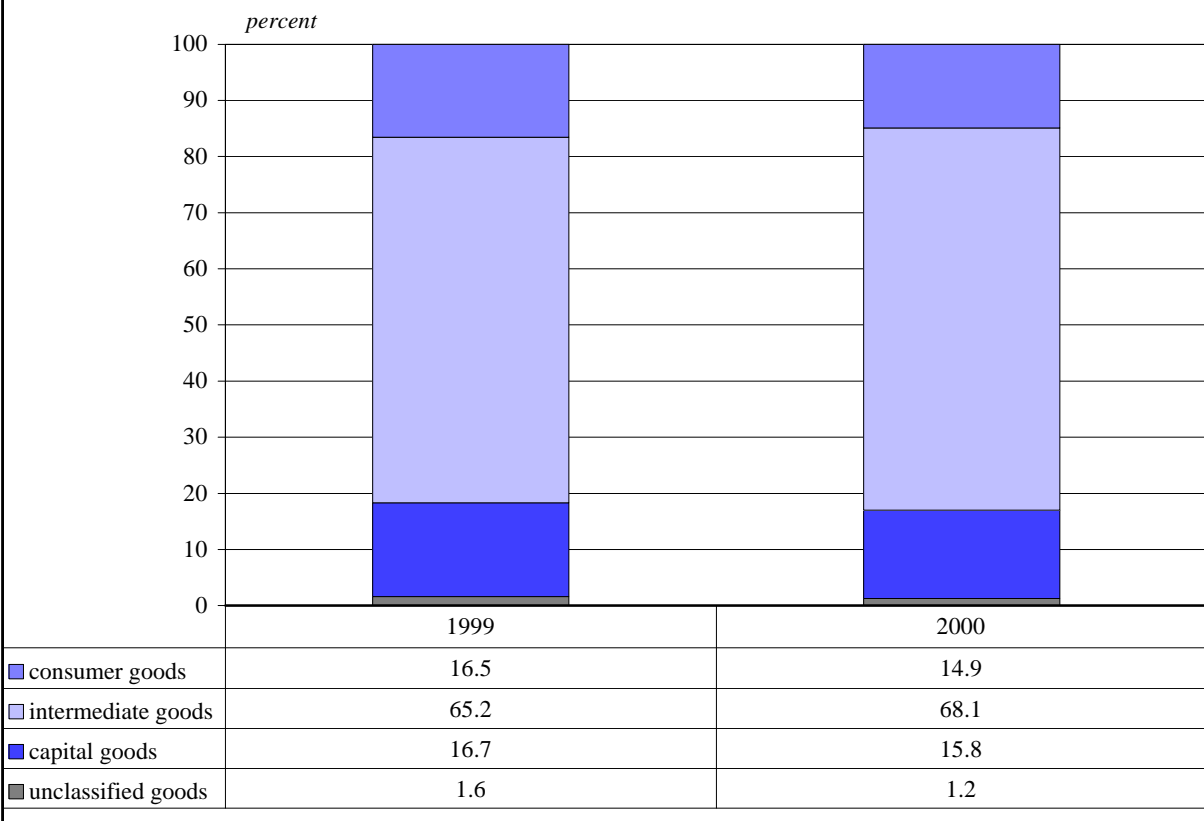
■ 1999	-1,684.0	36,860.4	35,176.4
■ 2000	-1,938.0	38,656.9	36,718.9



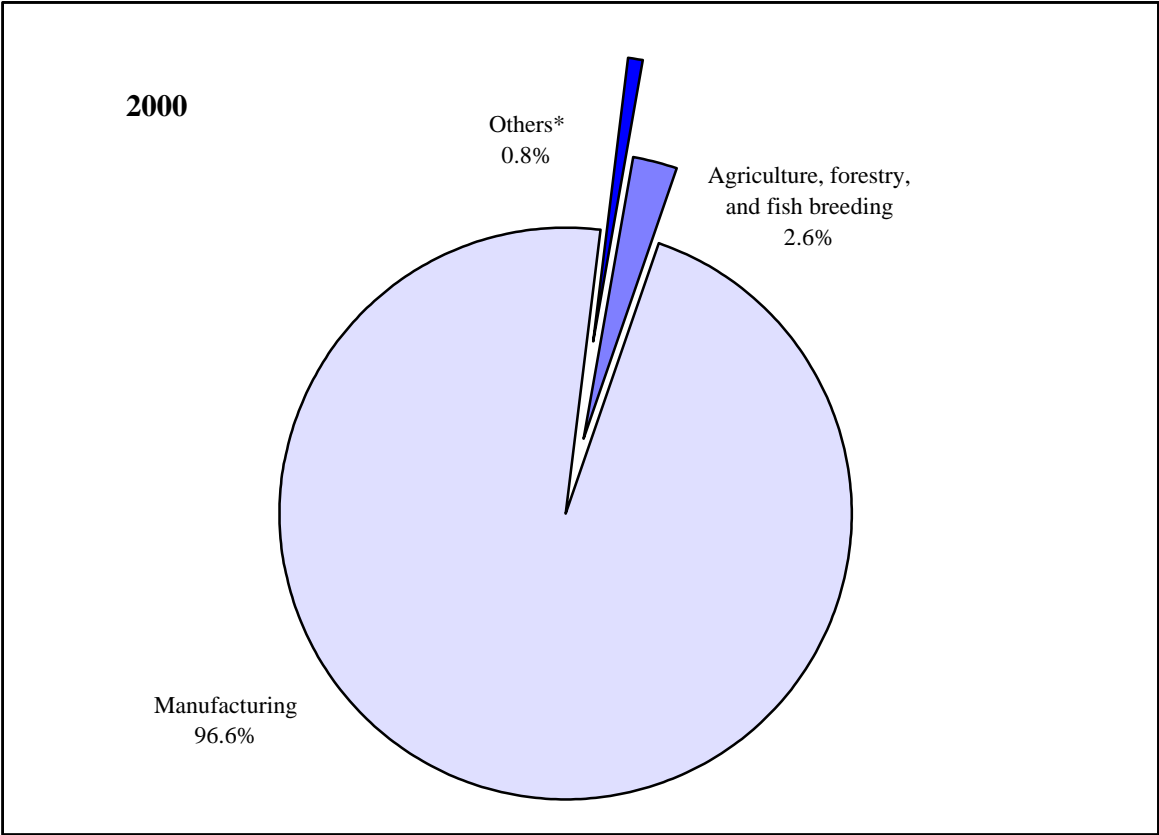
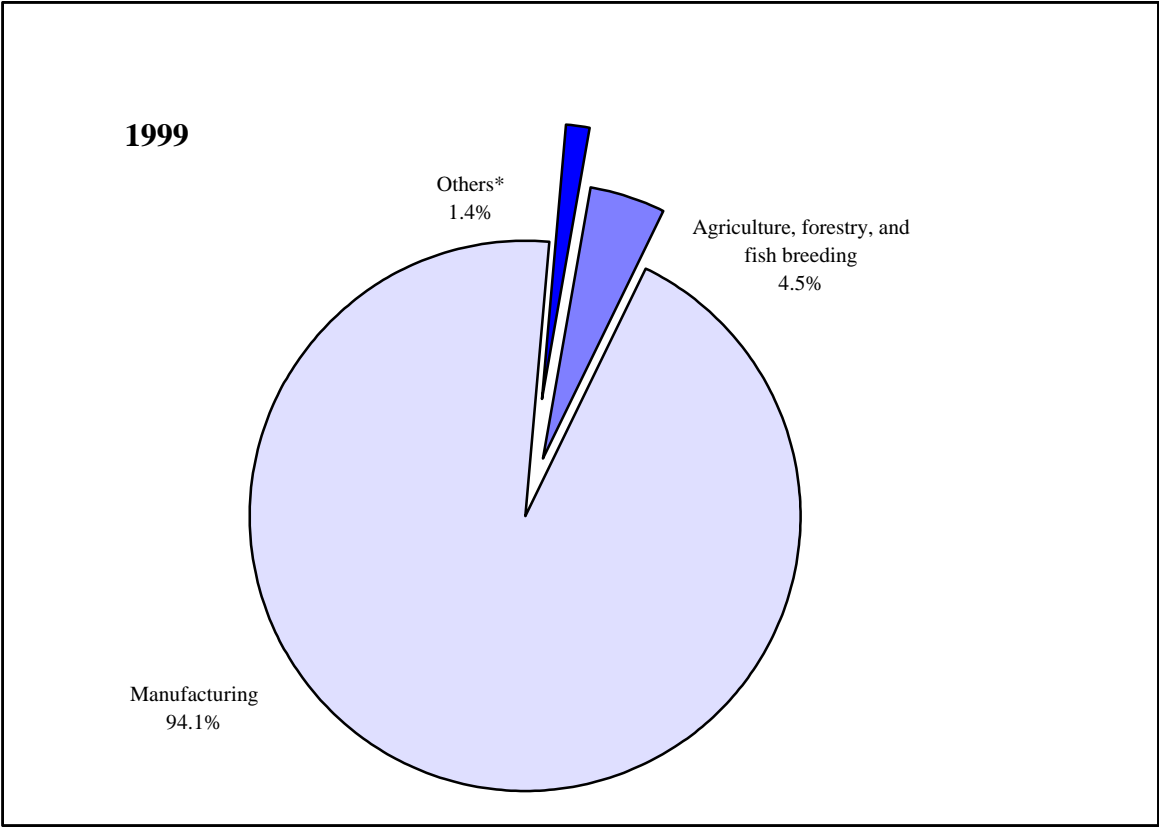
Exports by Types of the National Account System (NAS)



Imports by Types of the National Account System (NAS)

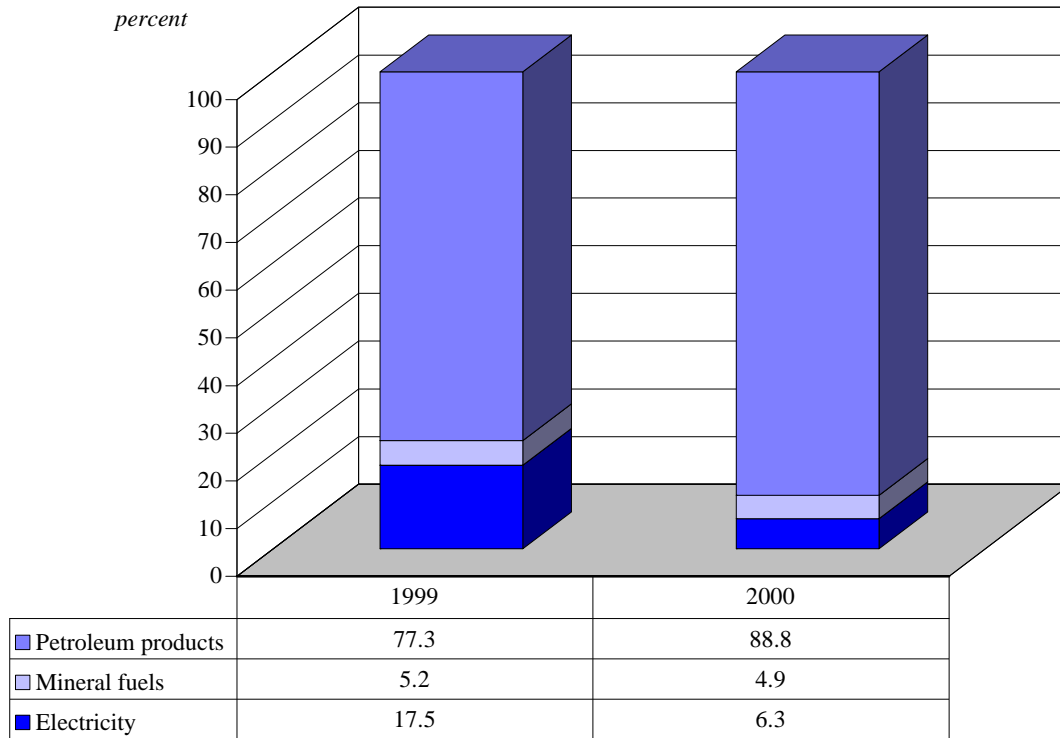


Exports by Economic Sectors

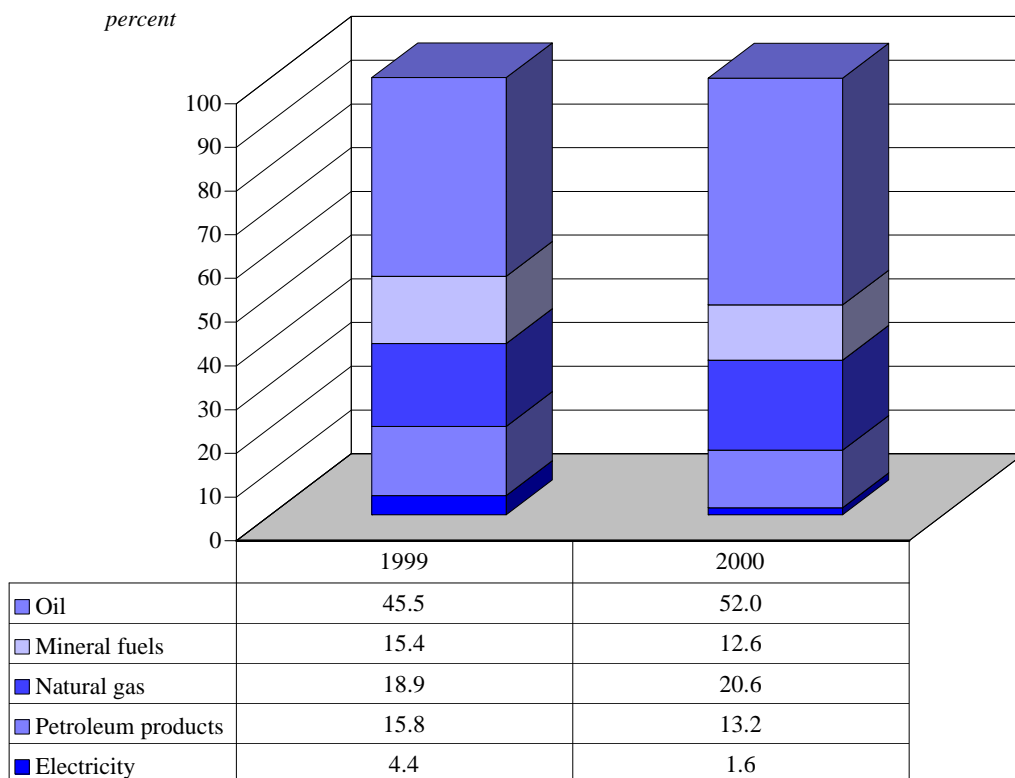


*) including mining, electric power and unclassified activities

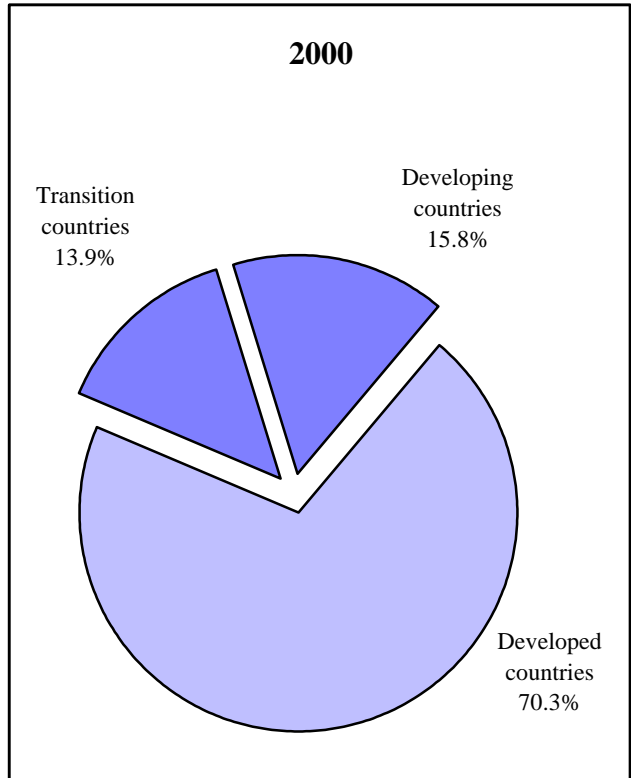
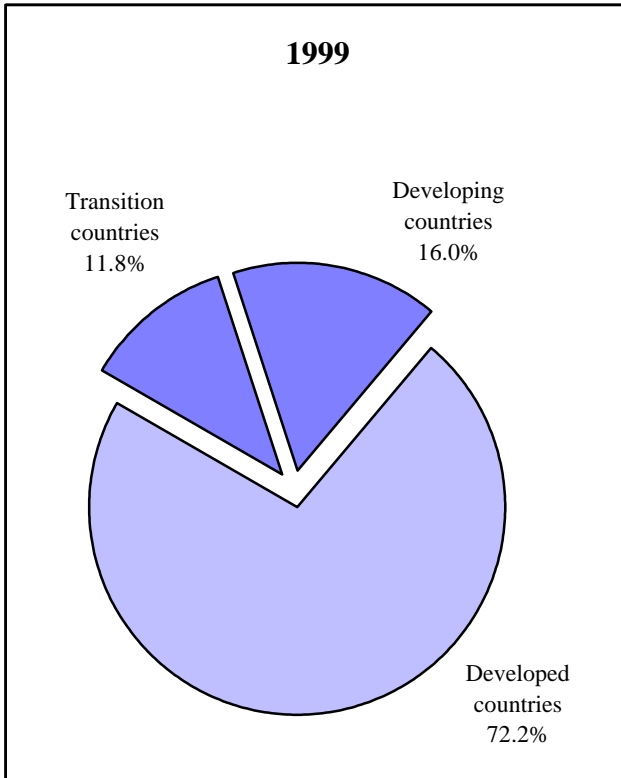
Export Value of Energy Products



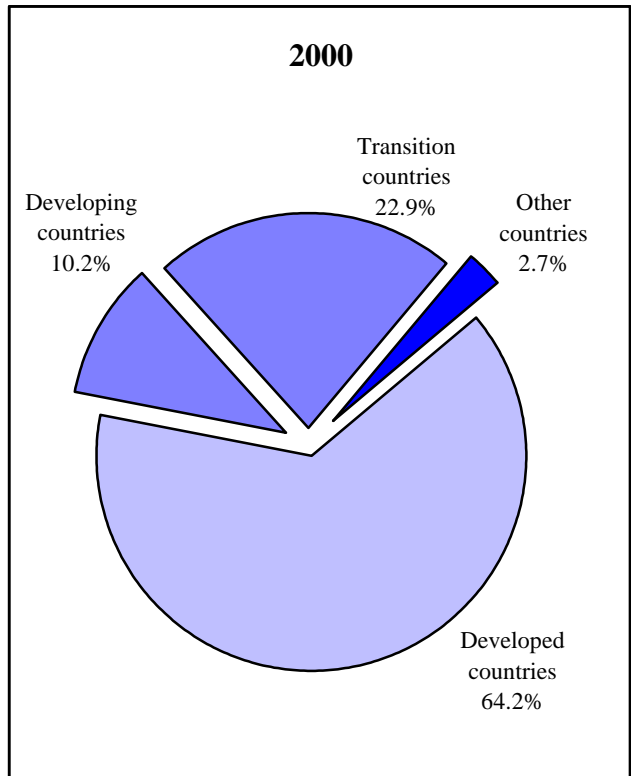
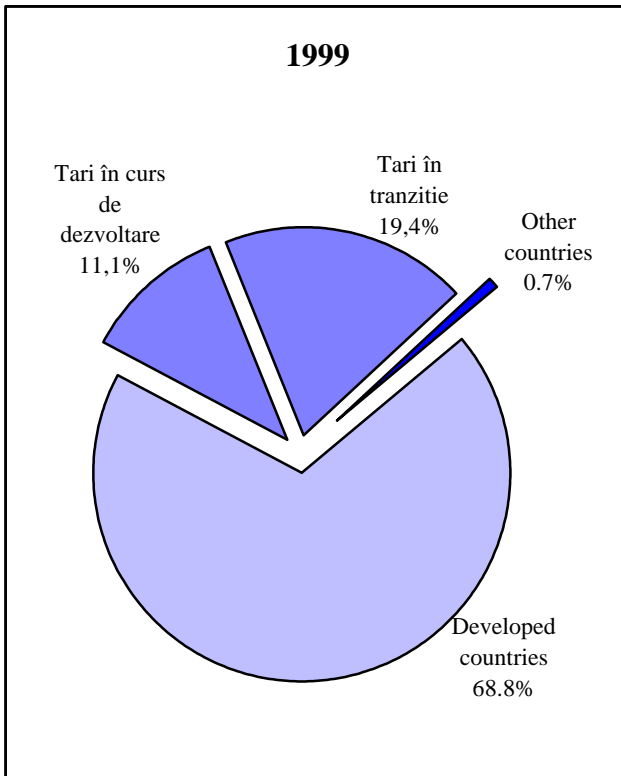
Import Value of Energy Products



Export Destination

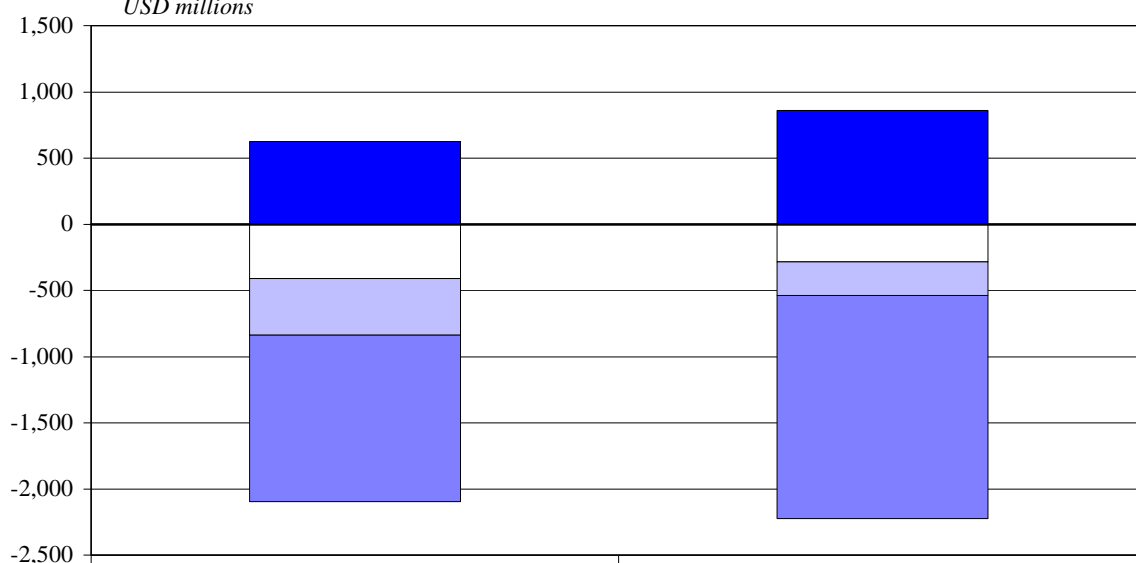


Import Origin



Current Account Components

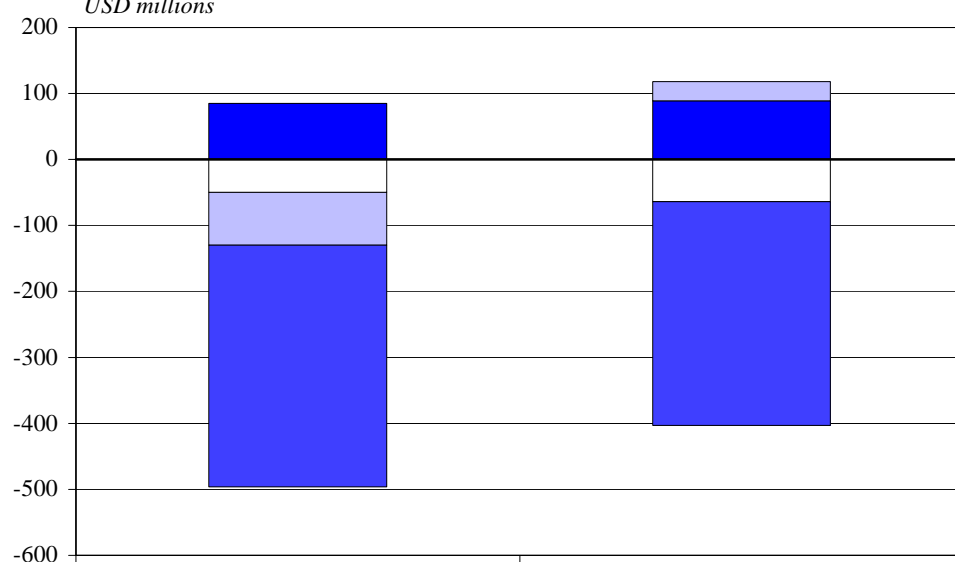
USD millions



	1999	2000
goods	-1,257	-1,684
services	-427	-254
incomes	-411	-285
current transfers	626	860

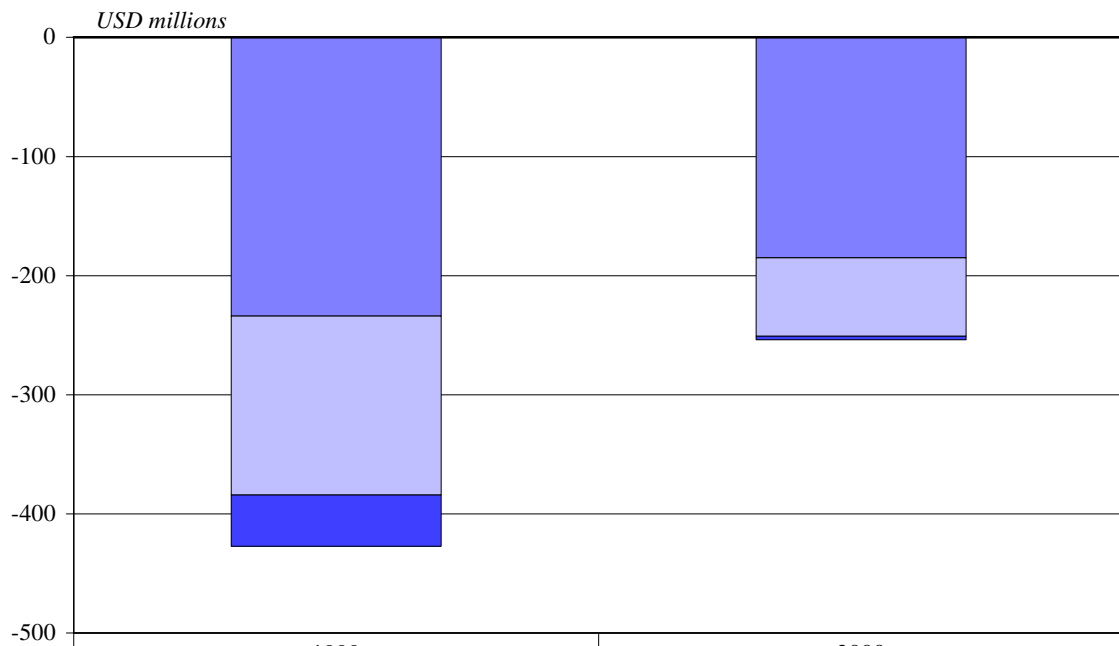
Incomes Balance

USD millions



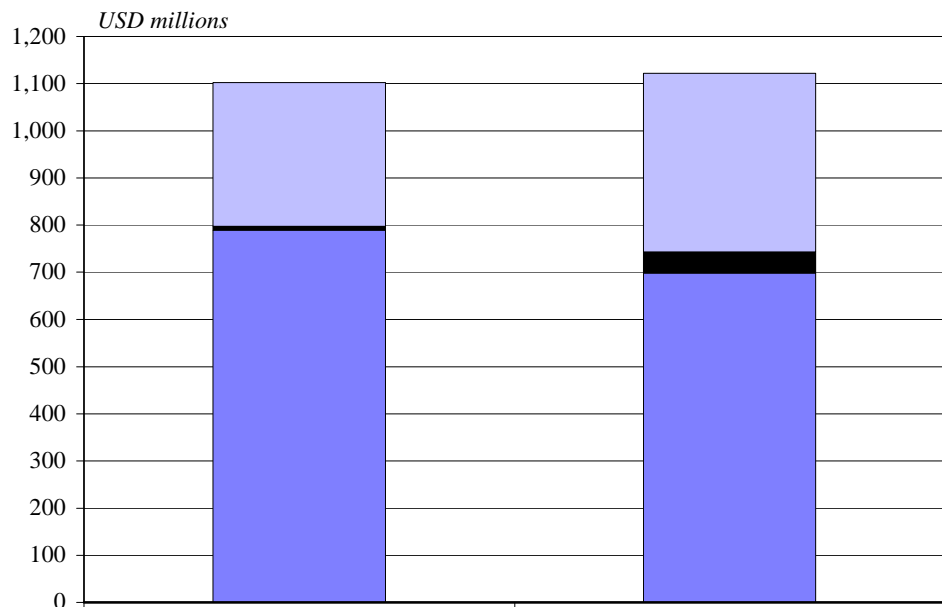
	1999	2000
other capital investment (interest)	-366	-339
portfolio investment income	-80	29
direct investment income	-50	-64
earned income	85	89

Services Balance



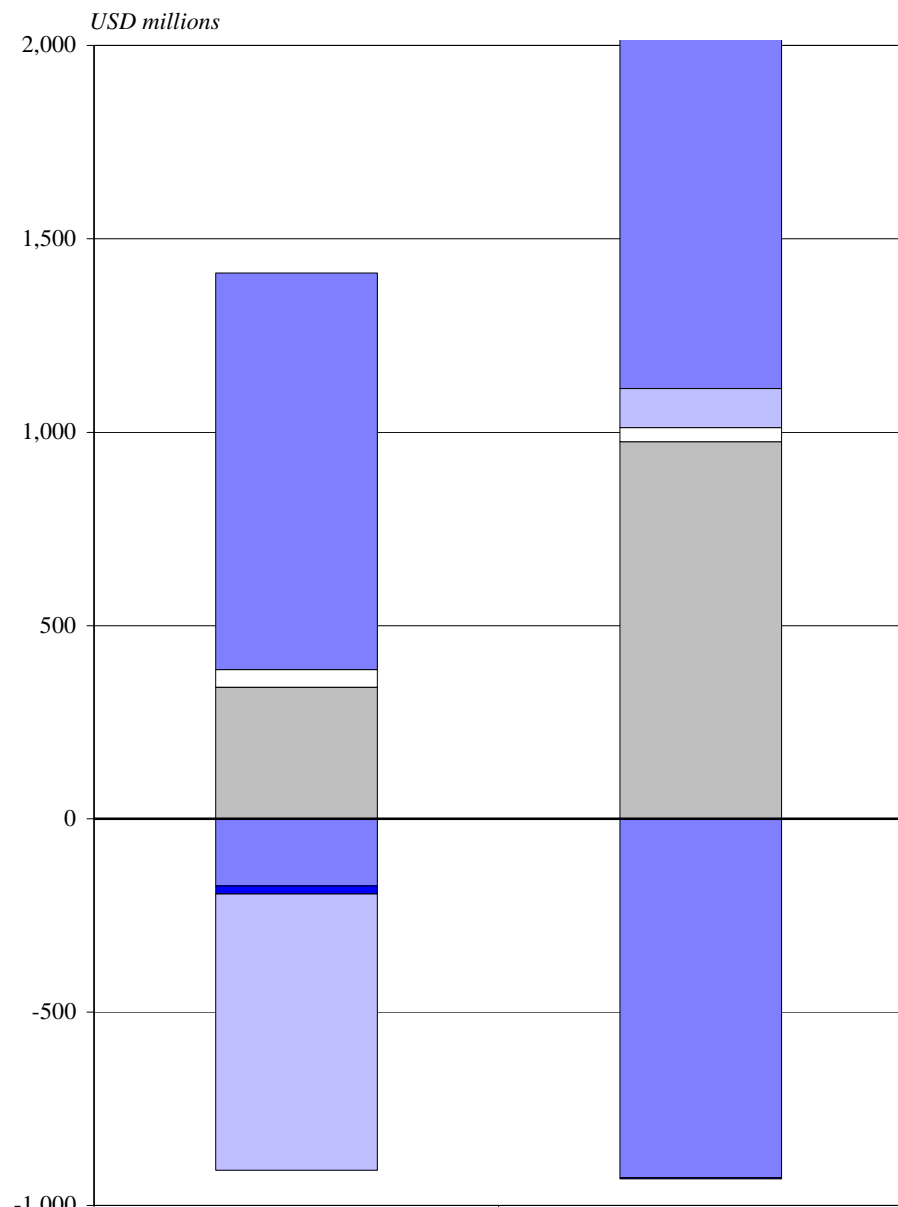
	1999	2000
■ transport	-43	-3
■ tourism	-150	-66
■ other services	-234	-185

Direct Investment (inflows)



	1999	2000
■ in-kind investment	305	379
■ residents' cash investment abroad	8	45
■ non-residents' cash investment in Romania	789	698

Capital and Financial Account Components



	1999	2000
direct investment	1,025	1,051
portfolio investment	-715	101
current transfers	45	36
other capital investments	341	976
in-transit and clearing accounts	-21	-3
reserve assets	-173	-928

Statistical Section

Contents

Balance of payments 1999-2000.....	3*
Quarterly balance of payments 2000.....	4*
Balance of services.....	6*
Balance of current transfers.....	7*
Balance of capital transfers.....	7*
Financial account.....	8*
Romania: Gross international reserves 1995-2000.....	9*
Romania: International investment position 1995-2000.....	9*
Romania: Medium- and long-term external claims 1995-2000 (by country).....	10*
Romania: Medium- and long-term external claims 1995-2000.....	11*
Romania: Short-term external claims and liabilities.....	11*
Romania: Clearing accounts in transferable roubles.....	11*
Romania: Clearing accounts in convertible currencies.....	12*
Romania: Clearing accounts 1995-2000.....	12*
Romania: External debt indicators 1995-2000.....	13*
Romania's subscription quota to international financial institutions.....	13*
Medium- and long-term external claims as of year-end 2000 (non-convertible currencies)...	14*
Medium- and long-term external claims as of year-end 2000 (transferable roubles).....	14*
Romania's international investment position as of year-end 2000.....	15*

BALANCE OF PAYMENTS, 1999 - 2000
USD million

	1999			2000			
	credit	debit	balance	credit	debit	balance	
1. Current account	10,810	12,279	-1,469	13,537	14,900	-1,363	1. Current account
<i>A. Goods and services</i>	9,854	11,538	-1,684	12,133	14,071	-1,938	<i>A. Goods and services</i>
a. Goods	8,487	9,744	-1,257	10,366	12,050	-1,684	a. Goods
b. Services	1,367	1,794	-427	1,767	2,021	-254	b. Services
- transport	536	579	-43	652	655	-3	- transport
- tourism	252	402	-150	359	425	-66	- tourism
- other	579	813	-234	756	941	-185	- other
<i>B. Incomes</i>	152	563	-411	325	610	-285	<i>B. Incomes</i>
- labour	92	7	85	94	5	89	- labour
- direct investment	2	52	-50	8	72	-64	- direct investment
- portfolio investment	9	89	-80	103	74	29	- portfolio investment
- other capital investment	49	415	-366	120	459	-339	- other capital investment
<i>C. Current transfers</i>	804	178	626	1,079	219	860	<i>C. Current transfers</i>
- general government	79	22	57	99	29	70	- general government
- other sectors	725	156	569	980	190	790	- other sectors
2. Capital and financial account	5,634	5,132	502	5,413	4,180	1,233	2. Capital and financial account
<i>A. Capital account</i>	46	1	45	37	1	36	<i>A. Capital account</i>
a. Capital transfers	46	1	45	37	1	36	a. Capital transfers
- general government	44	0	44	35	0	35	- general government
- other sectors	2	1	1	2	1	1	- other sectors
b. Acquisitions/sales of intangible non-financial assets	0	0	0	0	0	0	b. Acquisitions/sales of intangible non-financial assets
<i>B. Financial account</i>	5,588	5,131	457	5,376	4,179	1,197	<i>B. Financial account</i>
a. Direct investment	1,102	77	1,025	1,122	71	1,051	a. Direct investment
- of residents abroad	8	24	-16	45	34	11	- of residents abroad
- of non-residents in Romania	1,094	53	1,041	1,077	37	1,040	- of non-residents in Romania
b. Portfolio investment	213	928	-715	472	371	101	b. Portfolio investment
- assets	48	39	9	39	11	28	- assets
- liabilities	165	889	-724	433	360	73	- liabilities
c. Other capital investment	3,523	3,182	341	3,693	2,717	976	c. Other capital investment
1. assets:	916	672	244	672	1,078	-406	1. assets:
- medium- and long-term loans and credits	25	13	12	45	138	-93	- medium- and long-term loans and credits
- medium- and short-term loans and credits	60	81	-21	65	51	14	- medium- and short-term loans and credits
- outstanding long-term export bills	103	87	16	49	56	-7	- outstanding long-term export bills
- outstanding short-term export bills	382	398	-16	210	190	20	- outstanding short-term export bills
- cash and cheques	8	15	-7	5	7	-2	- cash and cheques
- resident bank deposits abroad	290	53	237	294	603	-309	- resident bank deposits abroad
- other	48	25	23	4	33	-29	- other
- long-term	0	0	0	0	0	0	- long-term
- short-term	48	25	23	4	33	-29	- short-term
2. liabilities:	2,607	2,510	97	3,021	1,639	1,382	2. liabilities:
- use of IMF credits	72	139	-67	115	95	20	- use of IMF credits
- long- and medium-term loans and credits	1,760	1,380	380	2,388	1,001	1,387	- long- and medium-term loans and credits
- medium- and short-term loans and credits	442	298	144	227	259	-32	- medium- and short-term loans and credits
- outstanding long-term import bills	145	316	-171	64	62	2	- outstanding long-term import bills
- outstanding short-term import bills	141	354	-213	193	199	-6	- outstanding short-term import bills
- cash and cheques	0	0	0	0	0	0	- cash and cheques
- resident bank deposits abroad	47	23	24	34	23	11	- resident bank deposits abroad
- other	0	0	0	0	0	0	- other
- long-term	0	0	0	0	0	0	- long-term
- short-term	0	0	0	0	0	0	- short-term
d. In-transit accounts	4	21	-17	50	43	7	d. In-transit accounts
e. Barter/clearing accounts	8	12	-4	25	35	-10	e. Barter/clearing accounts
f. Reserve assets (NBR):	738	911	-173	14	942	-928	f. Reserve assets (NBR):
- monetary gold	0	5	-5	0	2	-2	- monetary gold
- SDRs	1	10	-9	14	5	9	- SDRs
- reserve position in IMF	0	0	0	0	0	0	- reserve position in IMF
- foreign exchange	737	896	-159	0	935	-935	- foreign exchange
- other	0	0	0	0	0	0	- other
3. Errors and omissions	967	0	967	130	0	130	3. Errors and omissions

QUARTERLY BALANCE OF PAYMENTS 2000

USD million

	Q 1			Q 2		
	credit	debit	balance	credit	debit	balance
1. Current account	3,010	3,104	-94	3,271	3,758	-487
<i>A. Goods and services</i>	2,741	2,924	-183	2,902	3,530	-628
a. Goods	2,404	2,494	-90	2,506	3,020	-514
b. Services	337	430	-93	396	510	-114
- transport	138	137	1	162	170	-8
- tourism	65	71	-6	73	100	-27
- other	134	222	-88	161	240	-79
<i>B. Income</i>	51	136	-85	58	174	-116
- labour	25	1	24	23	2	21
- direct investment	1	14	-13	5	34	-29
- portfolio investment	18	8	10	18	35	-17
- other capital investment	7	113	-106	12	103	-91
<i>C. Current transfers</i>	218	44	174	311	54	257
- general government	22	3	19	22	6	16
- other sectors	196	41	155	289	48	241
2. Capital and financial account	791	912	-121	1,265	1,076	189
<i>A. Capital account</i>	12	0	12	10	0	10
a. Capital transfers	12	0	12	10	0	10
- general government	12	0	12	10	0	10
- other sectors	0	0	0	0	0	0
b. Acquisitions/sales of intangible non-financial assets	0	0	0	0	0	0
<i>B. Financial account</i>	779	912	-133	1,255	1,076	179
a. Direct investment	154	22	132	145	19	126
- of residents abroad	2	7	-5	0	11	-11
- of non-residents in Romania	152	15	137	145	8	137
b. Portfolio investment	57	213	-156	44	54	-10
- assets	17	1	16	3	7	-4
- liabilities	40	212	-172	41	47	-6
c. Other capital investment	553	559	-6	1,042	722	320
1. assets:	147	98	49	77	278	-201
- medium- and long-term loans and credits	8	17	-9	30	8	22
- medium- and short-term loans and credits	10	5	5	22	38	-16
- outstanding long-term export bills	8	9	-1	13	18	-5
- outstanding short-term export bills	81	63	18	12	46	-34
- cash and cheques	5	0	5	0	3	-3
- non-resident bank deposits in Romania	35	0	35	0	157	-157
- other	0	4	-4	0	8	-8
- long-term	0	0	0	0	0	0
- short-term	0	4	-4	0	8	-8
2. liabilities:	406	461	-55	965	444	521
- use of IMF credit	0	6	-6	115	27	88
- long- and medium-term loans and credits	312	349	-37	759	175	584
- medium- and short-term loans and credits	35	29	6	20	172	-152
- outstanding long-term import bills	19	13	6	17	17	0
- outstanding short-term import bills	17	64	-47	54	45	9
- cash and cheques	0	0	0	0	0	0
- resident bank deposits abroad	23	0	23	0	8	-8
- other	0	0	0	0	0	0
- long-term	0	0	0	0	0	0
- short-term	0	0	0	0	0	0
d. In-transit accounts	9	0	9	4	0	4
e. Barter/clearing accounts	0	24	-24	20	7	13
f. Reserve assets (NBR):	6	94	-88	0	274	-274
- monetary gold	0	1	-1	0	1	-1
- SDRs	6	0	6	0	4	-4
- reserve position in IMF	0	0	0	0	0	0
- foreign exchange	0	93	-93	0	269	-269
- other	0	0	0	0	0	0
3. Errors and omissions	215	0	215	298	0	298

QUARTERLY BALANCE OF PAYMENTS 2000

USD million

Q 3			Q 4			
credit	debit	balance	credit	debit	balance	
3,484	3,697	-213	3,772	4,341	-569	1. Current account
3,207	3,522	-315	3,283	4,095	-812	<i>A. Goods and services</i>
2,702	3,012	-310	2,754	3,524	-770	a. Goods
505	510	-5	529	571	-42	b. Services
163	163	0	189	185	4	- transport
123	116	7	98	138	-40	- tourism
219	231	-12	242	248	-6	- other
63	118	-55	153	182	-29	<i>B. Income</i>
24	0	24	22	2	20	- labour
1	17	-16	1	7	-6	- direct investment
33	7	26	34	24	10	- portfolio investment
5	94	-89	96	149	-53	- other capital investment
214	57	157	336	64	272	<i>C. Current transfers</i>
20	7	13	35	13	22	- general government
194	50	144	301	51	250	- other sectors
1,312	1,174	138	2,045	1,018	1,027	2. Capital and financial account
12	0	12	3	1	2	<i>A. Capital account</i>
12	0	12	3	1	2	a. Capital transfers
11	0	11	2	0	2	- general government
1	0	1	1	1	0	- other sectors
0	0	0	0	0	0	b. Acquisitions/sales of intangible non-financial assets
1,300	1,174	126	2,042	1,017	1,025	<i>B. Financial account</i>
340	11	329	483	19	464	a. Direct investment
19	6	13	24	10	14	- of residents abroad
321	5	316	459	9	450	- of non-residents in Romania
57	51	6	314	53	261	b. Portfolio investment
16	2	14	3	1	2	- assets
41	49	-8	311	52	259	- liabilities
857	855	2	1,241	581	660	c. Other capital investment
96	524	-428	352	178	174	1. assets:
1	5	-4	6	108	-102	- medium- and long-term loans and credits
31	5	26	2	3	-1	- medium- and long-term loans and credits
18	18	0	10	11	-1	- outstanding long-term export bills
42	50	-8	75	31	44	- outstanding short-term export bills
0	0	0	0	4	-4	- cash and cheques
0	446	-446	259	0	259	- resident bank deposits abroad
4	0	4	0	21	-21	- other
0	0	0	0	0	0	- long-term
4	0	4	0	21	-21	- short-term
761	331	430	889	403	486	2. liabilities:
0	16	-16	0	46	-46	- use of IMF credit
570	245	325	747	232	515	- long- and medium-term loans and credits
110	14	96	62	44	18	- medium- and short-term loans and credits
12	13	-1	16	19	-3	- outstanding long-term import bills
69	28	41	53	62	-9	- outstanding short-term import bills
0	0	0	0	0	0	- cash and cheques
0	15	-15	11	0	11	- non-resident bank deposits in Romania
0	0	0	0	0	0	- other
0	0	0	0	0	0	- long-term
0	0	0	0	0	0	- short-term
37	0	37	0	43	-43	d. In-transit accounts
1	4	-3	4	0	4	e. Barter/clearing accounts
8	253	-245	0	321	-321	f. Reserve assets (NBR):
0	0	0	0	0	0	- monetary gold
8	0	8	0	1	-1	- SDRs
0	0	0	0	0	0	- reserve position in IMF
0	253	-253	0	320	-320	- foreign exchange
0	0	0	0	0	0	- other
75	0	75	0	458	-458	3. Errors and omissions

BALANCE OF SERVICES

USD million

	1999			2000		
	credit	debit	balance	credit	debit	balance
TOTAL	1367	1794	-427	1767	2021	-254
TRANSPORT	536	579	-43	652	655	-3
Freight - goods transport	365	473	-108	442	573	-131
- sea	37	100	-63	44	83	-39
- river	4	2	2	3	2	1
- air	4	27	-23	5	26	-21
- railway	45	59	-14	46	98	-52
- road	274	250	24	342	305	37
- other	1	35	-34	2	59	-57
Passenger transport	54	30	24	35	26	9
Other	117	76	41	175	56	119
TOURISM - TRAVEL	252	402	-150	359	425	-66
Business	12	214	-202	116	241	-125
Private tourism, <i>of which</i> :	232	186	46	241	183	58
- foreign exchange	145	133	12	160	126	34
OTHER SERVICES	579	813	-234	756	941	-185
Communication services	92	83	9	145	82	63
Construction services	33	9	24	30	28	2
Insurance services	22	37	-15	21	41	-20
Financial services	34	59	-25	110	98	12
Computer and information services	24	25	-1	44	29	15
Licensing, merchanting, leasing fees, audio-visual and related services	22	101	-79	35	93	-58
Other leisure and cultural services	59	95	-36	67	63	4
Government services n.s.e.	25	26	-1	27	45	-18
Other	268	378	-110	277	462	-185

BALANCE OF CURRENT TRANSFERS

USD million

	1999			2000		
	credit	debit	balance	credit	debit	balance
TOTAL	804	178	626	1079	219	860
General government, <i>of which</i> :	79	22	57	99	29	70
Payment of taxes, grants, etc.	0	21	-21	0	20	-20
Collection of taxes, charges, fines	76	0	76	93	0	93
Private transfers, <i>of which</i> :	725	156	569	980	190	790
Grants and aids, subsidies, etc.	253	18	235	252	3	249
Other current transfers	446	117	329	690	162	528

BALANCE OF CAPITAL TRANSFERS

USD million

	1999			2000		
	credit	debit	balance	credit	debit	balance
TOTAL	46	1	45	37	1	36
General government, <i>of which</i> :	44	0	44	35	0	35
Other general government transfers	44	0	44	35	0	35
Government debt write-off	0	0	0	0	0	0
Other capital transfers, <i>of which</i> :	2	1	1	2	1	1
Other	2	1	1	2	1	1

FINANCIAL ACCOUNT

USD million

	1999			2000		
	credit	debit	balance	credit	debit	balance
TOTAL	5,588	5,131	457	5,376	4,179	1,197
1. Monetary authority	924	1,769	-845	229	1,151	-922
Assets	738	911	-173	14	942	-928
- Deposits abroad	737	896	-159	0	935	-935
- SDRs	1	10	-9	14	5	9
- Monetary gold	0	5	-5	0	2	-2
Liabilities	186	858	-672	215	209	6
- Portfolio investment	0	678	-678	0	0	0
- Long-term loans and credits:	72	180	-108	115	95	20
- IMF loans and credits	72	139	-67	115	95	20
- Short-term loans and credits	114	0	114	100	114	-14
2. General government	539	505	34	1,286	431	855
Assets	28	34	-6	27	112	-85
- Portfolio investment	0	11	-11	0	3	-3
- bonds	0	11	-11	0	3	-3
- Long-term loans and credits:	12	6	6	5	86	-81
- Other	16	17	-1	22	23	-1
- short-term assets	16	17	-1	22	23	-1
Liabilities	511	471	40	1,259	319	940
- Portfolio investment	0	0	0	259	0	259
- bonds	0	0	0	259	0	259
- Long-term loans and credits:	509	463	46	997	307	690
- Other	2	8	-6	3	12	-9
- short-term liabilities	2	8	-6	3	12	-9
3. Banks	695	449	246	477	914	-437
Assets	443	196	247	383	731	-348
- Portfolio investment:	47	24	23	8	2	6
- bonds	47	24	23	8	2	6
- Direct investment:	0	12	-12	7	7	0
- of residents abroad	0	12	-12	7	7	0
- equity holdings	0	12	-12	7	7	0
- Long-term loans and credits	2	0	2	0	28	-28
- Short-term loans and credits	60	81	-21	65	51	14
- Cash and cheques	8	15	-7	5	7	-2
- Deposits with foreign banks	290	53	237	294	603	-309
- Other	36	11	25	4	33	-29
- short-term assets	36	11	25	4	33	-29
Liabilities	252	253	-1	94	183	-89
- Portfolio investment	0	43	-43	0	34	-34
- bonds	0	43	-43	0	34	-34
- Direct investment:	104	8	96	32	13	19
- Non-residents' capital investments in Romania:	104	8	96	32	13	19
- equity holdings	73	1	72	16	0	16
- other	31	7	24	16	13	3
- Long-term loans and credits	91	179	-88	15	93	-78
- Short-term loans and credits	10	0	10	13	20	-7
- Non-residents' deposits in Romania	47	23	24	34	23	11
4. Other sectors	3,430	2,408	1,022	3,384	1,683	1,701
Assets	507	509	-2	368	303	65
- Portfolio investment	1	4	-3	31	6	25
- bonds	0	0	0	31	6	25
- shares	1	4	-3	0	0	0
- Direct investment:	8	12	-4	38	27	11
- Non-residents' capital investments in Romania:	8	12	-4	38	27	11
- equity holdings	8	12	-4	38	27	11
- other	0	0	0	0	0	0
- Long-term loans and credits	11	7	4	40	24	16
- Short-term loans and credits	0	0	0	0	0	0
- Outstanding long-term export bills	103	87	16	49	56	-7
- Outstanding short-term export bills	382	398	-16	210	190	20
- Other:	2	1	1	0	0	0
- short-term assets	2	1	1	0	0	0
Liabilities	2,923	1,899	1,024	3,016	1,380	1,636
- Direct investment:	990	45	945	1,045	24	1,021
- Non-residents' capital investments in Romania:	990	45	945	1,045	24	1,021
- equity holdings	900	10	890	928	11	917
- other	90	35	55	117	13	104
- Portfolio investment	165	168	-3	174	326	-152
- bonds	58	129	-71	67	277	-210
- shares	107	39	68	107	49	58
- Long-term loans and credits	1,160	697	463	1,376	601	775
- Short-term loans and credits	318	298	20	114	125	-11
- Outstanding long-term import bills	145	316	-171	64	62	2
- Outstanding short-term import bills	141	354	-213	193	199	-6
- Other:	4	21	-17	50	43	7
- short-term liabilities	4	21	-17	50	43	7

ROMANIA: GROSS INTERNATIONAL RESERVES, 1995-2000
(end of period)

USD million

	1995	1996	1997	1998	1999	2000
<i>National Bank of Romania</i>	1,380.2	1,592.2	3,061.0	2,299.1	2,492.9	3,389.7
- Gold	1,046.1	1,041.5	867.5	924.3	966.6	920.0
(tonnes)	84.0	87.7	93.9	100.3	103.4	105.0
- SDRs	56.1	4.1	103.9	1.2	10.1	1.0
- convertible currencies	278.0	546.6	2,089.6	1,373.6	1,516.2	2,468.7
<i>Commercial banks</i>	1,244.9	1,552.1	1,609.9	1,492.6	1,160.7	1,452.5
- convertible currencies	1,244.9	1,552.1	1,609.9	1,492.6	1,160.7	1,452.5
Gross international reserves	2,625.1	3,144.3	4,670.9	3,791.7	3,653.6	4,842.2
<i>of which:</i>						
Gross foreign exchange reserves	1,579.0	2,102.8	3,803.4	2,867.4	2,687.0	3,922.2

ROMANIA: INTERNATIONAL INVESTMENT POSITION, 1995-2000

USD million

Institutional sectors	1995	1996	1997	1998	1999	2000
I. Monetary authority	31	-333	1,306	734	1,612	2,560
- assets	2,512	2,753	4,089	3,370	3,903	4,741
- liabilities	2,481	3,086	2,783	2,636	2,291	2,181
II. General government	770	699	-219	-200	562	-231
- assets	3,133	3,211	3,025	3,158	3,828	3,906
- liabilities	2,363	2,512	3,244	3,358	3,266	4,137
III. Banking sector	524	269	608	664	410	824
- assets	1,326	1,637	1,726	1,581	1,272	1,582
- liabilities	802	1,368	1,118	917	862	758
IV. Non-bank sector	-1,581	-3,019	-5,122	-7,829	-9,627	-11,219
- assets	1,569	1,483	1,324	1,418	715	666
- liabilities	3,150	4,502	6,446	9,247	10,342	11,885
Net position	-256	-2,384	-3,427	-6,631	-7,043	-8,066
- assets	8,540	9,084	10,164	9,527	9,718	10,895
- liabilities	8,796	11,468	13,591	16,158	16,761	18,961

ROMANIA: MEDIUM- AND LONG-TERM EXTERNAL CLAIMS, 1995-2000
(by country; end of period)

	1995	1996	1997	1998	1999	2000
Total non-convertible currencies (USD thou equivalent)	2,384,496	2,258,726	2,007,512	2,167,604	2,129,549	2,136,265
Angola	17,661	17,661	17,661	17,661	17,662	17,662
Saudi Arabia	286	250	250	250	0	0
Argentina	224	224	224	224	0	0
Bangladesh	7,575	1,740	882	253	0	0
Bulgaria	9,645	9,645	9,645	9,645	0	0
Canada	5,856	0	0	0	0	0
Congo	1,444	1,444	1,444	1,444	1,444	1,444
China	65,010	45,082	14,744	12,446	11,036	11,076
Egypt	48,074	38,800	0	0	0	0
Philippines	8,886	0	0	0	0	0
France	122	0	0	0	0	0
Guinea	14,057	14,529	15,015	15,567	15,770	17,082
Iraq	1,720,780	1,720,535	1,542,144	1,689,300	1,689,300	1,689,300
Iran	2,592	141	0	0	0	0
Israel	130	0	0	0	0	0
Libya	43,768	43,768	43,768	43,768	45,500	43,768
Morocco	7,613	0	0	0	0	0
Mozambique	86,752	91,196	98,427	105,253	109,094	120,739
Nigeria	10,100	10,103	3,181	1,700	1,700	1,523
Pakistan	37,987	0	0	0	0	0
Peru	12,428	12,429	12,783	12,783	0	0
Central African Republic	7,692	7,692	7,692	7,693	7,703	7,703
Sri Lanka	7,941	5,996	3,150	1,663	0	0
Syria	48,445	48,445	48,619	48,616	51,646	51,646
Somalia	1,654	1,654	1,654	1,654	2,509	2,509
Sudan	170,959	171,062	170,025	170,019	170,619	171,171
Turkey	26,243	0	0	0	0	0
Vietnam	0	0	0	11,625	5,020	0
Zair	0	522	522	522	546	546
Zambia	15,574	15,574	15,574	15,467	0	0
Zimbabwe	3,586	0	0	0	0	0
Other	1,412	234	108	51	0	96
Total transferable roubles (thou)	1,340,335	1,497,826	1,523,285	1,532,025	1,538,994	1,621,047
Mongolia	3,050	3,050	3,050	3,050	3,050	3,050
Cuba	632,649	771,404	771,404	840,181	840,181	916,839
P.D.R. of Korea	8,204	8,204	8,204	8,204	8,204	8,204
Vietnam	68,889	69,446	69,944	0	0	0
Russian Federation	520,143	538,322	563,283	573,190	580,159	580,159
Ukraine	107,400	107,400	107,400	107,400	107,400	112,795

ROMANIA: MEDIUM- AND LONG-TERM EXTERNAL CLAIMS, 1995-2000

(end of period)

	1995	1996	1997	1998	1999	2000
Convertible currencies (USD million)	2,385	2,259	2,008	2,168	2,130	2,136
- governmental credits	2,021	2,051	1,849	2,012	1,993	2,000
- trade credits	364	208	159	156	137	136
Transferable roubles (million)	1,340	1,498	1,523	1,532	1,539	1,621
- government credit	802	830	856	789	1,539	1,621
- trade credits	538	668	667	743	0	0
(equivalent coefficient transferable roubles/USD)	0.877	0.877	0.877	0.877	0.877	0.877
Total lending (USD million)	3,560	3,573	3,344	3,512	3,480	3,558
- governmental credits	2,724	2,779	2,600	2,704	3,343	3,422
- trade credits	836	794	744	808	137	136

ROMANIA: SHORT-TERM EXTERNAL CLAIMS AND LIABILITIES

(end of period)

USD million

	1995	1996	1997	1998	1999	2000
Cash against documents	255.9	180.6	185.8	187.0	173.7	172.7
Export letters of credit	299.8	321.4	226.2	179.3	219.4	218.5
Received guarantees	50.9	64.9	59.7	92.1	80.9	63.7
Total claims	606.6	566.9	471.7	458.4	474.0	454.9
Import bills (cash against documents)	172.3	474.7	471.3	231.5	159.9	147.7
Import letters of credit	545.8	410.0	258.3	150.6	128.1	161.4
Extended guarantees	96.7	142.6	151.4	178.9	61.2	48.9
Total liabilities	814.8	1,027.3	881.0	561.0	349.2	358.0

ROMANIA: CLEARING ACCOUNTS IN TRANSFERABLE ROUBLES

(end of period)

TR million

	1995	1996	1997	1998	1999	2000
TOTAL	59.0	120.3	133.0	135.9	136.7	126.4
Bulgaria	19.4	19.5	19.5	19.5	19.5	0.0
Hungary	-20.0	0.0	0.0	0.0	0.0	0.0
Cuba	95.3	95.3	96.1	96.1	96.1	96.1
Mongolia	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Poland	-24.9	0.0	0.0	0.0	0.0	0.0
Russian Federation	-1.8	-2.0	-2.0	-2.0	-2.0	0.0
Czech Republic & Slovakia	-34.1	-18.1	-6.4	-6.4	-6.1	0.0
Albania	10.3	10.3	10.3	12.3	12.3	12.9
P.D.R. of Korea	14.9	15.4	15.6	16.5	17.0	17.5
assets	139.9	140.5	141.5	144.4	144.9	126.5
liabilities	-80.9	-20.2	-8.5	-8.5	-8.2	-0.1

ROMANIA: CLEARING ACCOUNTS IN CONVERTIBLE CURRENCIES

(end of period)

USD million

	1995	1996	1997	1998	1999	2000
TOTAL	132.5	139.1	119.0	118.9	122.3	141.8
Iran	43.8	43.5	3.6	4.7	5.2	2.4
India	2.0	-0.5	0.1	0.1	0.1	0.0
Egypt	0.3	0.4	0.3	0.3	0.3	0.3
Greece	0.5	0.5	0.2	0.2	0.2	0.2
Republic of Korea	0.5	0.5	0.5	0.5	0.5	0.5
Algeria	0.8	0.8	0.8	0.8	0.8	0.8
Costa Rica	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Albania	0.3	0.3	0.3	0.3	0.3	0.3
China	-19.9	-9.9	2.4	0.2	0.2	0.2
Republic of Moldova	6.4	6.4	4.3	4.3	4.3	4.3
Bangladesh	-0.6	-1.4	-3.8	-4.8	3.3	2.0
Mozambique	5.8	5.8	5.8	5.8	5.8	5.8
Pakistan	-0.2	-0.2	-0.2	-0.2	-0.2	0.0
Sudan	0.8	0.9	0.9	0.9	0.9	0.9
CIS	-0.2	-0.2	6.1	6.1	0.0	0.0
Bulgaria	-1.5	-1.5	-1.5	-1.5	-1.5	0.0
Poland	-7.3	-7.3	-1.8	-1.4	-0.5	-0.2
Iraq	0.1	0.1	0.1	0.1	0.1	0.1
Russian Federation	0.0	0.0	0.0	0.0	0.0	21.7
Syria	101.3	101.3	101.3	102.9	102.9	102.9
Assets	162.6	160.5	126.7	127.2	124.9	142.4
Liabilities	-30.1	-21.4	-7.7	-8.3	-2.6	-0.6

ROMANIA: CLEARING ACCOUNTS, 1995-2000

(end of period)

	1995	1996	1997	1998	1999	2000
1. Transferable roubles (million)	59.0	120.3	133.0	135.9	136.7	126.4
- assets	139.9	140.5	141.5	144.4	144.9	126.5
- liabilities	-80.9	-20.2	-8.5	-8.5	-8.2	-0.1
Equivalent coefficient TR/USD (0.877)						
1a. Transferable roubles (equivalent USD million)	51.7	105.5	116.6	119.2	119.9	110.9
- assets	122.7	123.2	124.1	126.6	127.1	110.9
- liabilities	-70.9	-17.7	-7.5	-7.5	-7.2	-0.1
2. Other non-convertible currencies (equivalent USD million)	132.5	139.1	119.0	118.9	122.3	141.8
- assets	162.6	160.5	126.7	127.2	124.9	142.4
- liabilities	-30.1	-21.4	-7.7	-8.3	-2.6	-0.6
TOTAL CLEARING (equivalent USD million)	184.2	244.6	235.6	238.1	242.2	252.7
- assets	285.3	283.7	250.8	253.8	252.0	253.3
- liabilities	-101.0	-39.1	-15.2	-15.8	-9.8	-0.7

ROMANIA: EXTERNAL DEBT INDICATORS, 1995-2000

	1995	1996	1997	1998	1999	2000
External debt (ED) - USD million	6,482.0	8,345.0	9,503	9,899	9,156	10,430
- medium- and long-term (MLT)	5,482.0	7,209.0	8,584	9,323	8,771	10,054
- short-term (ST)	1,000.0	1,136.0	918	577	385	376
GDP - current prices						
- ROL billion	72,135.5	108,390.9	249,750	368,261	521,736	796,534
- average yearly ROL/USD rate	2,033.3	3,082.6	7,168	8,876	15,333	21,693
- USD million	35,477.4	35,162.6	34,843	41,822	35,176	36,718
Exports of goods and services (EXP)						
- USD million	9,404.0	9,648.0	9,955	9,519	9,854	12,133
Imports of goods and services (IMP)						
- USD million	11,306.0	12,503.0	12,349	12,798	11,538	14,071
External debt service (EDS) - USD million	1,736.0	1,590.0	2,582	3,451	3,548	2,424
- repayment of principal	1,443.0	1,222.0	2,080	2,897	3,040	1,867
- interest payment (INT)	293.0	368.0	502	554	508	557
Foreign exchange reserves of the banking system including SDR (FRBS) - USD million	1,579.0	2,102.8	3,803	2,867	2,687	3,922
Indicators						
ED/GDP	18.3%	23.7%	27.3%	23.7%	26.0%	28.4%
MLT/GDP	15.5%	20.5%	24.6%	22.3%	24.9%	27.4%
ED/EXP	68.9%	86.5%	95.5%	104.0%	92.9%	86.0%
MLT/EXP	58.3%	74.7%	86.2%	97.9%	89.0%	82.9%
EDS/EXP	18.5%	16.5%	25.9%	36.3%	36.0%	20.0%
EDS/GDP	4.9%	4.5%	7.4%	8.3%	10.1%	6.6%
EDS/FRBS	109.9%	75.6%	67.9%	120.3%	132.0%	61.8%
INT/EXP	3.1%	3.8%	5.0%	5.8%	5.2%	4.6%
FRBS/IMP (months)	1.7	2.1	3.7	2.7	2.8	3.3
ST/ED	15.4%	13.6%	9.7%	5.8%	4.2%	3.6%
Multilaterals/ED	42.9%	32.6%	34.5%	37.3%	42.3%	41.6%

ROMANIA'S SUBSCRIPTION QUOTA TO INTERNATIONAL FINANCIAL INSTITUTIONS

USD million

International institutions	1995	1996	1997	1998	1999	2000
IBRD	30.5	30.5	30.5	30.5	30.5	30.5
MIGA	1.2	1.2	1.2	1.2	1.2	1.6
IFC	2.4	2.6	2.6	2.6	2.6	2.6
EBRD	16.8	16.8	16.8	18.4	19.5	20.6
IBEC	11.7	11.5	10.1	10.7	9.2	8.5
IIB	16.1	15.8	13.9	14.7	12.7	11.7
BLACK SEA BANK	0.0	0.0	18.2	57	55.1	52.7
Total	78.7	78.4	93.3	135.1	130.8	128.2

MEDIUM- AND LONG-TERM EXTERNAL CLAIMS AS OF YEAR-END 2000
(non-convertible currencies)

equivalent of USD thou

	Total	maturity			institutional sector			
		overdue	unknown maturity	due in 2000	due in 2001	due after 2001	gov't credit	trade credit
Total	2,136,265	2,078,403	56,795	1,067	0	0	2,000,381	135,884
<i>of which :</i>								
Angola	17,662	17,662	0	0	0	0	0	17,662
China	11,076	3,675	7,401	0	0	0	11,076	0
Congo	1,444	1,444	0	0	0	0	0	1,444
Guinea	17,082	16,314	497	271	0	0	17,082	0
Iraq	1,689,300	1,670,513	18,520	267	0	0	1,689,300	0
Libya	43,768	43,768	0	0	0	0	0	43,768
Mozambique	120,739	112,699	8,040	0	0	0	111,614	9,125
Nigeria	1,523	1,523	0	0	0	0	0	1,523
CAR	7,703	7,703	0	0	0	0	0	7,703
Syria	51,646	29,309	22,337	0	0	0	48,617	3,029
Somalia	2,509	2,509	0	0	0	0	0	2,509
Sudan	171,171	170,642	0	529	0	0	122,692	48,479
Vietnam	0	0	0	0	0	0	0	0
Zair	546	546	0	0	0	0	0	546
Other	96	96	0	0	0	0	0	96

MEDIUM- AND LONG-TERM EXTERNAL CLAIMS AS OF YEAR-END 2000
(transferable roubles)

thou

	Total	maturity			institutional sector			
		overdue	unknown maturity	due in 1998	due in 1999	due after 1999	gov't credit	trade credit
Total	1,621,046	835,084	762,211	23,751	0	0	1,621,046	0
<i>of which :</i>								
Cuba	916,839	825,376	73,106	18,357	0	0	916,839	0
Mongolia	3,050	1,504	1,546	0	0	0	3,050	0
P.D.R. of Korea	8,204	8,204	0	0	0	0	8,204	0
Russian Federation	580,158	0	580,158	0	0	0	580,158	0
Ukraine	112,795	0	107,401	5,394	0	0	112,795	0

ROMANIA'S INTERNATIONAL INVESTMENT POSITION AS OF YEAR-END 2000
USD million

	Outstanding end-1999	Outstanding start of period	Price changes	Exchange rate changes	Other adjustments	Outstanding end-2000
NET POSITION	-7,043.6	-1,197.0	-48.6	223.6	0.0	-8,065.6
Assets	9,717.7	1,296.0	-48.6	-70.9	0.0	10,894.2
Liabilities	16,761.3	2,493.0	0.0	-294.5	0.0	18,959.8
<i>of which :</i>						
MONETARY						
AUTHORITY	1,612.2	922.0	-48.6	74.8	0.0	2,560.4
Assets	3,903.3	928.0	-48.6	-41.8	0.0	4,740.9
Liabilities	2,291.1	6.0	0.0	-116.6	0.0	2,180.5
GOVERNMENT	561.4	-855.0	0.0	63.0	0.0	-230.6
Assets	3,827.5	85.0	0.0	-6.5	0.0	3,906.0
Liabilities	3,266.1	940.0	0.0	-69.5	0.0	4,136.6
BANKING SECTOR	410.5	437.0	0.0	-23.3	0.0	824.2
Assets	1,272.4	348.0	0.0	-38.7	0.0	1,581.7
Liabilities	861.9	-89.0	0.0	-15.4	0.0	757.5
NON-BANK SECTOR	-9,627.7	-1,701.0	0.0	109.1	0.0	-11,219.6
Assets	714.5	-65.0	0.0	16.1	0.0	665.6
Liabilities	10,342.2	1,636.0	0.0	-93.0	0.0	11,885.2

	Outstanding end-1999	Transactions	Price changes	Exchange rate changes	Other adjustments	Outstanding end-2000
Monetary Authority	1,612.2	922.0	-48.6	74.8	0.0	2,560.4
Assets	3,903.3	928.0	-48.6	-41.8	0.0	4,740.9
- Portfolio investment	1,410.5	0.0	0.0	-59.3	0.0	1,351.2
- Shares	1,410.5	0.0	0.0	-59.3	0.0	1,351.2
- Bonds	0.0	0.0	0.0	0.0	0.0	0.0
- Medium- and long-term loans and credits	0.0	0.0	0.0	0.0	0.0	0.0
- Short-term loans and credits	0.0	0.0	0.0	0.0	0.0	0.0
- Cash and cheques	0.6	0.0	0.0	-0.6	0.0	0.0
- Deposits abroad	1,515.5	935.0	0.0	18.2	0.0	2,468.7
- Other	0.0	0.0	0.0	0.0	0.0	0.0
- medium- and long-term assets	0.0	0.0	0.0	0.0	0.0	0.0
- short-term assets	0.0	0.0	0.0	0.0	0.0	0.0
- SDRs	10.1	-9.0	0.0	-0.1	0.0	1.0
- Monetary gold	966.6	2.0	-48.6	0.0	0.0	920.0
Liabilities	2,291.1	6.0	0.0	-116.6	0.0	2,180.5
- Portfolio investment	309.3	0.0	0.0	-23.1	0.0	286.2
- Bonds	309.3	0.0	0.0	-23.1	0.0	286.2
- Medium- and long-term loans and credits	467.0	20.0	0.0	-34.2	0.0	452.8
<i>of which:</i>						
- IMF loans	458.2	20.0	0.0	-25.4	0.0	452.8
- Short-term loans and credits	12.0	-12.0	0.0	0.0	0.0	0.0
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Deposits abroad	102.0	-2.0	0.0	0.0	0.0	100.0
- Other	1,400.8	0.0	0.0	-59.3	0.0	1,341.5
- medium- and long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
- short-term liabilities	1,400.8	0.0	0.0	-59.3	0.0	1,341.5

	Outstanding end-1999	Transactions	Price changes	Exchange rate changes	Other ajustments	Outstanding end-2000
Government	561.4	-855.0	0.0	63.0	0.0	-230.6
Assets	3,827.5	85.0	0.0	-6.5	0.0	3,906.0
- Portofolio investment	130.7	3.0	0.0	-5.4	0.0	128.3
- Shares	130.7	3.0	0.0	-5.4	0.0	128.3
- Bonds						
- Medium- and long-term loans and credits	3,342.5	81.0	0.0	-1.5	0.0	3,422.0
- Short-term loans and credits	0.0	0.0	0.0	0.0	0.0	0.0
- Outstanding medium- and long-term export bills	0.0	0.0	0.0	0.0	0.0	0.0
- Outstanding short-term export bills	0.0	0.0	0.0	0.0	0.0	0.0
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Deposits abroad	2.0	0.0	0.0	1.1	0.0	3.1
- Other	352.3	1.0	0.0	-0.7	0.0	352.6
- medium- and long-term assets	100.3	0.0	0.0	-1.0	0.0	99.3
- short-term assets	252.0	1.0	0.0	0.3	0.0	253.3
Liabilities	3,266.1	940.0	0.0	-69.5	0.0	4,136.6
- Portofolio investment	346.2	259.0	0.0	-4.2	0.0	601.0
- Shares	36.9	0.0	0.0	-0.4	0.0	36.5
- Bonds	309.3	259.0	0.0	-3.8	0.0	564.5
- Medium- and long-term loans and credits	2,910.1	690.0	0.0	-65.2	0.0	3,534.9
- Short-term loans and credits	0.0	0.0	0.0	0.0	0.0	0.0
- Outstanding medium- and long-term export bills	0.0	0.0	0.0	0.0	0.0	0.0
- Outstanding short-term export bills	0.0	0.0	0.0	0.0	0.0	0.0
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Other	9.8	-9.0	0.0	-0.1	0.0	0.7
- medium- and long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
- short-term liabilities	9.8	-9.0	0.0	-0.1	0.0	0.7

	Outstanding end-1999	Transactions	Price changes	Exchange rate changes	Other adjustments	Outstanding end-2000
Banking sector	410.5	437.0	0.0	-23.3	0.0	824.2
Assets	1,272.4	348.0	0.0	-38.7	0.0	1,581.7
- Portfolio investment	3.7	-6.0	0.0	2.7	0.0	0.4
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	3.7	-6.0	0.0	2.7	0.0	0.4
- Direct investment abroad	90.6	0.0	0.0	3.6	0.0	94.2
- equity holdings	90.6	0.0	0.0	3.6	0.0	94.2
- ploughed-back profits	0.0	0.0	0.0	0.0	0.0	0.0
- other	0.0	0.0	0.0	0.0	0.0	0.0
- Medium- and long-term loans and credits	0.0	28.0	0.0	0.0	0.0	28.0
- Short-term loans and credits	21.0	-14.0	0.0	0.0	0.0	7.0
- Cash and cheques	72.0	2.0	0.0	-0.8	0.0	73.2
- Deposits abroad	1,052.2	309.0	0.0	-40.3	0.0	1,320.9
- Other	32.9	29.0	0.0	-3.9	0.0	58.0
- medium- and long-term assets	0.0	0.0	0.0	0.0	0.0	0.0
- short-term assets	32.9	29.0	0.0	-3.9	0.0	58.0
Liabilities	861.9	-89.0	0.0	-15.4	0.0	757.5
- Portfolio investment	36.7	-34.0	0.0	1.1	0.0	3.8
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	36.7	-34.0	0.0	1.1	0.0	3.8
- Foreign direct investment	258.3	19.0	0.0	-1.0	0.0	276.3
- equity holdings	215.5	16.0	0.0	-1.0	0.0	230.5
- ploughed-back profits	0.0	0.0	0.0	0.0	0.0	0.0
- other	42.8	3.0	0.0	0.0	0.0	45.8
- Medium- and long-term loans and credits	345.4	-78.0	0.0	-15.4	0.0	252.0
- Short-term loans and credits	24.2	-7.0	0.0	0.5	0.0	17.7
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Deposits abroad	197.3	11.0	0.0	-0.6	0.0	207.7
- Other	0.0	0.0	0.0	0.0	0.0	0.0
- medium- and long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
- short-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0

	Outstanding end-1999	Transactions	Price changes	Exchange rate changes	Other adjustments	Outstanding end-2000
Non-bank sector	-9,627.7	-1,701.0	0.0	109.1	0.0	-11,219.6
Assets	714.5	-65.0	0.0	16.1	0.0	665.6
- Portfolio investment	30.4	-25.0	0.0	0.0	0.0	5.4
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	30.4	-25.0	0.0	0.0	0.0	5.4
- Direct investment abroad	12.0	-11.0	0.0	0.0	0.0	1.0
- equity holdings	12.0	-11.0	0.0	0.0	0.0	1.0
- ploughed-back profits	0.0	0.0	0.0	0.0	0.0	0.0
- other	0.0	0.0	0.0	0.0	0.0	0.0
- Medium- and long-term loans and credits	136.8	-16.0	0.0	15.1	0.0	135.9
- Short-term loans and credits	0.0	0.0	0.0	0.0	0.0	0.0
- Outstanding medium- and long-term export bills*	34.0	7.0	0.0	0.0	0.0	41.0
- Short-term export bills	473.9	-20.0	0.0	1.0	0.0	454.9
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Deposits abroad	0.0	0.0	0.0	0.0	0.0	0.0
- Other	27.4	0.0	0.0	0.0	0.0	27.4
- medium- and long-term assets	0.0	0.0	0.0	0.0	0.0	0.0
- short-term assets	27.4	0.0	0.0	0.0	0.0	27.4
Liabilities	10,342.2	1,636.0	0.0	-93.0	0.0	11,885.2
Portfolio investment	941.0	-152.0	0.0	-4.6	0.0	784.4
- Shares	429.0	58.0	0.0	0.0	0.0	487.0
- Bonds	512.0	-210.0	0.0	-4.6	0.0	297.4
- Direct investment abroad	5,210.9	1,021.0	0.0	-4.0	0.0	6,227.9
- equity holdings	5,081.6	917.0	0.0	0.0	0.0	5,998.6
- ploughed-back profits	0.0	0.0	0.0	0.0	0.0	0.0
- other	129.3	104.0	0.0	-4.0	0.0	229.3
- Medium- and long-term loans and credits	3,769.9	775.0	0.0	-98.8	0.0	4,446.1
- Short-term loans and credits	35.0	-11.0	0.0	0.0	0.0	24.0
- Outstanding medium- and long-term import bills*	13.0	2.0	0.0	0.0	0.0	15.0
- Outstanding short-term import bills	349.1	-6.0	0.0	14.9	0.0	358.0
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Other	23.3	7.0	0.0	-0.5	0.0	29.8
- medium- and long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
- short-term liabilities	23.3	7.0	0.0	-0.5	0.0	29.8

* estimates by cumulating balance of payments flows.