



**NATIONAL BANK OF ROMANIA**

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

**ANNUAL REPORT**

**2001**

### *Note*

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## **MAIN DEVELOPMENTS IN 2001**

### **I. External environment**

In 2001 world economy was hallmarked by a slowdown of economic activity in the USA, Japan and Germany, which worsened in the aftermath of the September terrorist attacks, with adverse effects upon the other economies and international trade. International transactions were affected by enhanced security measures as well as by an increased weight of insurance expenses.

Slower USA economic activity had knock-on effects upon Western Europe not only through the traditional foreign trade channel, but also through that of financial flows (European direct investment in the USA). These developments, aggravated by the crises in Argentina and Turkey, ramped up the risk component of international environment bringing about lower and more costly financial flows towards emerging economies. In 2001, the slower pace of world economy expansion was mirrored by the growth rate of global output of only 2.5 percent compared with 4.7 percent in 2000 and the stagnation in international trade of goods. Western Europe showed a growth rate of 1.3 percent, the lowest since 1993, while European Union edged up 1.7 percent, both rates lagging behind the average worldwide.

In 2001, **Latin America** also saw a slowdown in economic activity amid crisis in Argentina, energy shortage sharpening in Brazil and stagnation of Mexican economy, highly dependent on the trade with the USA.

Emerging markets in **East Asia** were hurt by downturn in world output in information technology and communications, sectors having a large share in the region's exports. This negative development was mitigated by the Chinese economy through appropriate fiscal policies.

**Japan's** economic situation worsened heavily in 2001, witnessing the third recession year over the last decade, against the background of flat domestic demand and plummeting exports made up mainly of information technology and communications products.

On **international markets**, the oil price rose up to USD 26/barrel in September 2001 but it started falling thereafter down to USD 18–21/barrel, as a result of pessimistic expectations on world economy following the terrorist attacks on the USA.

In 2001, the **USA** economy grew by merely 1.2 percent posting the lowest growth rate since 1991, on the back of shrinking investment and fall in exports of goods and services, which could not be offset by the private and public consumption. The decrease of imports, particularly of

capital goods, allowed nevertheless the weights of both trade and current account deficits in GDP to decrease as compared to the previous year. Amid lower external deficits, the US dollar kept appreciating, more significantly in real terms than in nominal terms, counteracting partially the expected effects of monetary policy loosening.

In the **euro zone**, the economic growth slowed down in 2001, against the backdrop of stagnation having occurred across most member countries in the second half of the year. The worsening of international environment hampered exports that edged up only 2.8 percent (against 12 percent in 2000), while domestic demand was dampened by stalling investment and private consumption curtailment. The average inflation rate across the region rose to 2.6 percent, ranging from 1.6 percent in France to 4.9 percent in Ireland. The average unemployment rate diminished to 8.3 percent in 2001 against 8.8 percent a year earlier. The aggregate current account deficit improved significantly amounting to EUR 9 billion (0.1 percent of GDP), down from EUR 70 billion (1.1 percent of GDP) in 2000, in the wake of a higher trade surplus amid falling imports. As compared with the prior year, the aggregate financial account featured a reverse relation between direct and portfolio investment in terms of financing source for external deficit. More specifically, direct investment showed net outflows tantamount to EUR 94 billion (against net inflows of EUR 15 billion in 2000), while portfolio investment marked EUR 41 billion net inflows, after net outflows amounting to EUR 103 billion in the year earlier. With a view to giving a spur to economic activity and counteracting the adverse effects coming from international environment, the European Central Bank further curtailed the reference rate. The expected outcome was nevertheless hampered by the sharp decrease in share prices and the euro real appreciation in the second half of the year. The share of the aggregate budget deficit of the region in GDP rose from 0.8 percent in 2000 to 1.1 percent in 2001, following the reduction in revenues from tax collection concurrent with increase in expenses, mainly welfare payments.

**European countries in transition** recorded positive growth rates, some of them posting even accelerating growth rates, in spite of unfavourable influences from developed economies. With an aggregate GDP growth rate of 5 percent, this group of countries ranged among the most dynamic zones worldwide, boosted by the remarkable growth, for the third consecutive year, in the economies of Community of Independent States.

In 2001, behind the economic performances of transition countries amid their more open economies and depressed world trade stood two reasons. These economies witnessed an upsurge in private domestic demand stimulated by incoming foreign direct investment, on one hand, and gains in productivity, which eventuated in increasingly competitive exports, on the other hand.

**Central and East European** countries posted an aggregate economic growth rate of 3 percent, above that recorded by euro zone, but below the rate of the previous year due to the virtual stalemate of economic activity in Poland and the lower growth rate in Hungary and Slovenia.

**Table No. 1. Main macroeconomic indicators in some EU candidate countries  
in Central and Eastern Europe**

	GDP		Industrial output		Inflation		Unemployment rate	
	(growth rate)		(growth rate)		(Dec./Dec.)		(end of period)	
	2000	2001	2000	2001	2000	2001	2000	2001
Bulgaria	5.4	4.0	8.1	-4.8	11.3	4.8	17.9	17.3
Czech Republic	2.9	3.6	5.1	6.0	4.0	4.1	8.8	8.9
<b>Romania</b>	<b>1.8</b>	<b>5.3</b>	<b>7.1</b>	<b>8.2</b>	<b>40.7</b>	<b>30.3</b>	<b>10.5</b>	<b>8.6</b>
Poland	4.0	1.1	6.8	-0.2	8.5	3.6	15.0	17.4
Slovakia*	2.2	3.3	9.2	5.6	8.4	6.5	17.9	18.6
Slovenia	4.6	3.0	6.2	2.9	8.9	7.0	12.0	11.8
Hungary	5.2	3.8	18.6	3.7	10.1	6.8	5.7	5.7

Source: Monthly and annual bulletins of central banks, IMF and BIS publications

\*) Data on unemployment rate are collected from labour surveys.

For Romania, data were updated as of 25 July 2002.

In 2001, most EU accession countries saw significant growth rates – as compared with 2000, Romania, the Czech Republic and Slovakia displayed higher rates, while in Hungary, Slovenia and Bulgaria the economy slowed down on the back of lower import demand from Western Europe. After nine years of sustained growth, Poland’s economy increased slowly due to decelerating pace of reform.

In **Central and Eastern Europe**, **industrial production** rose on average by 3.2 percent, with Romania showing the fastest pace (8.2 percent), followed by the Czech Republic and Slovakia.

The overall disinflation trend featured by **Central and Eastern Europe** mirrored the significant decline in imported inflation due to diminishing pressure exerted by the price of raw materials upon production costs and appreciation of some national currencies.

Employment rate contracted at a similar pace to that of 2000 and the average level across the region was highly influenced by economic stagnation in Poland. Employment rate improved in Hungary, Slovenia, Slovakia, and Romania and decreased in the Czech Republic. On the whole, unemployment rate edged up from 15.2 percent at end-2000 to 15.6 percent in December 2001 hitting a record high since the beginning of the economic transition process. Unemployment decreased in Romania, Bulgaria, and Slovenia.

In 2001, **emerging markets** had to cope with a volatile international environment owing to financial crises in Argentina and Turkey. Along with the slowdown of world economy, the difficulties encountered by these two countries resulted in weakening confidence of investors and their flagging interest in trading debt instruments issued by emerging countries. Despite less favourable international environment, most transition countries posted an improved financial position in 2001 and many of them were awarded higher ratings. Disparities across the region were nevertheless fairly significant so that some countries had limited access to private and/or official capital and they were likely to face default.

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

In 2001, the current account deficit of **Central and Eastern Europe** remained unchanged in terms of value but its ratio to GDP decreased from 5 percent in 2000 to 4.5 percent exclusively due to relative improvement of deficits of Slovenia, Poland and Hungary, due to decrease in domestic demand. As for the other EU accession countries, current account deficit as a share of GDP posted either a constant level (the Czech Republic) or a higher one (Slovakia, Romania and Bulgaria), even if in most countries trade deficit widening was partly offset by current transfers as well as by surpluses under tourism and other services.

**Table No. 2. Foreign trade and external position  
of some Central and East European candidates to EU**

	Exports		Imports		Trade balance		Current account balance	
	- growth rate -				- share of GDP -			
	2000	2001	2000	2001	2000	2001	2000	2001
Bulgaria	20.4	5.7	18.0	11.1	-14.0	-16.2	-5.9	-6.7
Czech Republic	10.5	15.1	14.4	13.7	-6.1	-5.6	-4.5	-4.5
Poland	15.5	14.0	6.6	2.7	-11.0	-7.3	-6.3	-4.0
<b>Romania**</b>	<b>22.1</b>	<b>9.8</b>	<b>23.7</b>	<b>19.1</b>	<b>-4.6</b>	<b>-7.5</b>	<b>-3.7</b>	<b>-5.8</b>
Slovakia	15.9	6.6	12.4	16.0	-3.9	-9.8	-3.7	-9.0
Slovenia	2.2	6.0	0.3	0.3	-7.6	-4.8	-3.4	-0.4
Hungary*	12.3	8.6	14.5	5.0	-8.6	-6.2	-2.9	-2.1

Source: United Nations, Economic Survey of Europe, No.1/2002

\*) Current account balance does not include re-invested profit.

\*\*\*) Data updated as of 25 July 2002

**Foreign trade of Central and Eastern Europe** featured heftier increase of exports than that of imports, against the backdrop of declining external prices for oil and raw materials. **Trade balance** across the region recorded a USD 40 billion deficit; its increase was contained by the favourable evolution of the terms of trade stemming from steeper decrease in import prices than export prices. **Exports** of the region went up 10.7 percent, the higher rates recorded by the Czech Republic and Poland being boosted by both their larger absorption capacity of external shocks thanks to a greater flexibility of the export sector and the support of multinationals. In the second half of 2001, exports of Romania and Bulgaria saw lower dynamics due to commodity composition and their small shares in intra-regional and CIS markets. Moreover, Bulgaria was affected by the economic crisis in Turkey as well as by declining exports to Yugoslavia. Total **imports** of Central and Eastern Europe rose 8.6 percent as compared with 2000, showing a lower growth rate than exports as a result of diminishing domestic demand in Poland and Hungary.



**Table No. 3. Net capital flows in some Central and East European candidates to EU**

	Financial and capital account flows**				Changes in official reserves***	
	- USD bill.-		Capital flows-to-GDP (%)		- USD bill.-	
	2000	2001	2000	2001	2000	2001
Bulgaria	1.1	1.2	9.3	9.0	0.4	0.3
Czech Republic	3.1	4.1 *	6.1	7.3	0.8	1.6 *
Poland	10.6	6.6	6.7	3.7	0.6	-0.5
<b>Romania****</b>	<b>2.3</b>	<b>3.8</b>	<b>6.2</b>	<b>9.6</b>	<b>0.9</b>	<b>1.5</b>
Slovakia	1.5	2.0 *	8.0	9.9	0.8	0.2 *
Slovenia	0.8	1.4	4.4	7.2	0.2	1.3
Hungary****	2.4	1.0	5.2	1.9	1.1	-0.1

Source: United Nations, Economic Survey of Europe, No.1/2002

\*) Estimates of EEC Secretariate.

\*\*\*) Including errors and omissions, excluding changes in official reserves

\*\*\*\*) "+" indicates increase in reserves.

\*\*\*\*\*) Excluding re-invested profit

\*\*\*\*\*) Data updated as of 25 July 2002.

Although overall financial streams declined in 2001, **Central and Eastern European** countries succeeded in raising enough capital resources so as to be able to finance current account deficits and to increase their official reserves. Net capital inflows of the whole region, displaying a level comparable to the previous year, decreased in the wake of Poland's decision to voluntarily repay part of its external debt. Financial inflows perked up in the Czech Republic (boosted by direct investment including privatisation receipts), Slovakia and Slovenia. In Hungary net financial inflows slipped as a result of short-term capital outflows and reimbursement of medium and long-term loans in an effort to reduce external indebtedness. In addition to payments of external debt, Poland encountered a decline in foreign direct investment.

**Table No. 4. Foreign direct investment (inflows) in Central and East European countries candidates to EU**

	- USD bill. -		Direct investment/GDP (%)	
	2000	2001	2000	2001
Bulgaria	1.0	0.7	8.4	5.0
Czech Republic	4.6	4.5 *	9.1	8.0
Poland	8.3	6.9	5.3	3.9
<b>Romania**</b>	<b>1.0</b>	<b>1.2</b>	<b>2.8</b>	<b>2.9</b>
Slovakia	2.1	2.0 *	10.8	9.8
Slovenia	0.2	0.4	1.0	2.4
Hungary***	1.6	2.4	3.6	4.7

Source: United Nations, Economic Survey of Europe, No.1/2002

\*) Estimates of EEC Secretariate.

\*\*\*) Data updated as of 25 July 2002.

\*\*\*\*) Excluding re-invested profit

**Foreign direct investment**, a stable source of financing the current account deficit of **Central and Eastern Europe**, decreased slightly both in terms of value and as a share of GDP in 2001. Although direct investment remained the main component of capital inflows, it was impeded by delayed privatisation, particularly in Bulgaria, Poland, and Slovakia. In 2001 too, over half of total direct investment flows to the region were channelled to the Czech Republic, Poland and Hungary.

In 2001, **net inflows of portfolio investment** in **Central and Eastern Europe** rose sharply to USD 5.5 billion, spurred by new issues of Eurobonds (Romania and Bulgaria) and inflows to domestic capital markets. The value of new **medium- and long-term loans** was rather low so that the region's balance posted net external debt payments.

**Table No. 5. External debt and foreign exchange reserves  
of some Central and East European candidates to EU**

	Gross external debt		Gross external debt/ exports (%)*		Gross external debt / GDP (%)		Forex reserves*** mths. of imports*		
	-USD bill.-						- USD bill. -		
	2000	2001	2000	2001	2000	2001	2000	2001	2001
Bulgaria	10.4	9.9	142.0	126.0	86.0	75.0	3.3	3.4	4.4
Czech Republic	21.4	21.8 **	57.0	52.0	42.0	39.0	13.0	14.3	3.8
Poland	69.5	71.8 **	204.0	194.0	44.0	40.0	26.6	25.6	6.1
<b>Romania****</b>	<b>10.6</b>	<b>12.1</b>	<b>87.8</b>	<b>90.3</b>	<b>28.9</b>	<b>30.4</b>	<b>2.5</b>	<b>3.9</b>	<b>2.8</b>
Slovakia	10.8	11.0 **	75.0	71.0	56.0	54.0	4.0	4.1	2.8
Slovenia	6.2	6.7	56.0	57.0	34.0	36.0	3.2	4.3	4.3
Hungary	30.7	33.4	93.0	91.0	66.0	65.0	11.2	10.7	3.4

Source: United Nations, Economic Survey of Europe, No.1/2002

\*) Exports of goods and services, including incomes. Imports of goods and services, including incomes.

\*\*\*) Available data as of September; for Slovakia data as of November

\*\*\*\*) Official reserve leaves gold out of account.

\*\*\*\*\*) Data updated as of 25 July 2002.

### III. Romanian economy in 2001

In 2001, the Romanian economy strengthened the upward trend that started in 2000, after three consecutive years of recession. GDP rose 5.3 percent, showing the highest growth rate since 1995, against the background of the continuous and coherent reform bringing about positive developments of main economic parameters: lower inflation and unemployment as well as higher investment and improved activity in agriculture, manufacturing and construction.

**Table No. 6. GDP by expenditure**

	previous year = 100	
	2000	2001
<b>Real GDP</b>	<b>101.8</b>	<b>105.3</b>
Actual final consumption of households	100.1	106.4
Actual final consumption of general government	115.9	98.1
Gross fixed capital formation	104.6	106.6
Exports of goods and services	124.1	110.6
Imports of goods and services	128.2	117.5

Source: National Institute of Statistics (NIS)

In 2001, Romanian exports growth pace was much slower, posting less than half the rate recorded in 2000 amid less favourable world trade conditions. Nevertheless, the negative effects were contained by competitiveness gains on the back of higher productivity in sectors such as machinery and equipment, electric appliances, ready-made clothes and footwear. Thus, although overall EU demand for imports stayed virtually put as against 2000, Romanian exports to this region increased by 16.6 percent, thus contributing by almost 10 percent to the growth of the whole Romanian exports.

**Inflation rate** based on consumer prices, December 2001 on December 2000, was 30.3 percent, more than 10 percentage points lower against the previous year, while monthly average inflation rate was 2.2 percent compared with 2.9 percent in 2000. Consumer prices showed the sharpest increase for services (up 36.2 percent mainly due to railway transport, air transport, postal and telecommunication services) and non-food items (up 31.4 percent, stemming from electricity, heating, gas, tobacco and cigarettes), while the 27 percent rise in prices for foodstuffs was below the average level. As far as inflation is concerned, Romania still lags behind Central and South East European countries, that showed, except for Yugoslavia, single-digit inflation rates.

In 2001, the **ROL** appreciated in real terms by 0.4 percent against the USD and by 3.1 percent against the EUR (annual average).

**Unemployment rate** was 8.6 percent at end-2001, down 1.9 percentage points from December 2000, thanks to faster economic growth. Thus, within Central and South East European region, Romania outpaced the Czech Republic, ranking second after Hungary.

**Consolidated general government deficit** stood at 3.3 percent of GDP, less than the forecasted level of 3.5 percent, following the cut in running expenditures in the second half of the year.

## **IV. Balance of payments and international investment position of Romania in 2001**

### **A. Balance of payments**

In 2001, Romania's balance of payments mirrored both the efforts to strengthen economic growth and the unfavourable developments in the international environment bringing about wider trade and current account deficits. However, better economic performance allowed for more than half of the current account deficit to be financed from direct investment and eased the access to international capital markets.

**Table No. 7. GDP\* and external sector**

	-USD million-	
	2000	2001
1. Absorption	38,830.9	42,892.1
Final consumption	31,710.1	34,239.1
Investment	7,120.8	8,653.0
2. Exports, net	-1,938.0	-3,178.0
3. Net income from abroad	-285.0	-282.0
4. Current transfers, net	860.0	1,143.0
GDP (1+2)	36,892.9	39,714.1
Gross national disposable income (1+2+3+4)	37,467.9	40,575.1
CURRENT ACCOUNT BALANCE	-1,363.0	-2,317.0
GROSS SAVING	5,757.8	6,336.0
Share of current account balance in GDP (%)	-3.7	-5.8
Share of saving in GDP (%)	15.6	16.0
Share of investment in GDP (%)	19.3	21.8

\*) Calculations based on National Institute of Statistics (NIS) data and average ROL/USD exchange rate

Current account deficit amounted to USD 2,317 million, up 70 percent as against 2000; domestic absorption rose more than 10 percent with investment rising at the fastest pace. Final consumption to investment ratio improved and investment share in absorption increased 1.9 percentage points, laying the groundwork for economic growth and external deficit financing.

#### **1. Current account**

In 2001, current account deficit posted the record high since 1998, both in terms of value and as a share to GDP. External imbalance deepening was attributed to exports, still weak in terms of competitiveness, as well as to real appreciation of domestic currency.

**Table No. 8. Balance of payments**

	-USD million-					
	2000			2001		
	Credit	Debit	Balance	Credit	Debit	Balance
<b>1. CURRENT ACCOUNT</b>	<b>13,537</b>	<b>14,900</b>	<b>-1,363</b>	<b>15,251</b>	<b>17,568</b>	<b>-2,317</b>
Goods and services	12,133	14,071	-1,938	13,379	16,557	-3,178
- Goods	10,366	12,050	-1,684	11,385	14,354	-2,969
- Services	1,767	2,021	-254	1,994	2,203	-209
Incomes	325	610	-285	455	737	-282
Current transfers	1,079	219	860	1,417	274	1,143
<b>2. CAPITAL AND FINANCIAL ACCOUNT</b>	<b>5,397</b>	<b>4,167</b>	<b>1,230</b>	<b>6,739</b>	<b>5,240</b>	<b>1,499</b>
Capital transfers	37	1	36	108	13	95
Direct investment	1,106	58	1,048	1,303	129	1,174
Portfolio investment	472	371	101	1,155	580	575
Other capital investment (including in-transit and clearing accounts)	3,768	2,795	973	4,173	3,034	1,139
Reserve assets ("-" increase, "+" fall)	14	942	-928	0	1,484	-1,484
<b>3. ERRORS AND OMISSIONS</b>	<b>133</b>	<b>0</b>	<b>133</b>	<b>818</b>	<b>0</b>	<b>818</b>

In the year under review, current account deficit worsened as a result of trade deficit deepening from 4.6 percent in 2000 to 7.5 percent in 2001 as a share of GDP. Against the previous year, the composition of current account deficit changed, displaying a larger weight of trade deficit along with lower shares of shortfalls under “Services” and “Incomes”. Trade deficit widening hampered the favourable impact induced by higher surplus under “Current transfers” upon current account balance.

### 1.1. Trade balance (goods and services)

In 2001, goods and services balance posted a deficit tantamount to USD 3,178 million, up 64 percent against 2000, entirely due to trade balance (goods), i.e. external sources covered a significant part of the increase in domestic consumption.

#### 1.1.1. Trade balance (goods)

As compared to 2000, the 2001 trade deficit widened in terms of value and as a share of GDP, rising by USD 1,285 million, or 2.9 percentage points, amid stepped-up economic growth requiring higher imports. Trade deficit advanced 76.3 percent to USD 2,969 million with highest levels in Q2 2001 (31 percent) and Q4 2001 (40 percent).

The trade deficit stemmed primarily from relations with transition countries (60.3 percent, mainly due to transactions with the Russian Federation, i.e. 34 percent, and CEFTA members, i.e. 20.6 percent), developed countries (29.2 percent, of which 17.2 percent arising from transactions with the EU) and other countries (10.5 percent).

**Economy openness** showed a continuous upsurge in the last three years, rising to 64.8 percent at end-2001; this mirrors Romania’s increasing integration in the world economic flows.

**Table No. 9. Trade balance (goods)**

	M.U.	2000	2001	Difference (+/-)
Exports (fob)	USD mill.	10,366.0	11,385.0	1,019.0
Imports (fob)	USD mill.	12,050.0	14,354.0	2,304.0
Trade balance	USD mill.	-1,684.0	-2,969.0	-1,285.0
Share of exports in GDP	%	28.1	28.7	0.6
Share of imports in GDP	%	32.7	36.1	3.4
Share of trade balance in GDP	%	-4.6	-7.5	-2.9
Share of trade balance in current account balance	%	123.6	128.1	4.5
Economy openness: (exports+imports)/GDP	%	60.8	64.8	4.0

Source: National Institute of Statistics (NIS)

**Exports of goods** amounted to USD 11,385 million. The 9.8 percent increase year on year (USD 1,019 million) came mainly from higher volumes recorded by over two thirds of exported goods. The rise of exports throughout the last two years generated their increasing contribution to GDP from 23.8 percent in 1999 to 28.7 percent in 2001. International trade stagnation on the back of slower global economic growth affected Romanian exports too, which lowered 1.2 percent in the fourth quarter. Nevertheless, over the whole year, exports were supported by domestic and external stimuli as follows:

- 9.6 percent increase in manufacturing output;
- increasing specialisation in the fields where Romania enjoys a comparative advantage (such as ready-made clothes, footwear, furniture), ranking first among suppliers to the EU, ahead of Poland;
- shifting exports to less energy-intensive activities, thereby reducing export dependence on energy imports;
- competitiveness gains as a result of almost 2 percentage point increase in the share of manufactured goods in overall exports;
- partial subsidising the interest on export loans; and
- granting export guarantees for sophisticated products with a long manufacturing cycle.

**Imports of goods (FOB)** amounted to USD 14,354 million (36.1 percent of GDP), up USD 2,304 million (i.e. 19.1 percent) compared with 2000, against the background of higher domestic demand and exports. There were several factors underlying the rise in imports such as:

- facilities granted to investors and small- and medium-sized enterprises (according to Law No. 133/1999 and Law No. 332/2001) with respect to an extended range of imported products;
- removal of customs duties levied on industrial goods imported from the EU as well as loosening of some protectionist measures for agricultural products imported from CEFTA;

- real appreciation of ROL against the US dollar and the euro;
- improved country rating that entailed brisker foreign direct investment and consequently higher imports of machinery and equipment; and
- further economic growth.

### 1.1.1.1. Exports by commodity and by group of countries

#### a) Exports composition

Exports composition by economic activity highlights manufacturing and agriculture as the main sources of Romanian exports; their contribution stayed flat as against the previous year.

**Table No. 10. Exports by main activities of national economy (CANE)**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>TOTAL</b>	<b>10,366.0</b>	<b>11,385.0</b>	<b>109.8</b>	<b>100.0</b>	<b>100.0</b>
Agriculture, forestry and fishery	267.3	288.0	107.7	2.6	2.5
Mining and quarrying	34.4	37.7	109.6	0.3	0.3
Manufacturing	10,013.0	10,987.0	109.7	96.6	96.5
Electricity	46.7	62.3	133.4	0.5	0.5
Other*	4.6	10.0	217.4	0.0	0.2

Source: National Institute of Statistics (NIS)

\*) Including non-classified activities

Exports of manufactured goods rose 9.7 percent compared with 2000 for most activities; exports went down in metallurgy (by 12 percent), petroleum processing industry (7.4 percent), chemicals, and man-made fibres industry (3.1 percent).

The following sub-sectors posted above-average rises: medical instruments and apparatus, watches and clocks (54.7 percent), electric machinery and appliances (39.2 percent), machinery and equipment (29.7 percent), leatherwear and footwear (25.8 percent), rubber and plastic products (25.1 percent), food and beverages (23 percent), textile, fur and leather ready-to-wear (19.8 percent), textiles and textile products (19.1 percent), pulp, paper and cardboard products (16.3 percent), furniture (16 percent), road transport means (14.3 percent), metallic construction and metal products (13.8 percent).

**Table No. 11. Exports by main manufacturing activity**

	- USD mill. -		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>TOTAL</b>	<b>10,013.0</b>	<b>10,987.0</b>	<b>109.7</b>	<b>100.0</b>	<b>100.0</b>
of which:					
Food and beverages	147.2	181.1	123.0	1.5	1.6
Textiles and textile products	424.4	505.4	119.1	4.2	4.6
Textile, fur and leather ready-to-wear	2,081.6	2,493.0	119.8	20.8	22.7
Leather and footwear	836.2	1,051.9	125.8	8.4	9.6
Woodworking	531.6	531.8	100.0	5.3	4.8
Pulp, paper and cardboard	75.5	87.8	116.3	0.8	0.8
Petroleum processing and coal coking	695.5	643.8	92.6	6.9	5.9
Chemicals and man-made fibres	631.9	612.0	96.9	6.3	5.6
Rubber and plastic products	90.2	112.8	125.1	0.9	1.0
Non-metallic mineral products	206.8	214.9	103.9	2.1	2.0
Metallurgy	1,590.7	1,400.4	88.0	15.9	12.7
Metallic construction and metal products	163.8	186.4	113.8	1.6	1.7
Machinery and equipment	516.3	669.8	129.7	5.2	6.1
Electric machinery and appliances	370.2	515.2	139.2	3.7	4.7
Radio, television and communication equipment	394.0	399.6	101.4	3.9	3.6
Medical instruments and apparatus, watches and clocks	33.8	52.3	154.7	0.3	0.5
Road transport means	230.4	263.4	114.3	2.3	2.4
Other transport means	339.3	361.2	106.5	3.4	3.3
Furniture and other activities	516.3	598.7	116.0	5.2	5.4

Source: National Institute of Statistics (NIS)

**Table No. 12. Exports according to the National Accounts System**

	- USD mill. -		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>TOTAL*</b>	<b>10,366.0</b>	<b>11,385.0</b>	<b>109.8</b>	<b>100.0</b>	<b>100.0</b>
of which:					
1. Capital goods	772.7	933.6	120.8	7.5	8.2
2. Intermediate goods	5,133.5	5,259.7	102.5	49.5	46.2
3. Consumer goods	4,084.0	4,881.8	119.5	39.4	42.9

Source: National Institute of Statistics (NIS)

\*) Including non-classified goods

As compared with 2000, commodity composition of exports (according to the System of National Accounts – SNA) was mainly influenced by the EU demand for goods processed under OPT arrangements. Thus, the higher demand for textiles, ready-to-wear, footwear and furniture led to a 3.5 percentage point increase in consumer goods as a share of total exports, while the robust demand for machinery, equipment and transport means brought about a 0.7 percentage point spike of the weight of capital goods in total exports. Moreover, the share of intermediate goods shrank by 4.2 percentage points.

Export structure in terms of **broad economic categories** posted a higher weight of manufactured products from 93.3 percent in 2000 to 95 percent in 2001, particularly for **non-specified consumer goods, food and beverages and capital goods** – excepting transport equipment.



**Table No. 13. Exports by broad economic category**

	- USD mill. -		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>TOTAL*</b>	<b>10,366.0</b>	<b>11,385.0</b>	<b>109.8</b>	<b>100.0</b>	<b>100.0</b>
<b>1. Food and beverages</b>	<b>277.8</b>	<b>367.4</b>	<b>132.3</b>	<b>2.7</b>	<b>3.2</b>
- of which: processed goods	76.8	97.5	127.0	0.7	0.9
<b>2. Industrial supplies</b>	<b>3,547.3</b>	<b>3,568.7</b>	<b>100.6</b>	<b>34.2</b>	<b>31.3</b>
- of which: processed goods	3,090.2	3,278.5	106.1	29.8	28.8
<b>3. Fuels and lubricants</b>	<b>740.3</b>	<b>703.6</b>	<b>95.0</b>	<b>7.1</b>	<b>6.2</b>
- of which: processed goods	740.0	703.4	95.1	7.1	6.2
<b>4. Capital goods (less transport equipment, parts and accessories)</b>	<b>1,188.4</b>	<b>1,328.5</b>	<b>111.8</b>	<b>11.5</b>	<b>11.7</b>
<b>5. Transport equipment, parts and accessories</b>	<b>616.0</b>	<b>670.3</b>	<b>108.8</b>	<b>5.9</b>	<b>5.9</b>
<b>6. Consumer goods, not specified elsewhere</b>	<b>3,969.4</b>	<b>4,728.9</b>	<b>119.1</b>	<b>38.3</b>	<b>41.5</b>

Source: National Institute of Statistics (NIS)

\*) Including other goods, not specified elsewhere

In 2001, four **commodity groups** buttressed exports, holding a share of more than two thirds in total.

As against 2000, the following commodity groups made larger contributions to overall exports: textiles, ready-made clothes and footwear (by 3 percentage points), machinery, equipment, and transport means (1.1 percentage points), agrifoodstuffs and other commodities (0.5 percentage points each).

**Table No. 14. Exports by group of commodities**

	- USD mill. -		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>TOTAL</b>	<b>10,366.0</b>	<b>11,385.0</b>	<b>109.8</b>	<b>100.0</b>	<b>100.0</b>
Agrifoodstuffs	338.5	433.3	128.0	3.3	3.8
Mineral products	821.8	784.4	95.4	7.9	6.9
Chemical and plastic products	747.9	734.1	98.2	7.2	6.4
Paper and wood products	645.0	634.8	98.4	6.2	5.6
Textiles, ready-made clothes, and footwear	3,295.0	3,961.1	120.2	31.8	34.8
Base metals	1,657.9	1,515.9	91.4	16.0	13.3
Machinery, equipment, and transport means	1,960.1	2,277.3	116.2	18.9	20.0
Other	899.8	1,044.1	116.0	8.7	9.2

Source: National Institute of Statistics (NIS)

## b) Geographical distribution of exports

Romanian exports to developed countries increased steadily amid higher trade flows towards EU members. Although they stabilized in terms of geographical spread, Romania's exports are further less competitive due to lower productivity still characterising the exported goods.

**Table No. 15. Exports by group of countries**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>TOTAL</b>	<b>10,366.0</b>	<b>11,385.0</b>	<b>109.8</b>	<b>100.0</b>	<b>100.0</b>
<b>1. Developed countries</b>	<b>7,292.3</b>	<b>8,472.1</b>	<b>116.2</b>	<b>70.3</b>	<b>74.4</b>
of which:					
- European Union	6,618.4	7,720.1	116.6	63.8	67.8
- EFTA	101.1	127.4	126.0	1.0	1.1
- USA	379.8	357.1	94.0	3.7	3.1
- Japan	16.1	17.7	109.9	0.2	0.2
<b>2. Transition countries</b>	<b>1,434.6</b>	<b>1,338.3</b>	<b>93.3</b>	<b>13.8</b>	<b>11.8</b>
of which:					
- CEFTA	848.4	807.7	95.2	8.2	7.1
- Russian Federation	88.8	82.8	93.2	0.9	0.7
- Ukraine	89.7	45.1	50.3	0.9	0.4
- Republic of Moldova	142.3	111.5	78.4	1.4	1.0
<b>3. Developing countries</b>	<b>1,638.1</b>	<b>1,553.5</b>	<b>94.8</b>	<b>15.8</b>	<b>13.6</b>
<b>4. Countries not specified*</b>	<b>1.0</b>	<b>21.1</b>	<b>2,110.0</b>	<b>0.0</b>	<b>0.2</b>

Source: National Institute of Statistics (NIS)

\* Includes the goods for which the export destination country was not specified in the customs export declaration.

Against the background of strengthening commercial ties with the European Union (up 16.6 percent), exports to **developed countries** amounted to USD 8,472.1 million, showing an upward trend in terms of both value (by 16.2 percent year over year) and share in overall exports (by 4.1 percentage points). Exports to the European Union accounted for 67.8 percent in total exports (up 4 percentage points from 2000) and went primarily (over 84 percent) to five countries, namely Italy, Germany, France, United Kingdom, and the Netherlands.

**Table No. 16. Exports to EU by group of commodities**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>TOTAL</b>	<b>6,618.4</b>	<b>7,720.1</b>	<b>116.6</b>	<b>100.0</b>	<b>100.0</b>
Agrifoodstuffs	161.5	234.5	145.2	2.4	3.0
Mineral products	57.2	189.8	331.8	0.9	2.5
Chemical and plastic products	271.5	256.5	94.5	4.1	3.3
Paper and wood products	253.8	278.5	109.7	3.8	3.6
Textiles, ready-made clothes, and footwear	3,041.6	3,672.0	120.7	46.0	47.6
Base metals	817.5	698.3	85.4	12.4	9.0
Machinery, equipment, and transport means	1,331.8	1,580.9	118.7	20.1	20.5
Other	683.5	809.6	118.4	10.3	10.5

Source: National Institute of Statistics (NIS)

Exports to the EU expanded for most commodity groups, except base metals (down 14.6 percent) and chemical and plastic products (down 5.5 percent). Larger contributions to exports made mineral products and textiles, ready-made clothes and footwear (up 1.6 percentage points each), agrifoodstuffs (0.6 percentage points), machinery, equipment and transport means (0.4 percentage points) and other goods (0.2 percentage points).

In 2001, Romania's exports to **transition countries** equalled USD 1,338.3 million, down 6.7 percent as compared with 2000, of which exports to CEFTA decreased by 4.8 percent. Consequently, exports to transition countries as a share of total exports contracted by 2 percentage points, of which exports to CEFTA dropped by 1.1 percentage points (for mineral products, paper and wood products, machinery, equipment and transport means).

**Table No. 17. Exports to CEFTA by group of commodities**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>TOTAL</b>	<b>848.4</b>	<b>807.7</b>	<b>95.2</b>	<b>100.0</b>	<b>100.0</b>
Agrifoodstuffs	50.8	62.5	123.0	6.0	7.7
Mineral products	249.8	169.7	67.9	29.4	21.0
Chemical and plastic products	84.3	93.6	111.0	9.9	11.6
Paper and wood products	66.2	47.4	71.6	7.8	5.9
Textiles, ready-made clothes, and footwear	79.2	110.5	139.5	9.3	13.7
Base metals	90.2	107.9	119.6	10.6	13.4
Machinery, equipment, and transport means	175.9	144.8	82.3	20.7	17.9
Other	52.0	71.3	137.1	6.1	8.8

Source: National Institute of Statistics (NIS)

Exports to **developing countries** lowered by 5.2 percent to USD 1,553.5 million, their share in total exports sliding by 2.2 percentage points.

### 1.1.1.2. Imports by commodity and group of countries

#### a) Imports composition

In 2001, hefty economic growth fuelled by final consumption and investment entailed an increase in the share of consumer goods and capital goods in total imports, driven by both higher real incomes (amid real wage hike and frozen energy price in the first half of the year) and tax incentives granted to small- and medium-sized enterprises.

**Table No. 18. Imports (fob) according to the National Accounts System**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>TOTAL*</b>	<b>12,050.0</b>	<b>14,354.0</b>	<b>119.1</b>	<b>100.0</b>	<b>100.0</b>
1. Capital goods	1,899.1	2,362.1	124.4	15.8	16.5
2. Intermediate goods	8,206.8	9,495.8	115.7	68.1	66.1
3. Consumer goods	1,794.2	2,240.2	124.9	14.9	15.6

\*) Including non-classified goods

Source: National Institute of Statistics (NIS)

At the same time, lower international prices resulted in a narrower share of intermediate goods in total imports.

**Table No. 19. Imports (fob) by broad economic category**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>TOTAL*</b>	<b>12,050.0</b>	<b>14,354.0</b>	<b>119.1</b>	<b>100.0</b>	<b>100.0</b>
<b>1. Food and beverages</b>	<b>660.1</b>	<b>847.3</b>	<b>128.4</b>	<b>5.5</b>	<b>5.9</b>
- of which: processed goods	450.5	581.3	129.0	3.7	4.0
<b>2. Industrial supplies</b>	<b>4,959.0</b>	<b>5,872.6</b>	<b>118.4</b>	<b>41.2</b>	<b>40.9</b>
- of which: processed goods	4,501.5	5,412.7	120.2	37.4	37.7
<b>3. Fuels and lubricants</b>	<b>1,446.3</b>	<b>1,790.2</b>	<b>123.8</b>	<b>12.0</b>	<b>12.5</b>
- of which: processed goods	268.9	418.4	155.6	2.2	2.9
<b>4. Capital goods (less transport equipment, parts and accessories)</b>	<b>2,888.6</b>	<b>3,185.5</b>	<b>110.3</b>	<b>24.0</b>	<b>22.2</b>
<b>5. Transport equipment, parts and accessories</b>	<b>642.8</b>	<b>855.6</b>	<b>133.1</b>	<b>5.3</b>	<b>6.0</b>
<b>6. Consumer goods, not specified elsewhere</b>	<b>1,409.9</b>	<b>1,755.4</b>	<b>124.5</b>	<b>11.7</b>	<b>12.2</b>

\*) Including other goods, not specified elsewhere  
Source: National Institute of Statistics (NIS)

Compared with 2000, the share of **processed goods** (broken down by **broad economic category**) in total imports went up slightly, from 84.3 percent to 85 percent, especially for fuels and lubricants, transport equipment, consumer goods not specified elsewhere, food and beverages.

In 2001, all **commodity groups** upheld import demand. Agrifoodstuffs, base metals, other goods, as well as paper and wood products outpaced the average growth rate (19.1 percent).

**Table No. 20. Imports (fob) by group of commodities**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>TOTAL</b>	<b>12,050.0</b>	<b>14,354.0</b>	<b>119.1</b>	<b>100.0</b>	<b>100.0</b>
Agrifoodstuffs	860.2	1,114.0	129.5	7.1	7.8
Mineral products	1,747.2	2,064.5	118.2	14.5	14.4
Chemical and plastic products	1,531.0	1,824.0	119.1	12.7	12.7
Paper and wood products	345.0	420.0	121.7	2.9	2.9
Textiles, ready-made clothes, and footwear	2,172.4	2,542.0	117.0	18.0	17.7
Base metals	822.3	1,050.6	127.8	6.8	7.3
Machinery, equipment, and transport means	3,477.1	3,992.7	114.8	28.9	27.8
Other	1,094.8	1,346.2	123.0	9.1	9.4

Source: National Institute of Statistics (NIS)

The following commodity groups ramped up their contribution to total imports: agrifoodstuffs (0.7 percentage points), base metals (0.5 percentage points) and other goods (0.3 percentage points).

## b) Geographical distribution of imports

As concerns imports by source, **developed countries** ranked first (65.1 percent in total imports), followed by **transition countries** (21.8 percent) and **developing countries** (10.9 percent).

	- USD mill. -		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>TOTAL</b>	<b>12,050.0</b>	<b>14,354.0</b>	<b>119.1</b>	<b>100.0</b>	<b>100.0</b>
<b>1. Developed countries</b>	<b>7,735.8</b>	<b>9,340.2</b>	<b>120.7</b>	<b>64.2</b>	<b>65.1</b>
of which:					
- European Union	6,819.6	8,231.9	120.7	56.6	57.3
- EFTA	168.4	185.7	110.3	1.4	1.3
- USA	361.0	452.9	125.5	3.0	3.2
- Japan	157.1	141.8	90.3	1.3	1.0
<b>2. Transition countries</b>	<b>2,760.2</b>	<b>3,128.4</b>	<b>113.3</b>	<b>22.9</b>	<b>21.8</b>
of which:					
- CEFTA	1,109.2	1,418.5	127.9	9.2	9.9
- Russian Federation	1,034.2	1,092.7	105.7	8.6	7.6
- Ukraine	181.0	295.6	163.3	1.5	2.1
- Republic of Moldova	38.1	35.7	93.7	0.3	0.2
<b>3. Developing countries</b>	<b>1,230.9</b>	<b>1,566.8</b>	<b>127.3</b>	<b>10.2</b>	<b>10.9</b>
<b>4. Countries not specified*</b>	<b>323.1</b>	<b>318.6</b>	<b>98.6</b>	<b>2.7</b>	<b>2.2</b>

\*) Includes the goods for which the import origin country was not specified in the customs import declaration  
Source: National Institute of Statistics (NIS)

Imports from **developed countries** expanded by 20.7 percent to USD 9,340.2 million; their share in total imports rose by 0.9 percentage points. This evolution can be put down on higher imports from the **European Union** (up 20.7 percent) and the **United States** (up 25.5 percent).

	- USD mill. -		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>TOTAL</b>	<b>6,819.6</b>	<b>8,231.9</b>	<b>120.7</b>	<b>100.0</b>	<b>100.0</b>
Agrifoodstuffs	273.1	359.0	131.5	4.0	4.4
Mineral products	114.3	167.0	146.1	1.7	2.0
Chemicals and plastic products	970.7	1,180.9	121.7	14.2	14.3
Paper and wood products	197.7	243.7	123.3	2.9	3.0
Textiles, ready-made clothes, and footwear	1,828.1	2,140.9	117.1	26.8	26.0
Base metals	397.0	528.8	133.2	5.8	6.4
Machinery, equipment, and transport means	2,261.8	2,629.0	116.2	33.2	31.9
Other	776.9	982.6	126.5	11.4	11.9

Source: National Institute of Statistics (NIS)

Imports from the European Union accounted for 57.3 percent of total imports in 2001 (up 0.7 percentage points versus the previous year) and originated, in a proportion of more than 83 percent, in five countries: Italy, Germany, France, United Kingdom and Austria.

All commodity groups displayed higher level of imports, particularly mineral products (up 46.1 percent), base metals (33.2 percent), agrifoodstuffs (31.5 percent) and other goods (26.5 percent).

Imports from **transition countries** rose 13.3 percent year on year to USD 3,128.4 million, of which imports from CEFTA increased 27.9 percent. The share of transition countries in total imports contracted by 1.1 percentage points as a result of decreasing imports from the Russian Federation, despite the 0.7 percent larger weight of imports from CEFTA countries.

Imports from CEFTA countries rose for all commodity groups, particularly base metals (by 50.9 percent), machinery, equipment and transport means (37.8 percent), agrifoodstuffs (37.0 percent).

**Table No. 23. Imports (fob) from CEFTA by group of commodities**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>TOTAL</b>	<b>1,109.2</b>	<b>1,418.5</b>	<b>127.9</b>	<b>100.0</b>	<b>100.0</b>
Agrifoodstuffs	196.3	268.9	137.0	17.7	19.0
Mineral products	75.2	83.8	111.4	6.8	5.9
Chemicals and plastic products	250.1	286.6	114.6	22.5	20.2
Paper and wood products	109.5	132.9	121.4	9.9	9.4
Textiles, ready-made clothes, and footwear	74.3	86.6	116.6	6.7	6.1
Base metals	118.1	178.2	150.9	10.6	12.6
Machinery, equipment, and transport means	191.1	263.3	137.8	17.2	18.6
Other	94.6	118.2	124.9	8.5	8.3

Source: National Institute of Statistics (NIS)

Imports from **developing countries** added 27.3 percent to USD 1,566.8 million. Their share in total imports grew 0.7 of a percentage point as compared with 2000.

### 1.1.1.3. Currency composition and foreign trade efficiency

In terms of currency, euro's weight in exports rose from 51 percent in 2000 to 55.6 percent in 2001, following the upward trend in exports to the EU, while US dollar and other currencies posted a lower weight. As for imports, the share of the euro remained over 60 percent, while that of the USD increased slightly at the expense of other currencies.

**Table No. 24. Foreign trade by currency**

	- percent -			
	Exports		Imports	
	2000	2001	2000	2001
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
US dollar (USD)	42.8	39.5	33.7	35.1
EURO (EUR)	51.0	55.6	60.4	60.7
Other	6.2	4.9	5.9	4.2

Source: Customs General Department

Romania's trade with the EU posted improved terms of trade in the wake of the steeper downturn of import prices compared with export prices; this development actually characterised commercial transactions across Central and Eastern Europe. In 2001, the terms of trade index was 102 percent and that for the relation with the EU was 103.6 percent. The indices for the other countries fared worse, ranging from 97.8 percent for transition countries to 99 percent for other countries, following faster decrease in export prices. The economic slowdown and the decline in international trade of goods contributed to a lower rate of increase in export volumes, down to half the level recorded in 2000, particularly regarding exports to transition countries (CEFTA) and other countries. As concerns imports, lower volume rises were recorded by flows from transition countries (especially due to lower imports of natural gas from the Russian Federation) and other countries.

**Table No. 25. Foreign trade efficiency**

		%, previous year = 100	
		2000	2001
Value indices			
Exports		122.1	109.8
Imports		123.7	119.1
Unit value indices*			
Exports		98.5	98.1
Imports		95.2	96.2
Volume indices*			
Exports		124.0	112.0
Imports		129.9	123.9
Terms of trade index			
net (unit value)		103.5	102.0
gross (volume)		95.4	90.4
Export purchasing power index		128.3	114.2

\*) Calculated by the National Institute of Statistics

#### **1.1.1.4. Private sector contribution**

In 2001, **privately-owned enterprises** (commission agents and producers) carrying out foreign trade activity accounted for two thirds of total exports (tantamount to USD 7,591.1 million), 11.4 percent higher against 2000. Imports recorded by the private sector constituted 69.6 percent of total imports (70.1 percent in 2000), amounting to USD 9,994.8 million, up 18.4 percent as compared with the prior year. Coverage of imports through exports dropped from 80.7 percent in 2000 to 76 percent in 2001.

**Table No. 26. Private sector foreign trade**

	M.U.	2000	2001	Indices (%) 2001/2000
Exports (fob)	USD mill.	6,814.4	7,591.1	111.4
as a share of total exports	%	65.7	66.7	x
Imports (fob)	USD mill.	8,443.2	9,994.8	118.4
as a share of total imports	%	70.1	69.6	x
Trade balance	USD mill.	-1,628.8	-2,403.7	147.6
Coverage of imports	%	80.7	76.0	x

Source: Customs General Department

### 1.1.1.5. Net imports of energy products

In 2001, **net imports of energy products** increased 54.7 percent year over year to reach USD 1,111.6 million, i.e. 37.4 percent of trade deficit. In terms of resource type, the growth was contained by net exports of petroleum products and electricity. **Exports** of primary energy resources amounted to USD 707.1 million (6.2 percent of total exports), down almost 5 percent from 2000, stemming from flagging price of petroleum products. **Imports (fob)** of energy products equalled USD 1,818.8 million (taking 12.7 percent of total imports), up almost a quarter as compared with 2000 following rises in both volume and international prices.

**Table No. 27. Net imports (fob) of energy products**

	- USD mill. -	
	2000	2001
<b>TOTAL</b>	<b>-718.6</b>	<b>-1,111.6</b>
1. Natural gas	-301.1	-324.3
2. Electricity	23.6	41.1
3. Crude oil	-759.2	-880.7
4. Petroleum products	465.6	278.7
5. Mineral fuels	-147.5	-226.4

Source: Customs General Department

### 1.1.2. Services balance

In 2001, services balance displayed a **deficit** tantamount to USD 209 million, narrowing 17.7 percent and 0.2 percentage points as a share of GDP against 2000, coming from receipts increasing faster than payments under “**Other services**”. “Transport” was the only component recording a slight surplus.



**Table No. 28. Balance of services**

	- USD mill. -		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>Receipts</b>	<b>1,767</b>	<b>1,994</b>	<b>112.8</b>	<b>100.0</b>	<b>100.0</b>
transport	652	789	121.0	36.9	39.6
tourism-travel	359	362	100.8	20.3	18.2
other	756	843	111.5	42.8	42.3
<b>Payments</b>	<b>2,021</b>	<b>2,203</b>	<b>109.0</b>	<b>100.0</b>	<b>100.0</b>
transport	655	788	120.3	32.4	35.8
tourism-travel	425	449	105.6	21.0	20.4
other	941	966	102.7	46.6	43.8
<b>Balance</b>	<b>-254</b>	<b>-209</b>	<b>82.3</b>		
transport	-3	1	x		
tourism-travel	-66	-87	131.8		
other	-185	-123	66.5		

**Receipts from services** climbed to USD 1,994 million, 12.8 percent higher as compared with 2000, particularly under transport and other services. **Services payments** totalled USD 2,203 million, up 9 percent, on the back of rises under all headings; transport services displayed above-average increase in payments.

#### 1.1.2.1. Transport services

In contrast with the USD 3 million deficit recorded in the prior year, in 2001 this heading posted a USD 1 million surplus. “Goods transport” was the only component that showed a deficit.

**Table No. 29. Transport services**

	- USD mill. -		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>Receipts</b>	<b>652.0</b>	<b>789.0</b>	<b>121.0</b>	<b>100.0</b>	<b>100.0</b>
freight (goods transport)	442	528	119.5	67.8	66.9
passenger transport	35	57	162.9	5.4	7.2
other transport services	175	204	116.6	26.8	25.9
<b>Payments</b>	<b>655.0</b>	<b>788.0</b>	<b>120.3</b>	<b>100.0</b>	<b>100.0</b>
freight (goods transport)	573	704	122.9	87.5	89.3
passenger transport	26	26	100.0	4.0	3.3
other transport services	56	58	103.6	8.5	7.4
<b>Balance</b>	<b>-3</b>	<b>1</b>	<b>x</b>		
freight (goods transport)	-131	-176	134.4		
passenger transport	9	31	344.4		
other transport services	119	146	122.7		

In 2001, the deficit displayed by goods transport equalled USD 176 million, over one third higher as against 2000, amid correlation between receipts and the trend of exports and between payments and the trend of imports.

**Table No. 30. Volume of transported goods**

	- thousand of tonnes -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>Exports (resident carriers)</b>	<b>5,739.2</b>	<b>5,225.0</b>	<b>91.0</b>	<b>100.0</b>	<b>100.0</b>
- railroad	2,717.1	2,471.4	91.0	47.3	47.3
- road	1,685.0	1,726.8	102.5	29.3	33.0
- river	101.7	138.9	136.6	1.8	2.7
- sea	1,229.5	868.9	70.7	21.4	16.6
- air	5.9	1.2	20.3	0.1	0.0
- pipelines	-	17.8	x	x	0.3
<b>Imports (nonresident carriers)</b>	<b>20,362.1</b>	<b>25,253.3</b>	<b>124.0</b>	<b>100.0</b>	<b>100.0</b>
- railroad	7,794.6	7,673.5	98.4	38.3	30.4
- road	1,295.4	1,585.9	122.4	6.4	6.3
- river	192.8	320.0	166.0	0.9	1.3
- sea	8,931.7	11,773.2	131.8	43.9	46.6
- air	4.9	5.1	104.1	*)	*)
- pipelines	2,142.7	3,895.5	181.8	10.5	15.4

Source: Customs General Department

\*) below 0.05 percent

The increase displayed by resident carriers' receipts stemmed primarily from the pick-up in exported goods in terms of volume (road and river transport), while larger payments to non-resident carriers were due to larger imports of raw materials (pipelines, river and sea transport).

The surplus under "Passenger transport" grew 3.4 times as against 2000, boosted by the two thirds increase in receipts.

#### 1.1.2.2. Tourism-travel services

In 2001, the deficit under "Tourism-travel" amounted to USD 87 million, almost one third wider than in the prior year, against the background of declining receipts from business travel.

**Table No. 31. Tourism-travel services**

	- USD mill.-		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>Receipts</b>	<b>359</b>	<b>362</b>	<b>100.8</b>	<b>100.0</b>	<b>100.0</b>
business travel	87	59	67.8	24.2	16.3
private travel	270	301	111.5	75.2	83.1
other	2	2	100.0	0.6	0.6
<b>Payments</b>	<b>425</b>	<b>449</b>	<b>105.6</b>	<b>100.0</b>	<b>100.0</b>
business travel	241	245	101.7	56.7	54.6
private travel	183	203	110.9	43.1	45.2
other	1	1	100.0	0.2	0.2
<b>Balance</b>	<b>-66</b>	<b>-87</b>	<b>131.8</b>		
business travel	-154	-186	120.8		
private travel	87	98	112.6		
other	1	1	100.0		

### 1.1.2.3. Other services

The deficit under “Other services” totalled USD 123 million (accounting for 58.8 percent of services deficit), down one third from 2000, amid faster increase in receipts compared to payments. The deficit was attributed mainly to trade, professional, operating lease and insurance services.

	-USD mill.-		Indices (%)	Structure (%)	
	2000	2001	2001/2000	2000	2001
<b>Receipts</b>	<b>756</b>	<b>843</b>	<b>111.5</b>	<b>100.0</b>	<b>100.0</b>
of which:					
insurance services	21	37	176.2	2.8	4.4
trade, professional etc. services	160	196	122.5	21.2	23.3
financial services	110	94	85.5	14.6	11.2
operating lease	2	8	400.0	0.3	0.9
communication services	145	135	93.1	19.2	16.0
construction services	30	59	196.7	4.0	7.0
culture and leisure services	67	61	91.0	8.9	7.2
<b>Payments</b>	<b>941</b>	<b>966</b>	<b>102.7</b>	<b>100.0</b>	<b>100.0</b>
of which:					
insurance services	41	49	119.5	4.4	5.1
trade, professional etc. services	236	265	112.3	25.1	27.4
financial services	98	76	77.6	10.4	7.9
operating lease	31	29	93.5	3.3	3.0
communication services	82	91	111.0	8.7	9.4
construction services	28	24	85.7	3.0	2.5
culture and leisure services	63	69	109.5	6.7	7.1
<b>Balance</b>	<b>-185</b>	<b>-123</b>	<b>66.5</b>		
of which:					
insurance services	-20	-12	60.0		
trade, professional etc. services	-76	-69	90.8		
financial services	12	18	150.0		
operating lease	-29	-21	72.4		
communication services	63	44	69.8		
construction services	2	35	17.5 times		
culture and leisure services	4	-8	x		

## 1.2. Income balance

In 2001, income-generating transactions posted a USD 282 million deficit, slightly down from the previous year on account of additional incomes from forex reserve management, labour, and interest on short-term loans. Composition of receipts changed year on year. Thus, the weight of incomes from portfolio investments and direct investment increased, while incomes from labour and interest dropped. With regard to payments, the share of repatriated dividends from direct investment and portfolio investments rose, to the detriment of that of interest on medium- and long-term loans and labour incomes.

In 2001, the incomes balance deficit accounted for more than 12 percent of current account deficit, down 8.7 percentage points from 2000, as a result of developments in the corresponding headings in the financial account.

**Table No. 33. Income balance**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>Receipts</b>	<b>325</b>	<b>455</b>	<b>140.0</b>	<b>100.0</b>	<b>100.0</b>
labour incomes	94	112	119.1	28.9	24.6
direct investment incomes	8	15	187.5	2.5	3.3
portfolio investment incomes	103	178	172.8	31.7	39.1
other capital investment incomes (interest)	120	150	125.0	36.9	33.0
<b>Payments</b>	<b>610</b>	<b>737</b>	<b>120.8</b>	<b>100.0</b>	<b>100.0</b>
labour incomes	5	4	80.0	0.8	0.5
direct investment incomes	72	117	162.5	11.8	15.9
portfolio investment incomes	74	105	141.9	12.1	14.2
other capital investment incomes (interest)	459	511	111.3	75.2	69.3
<b>Balance</b>	<b>-285</b>	<b>-282</b>	<b>98.9</b>		
labour incomes	89	108	121.3		
direct investment incomes	-64	-102	159.4		
portfolio investment incomes	29	73	251.7		
other capital investment incomes (interest)	-339	-361	106.5		

Labour incomes exhibited a USD 108 million surplus, up more than one fifth from a year ago, on the back of the rise in incomes earned by Romanian workers employed abroad on the basis of labour contracts.

Incomes from portfolio investments displayed a USD 73 million surplus, up 2.5 times against the previous year, due to interest collected from the portfolio of securities held by the central bank.

**Table No. 34. Interest developments**

	-USD mill.-					
	2000			2001		
	Credit	Debit	Balance	Credit	Debit	Balance
<b>TOTAL</b>	<b>120</b>	<b>459</b>	<b>-339</b>	<b>150</b>	<b>511</b>	<b>-361</b>
Interest on medium- and long-term credits	<b>86</b>	<b>446</b>	<b>-360</b>	<b>86</b>	<b>497</b>	<b>-411</b>
IMF	0	23	-23	0	19	-19
G-24	0	6	-6	0	18	-18
IBRD	0	101	-101	0	102	-102
EBRD	0	56	-56	0	56	-56
other	86	260	-174	86	302	-216
Interest on short-term credits	<b>34</b>	<b>13</b>	<b>21</b>	<b>64</b>	<b>14</b>	<b>50</b>

Incomes from other capital investment showed a USD 361 million deficit, up 6.5 percent versus 2000, on account of the increase in interest paid for medium- and long-term loans. The balance of interest paid for and interest collected from short-term loans and investment soared 2.4 times from the previous year. The interest on medium- and long-term claims and commitments

remained broadly unchanged for receipts and increased for payments. Receipts include accrued interest on Romania's claims in the form of government credit granted before 1990. Among them, Romania's claims on Iraq and Cuba entailed in 2001 accrued interest worth USD 64 million. Interest paid for medium- and long-term debt increased by 11.4 percent. International financial institutions, which provided most of the medium- and long-term loans, accounted for almost half of interest payments.

### 1.3. Current transfer balance

In 2001, current transfer account, usually showing a surplus, peaked at USD 1,143 million, accounting for 2.9 percent of GDP, up almost one third against the previous year. This was the result of cash inflows from non-residents and of non-repayable technical assistance. Under the main heading "Private transfers", receipts rose by more than one fourth on account of increase in Western-Union-type fast money transfers.

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>Receipts</b>	<b>1,079</b>	<b>1,417</b>	<b>131.3</b>	<b>100.0</b>	<b>100.0</b>
Public administration	151	252	166.9	14.0	17.8
Private transfers	928	1,165	125.5	86.0	82.2
<b>Payments</b>	<b>219</b>	<b>274</b>	<b>125.1</b>	<b>100.0</b>	<b>100.0</b>
Public administration	29	31	106.9	13.2	11.3
Private transfers	190	243	127.9	86.8	88.7
<b>Balance</b>	<b>860</b>	<b>1,143</b>	<b>132.9</b>	<b>100.0</b>	<b>100.0</b>
Public administration	122	221	181.1	14.2	19.3
Private transfers	738	922	124.9	85.8	80.7

The funds received by Romania under PHARE technical assistance in 2001 amounted to USD 204 million<sup>1</sup>, up 2.3 times from a year earlier. They were destined to non-repayable technical assistance (64.7 percent) and purchases of goods and public works (35.3 percent). The forms of assistance most frequently resorted to consisted in consulting services, providing of equipment and training courses.

## 2. Capital and financial account

Upgrading of Romania's sovereign debt rating by the international credit rating agencies and strengthening economic growth in 2001 eased the access to international capital markets, ensuring the financial inflows to fund current account deficit and to increase official reserves.

<sup>1</sup> Source: Ministry of Public Finance

**Table No. 36. Capital and financial account**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>Credit</b>	<b>5,397</b>	<b>6,739</b>	<b>124.9</b>	<b>100.0</b>	<b>100.0</b>
capital transfers	37	108	291.9	0.7	1.6
direct investment	1,106	1,303	117.8	20.5	19.3
portfolio investments	472	1,155	244.7	8.7	17.1
other capital investments	3,693	4,150	112.4	68.4	61.6
transit, clearing/barter accounts	75	23	30.7	1.4	0.3
NBR reserve assets	14	0	0.0	0.3	0.0
<b>Debit</b>	<b>4,167</b>	<b>5,240</b>	<b>125.7</b>	<b>100.0</b>	<b>100.0</b>
capital transfers	1	13	1,300.0	*)	0.2
direct investment	58	129	222.4	1.4	2.5
portfolio investments	371	580	156.3	8.9	11.1
other capital investments	2,717	3,025	111.3	65.2	57.7
transit, clearing/barter accounts	78	9	11.5	1.9	0.2
NBR reserve assets	942	1,484	157.5	22.6	28.3
<b>Balance</b>	<b>1,230</b>	<b>1,499</b>	<b>121.9</b>		
capital transfers	36	95	263.9		
direct investment	1,048	1,174	112.0		
portfolio investments	101	575	569.3		
other capital investments	976	1,125	115.3		
transit, clearing/barter accounts	-3	14	x		
NBR reserve assets	-928	-1,484	159.9		

\*) below 0.05 percent

In the period under consideration, capital and financial account components showed the following features:

- direct investment, net (paid-up capital in cash and in kind) rose by USD 126 million from 2000, mirroring the perception of an economy on its way to normality, amid global decline in investment flows;
- portfolio investments posted a sharp increase against the year before, on the back of the launch of Eurobonds issued by government and state-owned companies;
- medium- and long-term loans were strongly influenced by accrued interest (USD 86 million) on government loans granted before 1989;
- in November 2001, a new 18-month stand-by arrangement worth USD 380 million was concluded with the IMF, and the first of the six tranches (USD 67 million) was released;
- increase in reserves was one of the main goals of the central bank in 2001 and resulted in a USD 1.4 billion expansion in forex reserves, due to net purchases on the forex market, to the launch of two Eurobond issues and to foreign exchange-denominated securities floated on the domestic market. On the other hand, the payments of external debt service, redemption by the Ministry of Public Finance of foreign exchange-denominated government securities, and the first repayment tranche of the debt to Sweden had detrimental effects on the official reserves.

Thus, at end-2001, NBR's international reserves reached USD 3.9 million, the record high in the last few years.

Financial account balance came in at USD 1,404 million, up 17.6 percent versus 2000, following the improvement in the inflows/outflows ratio.

<b>Table No. 37. Foreign assets and liabilities</b>						
-USD mill.-						
	2000			2001		
	Credit	Debit	Balance	Credit	Debit	Balance
<b>Foreign assets</b>	<b>795</b>	<b>2,100</b>	<b>-1,305</b>	<b>870</b>	<b>2,389</b>	<b>-1,519</b>
direct investment	45	34	11	48	31	17
portfolio investments	39	11	28	20	28	-8
other capital investments	672	1,078	-406	795	845	-50
clearing accounts	25	35	-10	7	1	6
NBR reserve assets	14	942	-928	0	1,484	-1,484
<b>Foreign liabilities</b>	<b>4,565</b>	<b>2,066</b>	<b>2,499</b>	<b>5,761</b>	<b>2,838</b>	<b>2,923</b>
direct investment	1,061	24	1,037	1,255	98	1,157
portfolio investments	433	360	73	1,135	552	583
other capital investments	3,021	1,639	1,382	3,355	2,180	1,175
floats, clearing accounts	50	43	7	16	8	8

**Financial account assets** illustrate the changes in the residents' investment abroad, purchases of foreign securities, deposits with banks abroad, loans and official reserves. In 2001, foreign assets moved up USD 1,519 million as compared to USD 1,305 million in the previous year.

**Financial account liabilities** cover investment of non-residents in Romania, purchases of domestic securities, deposits of non-residents, loans and borrowings. In 2001, foreign liabilities increased by USD 2,923 million as compared with USD 2,499 in the prior year.

### 2.1. Direct investment

In 2001, inflows from direct investment of non-residents totalled USD 1,255 million, up over 18 percent versus the previous year (including loans granted by parent company to daughter company), following the upgrading of country rating that spurred resumption of investment.

Compared to 2000, structure of direct investment changed, with the share of cash investment increasing to the detriment of investment in kind. Economic stability, the upgrading of the country rating and the improved legal framework led to the growth in cash investment (including privatisation). The most illustrative privatisations were Banca Agricola, taken over by a consortium consisting of Raiffeisen and the Romanian-American Investment Fund, and SIDEX, acquired by a strategic shareholder, the Anglo-Indian group ISPAT (holding a stake of over 51 percent).

**Table No. 38. Direct investment**

	- USD mill. -		Indices (%) 2001/2000	Structure (%)	
	2000	2001		2000	2001
<b>Credit</b>	<b>1,106</b>	<b>1,303</b>	<b>117.8</b>	<b>100.0</b>	<b>100.0</b>
<b>Cash</b>	<b>727</b>	<b>918</b>	<b>126.3</b>	<b>65.7</b>	<b>70.5</b>
- of non-residents in Romania	682	870	127.6	61.6	66.8
- of residents abroad	45	48	106.7	4.1	3.7
<b>In kind (of non-residents in Romania)</b>	<b>379</b>	<b>385</b>	<b>101.6</b>	<b>34.3</b>	<b>29.5</b>
<b>Debit</b>	<b>58</b>	<b>129</b>	<b>222.4</b>	<b>100.0</b>	<b>100.0</b>
<b>Cash</b>	<b>58</b>	<b>129</b>	<b>222.4</b>	<b>100.0</b>	<b>100.0</b>
- of non-residents in Romania	24	98	408.3	41.4	76.0
- of residents abroad	34	31	91.2	58.6	24.0
<b>Balance</b>	<b>1,048</b>	<b>1,174</b>	<b>112.0</b>		
<b>Cash</b>	<b>669</b>	<b>789</b>	<b>117.9</b>		
- of non-residents in Romania	658	772	117.3		
- of residents abroad	11	17	154.5		
<b>In kind (of non-residents in Romania)</b>	<b>379</b>	<b>385</b>	<b>101.6</b>		

Net direct investment in total amount of USD 1,174 million, up 12 percent against 2000 was, for the fifth year in a row, the main source of funding the current account deficit.

According to the data provided by the Trade Register at end-2001, based on the foreign exchange subscribed share capital, investment came mainly from: the Netherlands, Germany, France, USA, Cyprus, Austria, Italy, Netherlands Antilles, Turkey, Republic of Korea, United Kingdom, Greece, Switzerland and Hungary.

## **2.2. Portfolio investment**

In 2001, net investment portfolio inflows equalled USD 575 million, 5.7 times up from the prior year, due mainly to the launch of Eurobonds issued by public administration to finance the government budget and by some state-owned companies.

Portfolio investment inflows stood at USD 1,155 million and derived entirely from the issues of Eurobonds launched by public administration on private capital markets (USD 655 million, led-managed by CS First Boston and ING Bank Schroeder Salomon Smith Barney) and by state-owned companies (USD 356 million – Termoelectrica, Petrom and Romtehnica). Portfolio investment outflows equalled USD 580 million, of which USD 275 million redemptions of Nomura Securities and Merrill Lynch bonds that reached maturity.



**Table No. 39. Portfolio investment**

	-USD mill.-					
	2000			2001		
	Credit	Debit	Balance	Credit	Debit	Balance
<b>Assets</b>	<b>39</b>	<b>11</b>	<b>28</b>	<b>20</b>	<b>28</b>	<b>-8</b>
Banking sector	8	2	6	18	20	-2
Non-bank sector	31	9	22	2	8	-6
<b>Liabilities</b>	<b>433</b>	<b>360</b>	<b>73</b>	<b>1,135</b>	<b>552</b>	<b>583</b>
Monetary authority	0	0	0	0	275	-275
Nomura Securities	0	0	0	0	250	-250
Merrill Lynch	0	0	0	0	25	-25
Banking sector	0	34	-34	1	3	-2
Government sector	259	0	259	655	0	655
Credit Deutsche Bank AG	131	0	131	0	0	0
CS First Boston	0	0	0	517	0	517
ING Bank Schroeder Salomon Smith Barney	128	0	128	138	0	138
Other sectors	174	326	-152	479	274	205
of which:						
- debt securities	67	277	-210	368	171	197
Romtehnica	61	118	-57	107	102	5
CONEL-Merrill Lynch	0	125	-125	0	1	-1
Termoelectrica	0	0	0	135	0	135
Mercur Trading-Merrill Lynch	0	2	-2	0	3	-3
Petrom - BNP Paribas Luxembourg	0	0	0	114	0	114
Astra Vagoane - Trinity INC	0	0	0	9	33	-24
Short-term promissory notes	3	8	-5	3	10	-7
Other	3	24	-21	0	22	-22
- equity securities	107	49	58	111	103	8
(National Securities Commission transactions)	107	49	58	111	103	8

In the period under consideration, Romania's membership quota in the EBRD share capital increased by USD 1 million and that of the Multilateral Investment Guarantee Agency (MIGA) by USD 0.4 million.

### 2.3. Financing of the current account deficit

In 2001, direct and portfolio investment provided over 75 percent of financing current account deficit. Net medium- and long-term external borrowings amounted to USD 893 million, down about one third from 2000, on the back of decline in borrowings, and higher repayments made by the monetary authority and the government sector. Financing through short-term external borrowings resulted in net inflows of USD 223 million, while in 2000 net outflows of USD 33 million had been recorded.

**Table No. 40. Sources of financing the current account deficit**

	- USD mill. -	
	2000	2001
<b>Current account deficit</b>	<b>-1,363</b>	<b>-2,317</b>
<b>Sources of financing</b>	<b>1,363</b>	<b>2,317</b>
a. capital transfers, net	36	95
b. direct investment, net	1,048	1,174
c. portfolio investment, net	101	575
d. other capital investment	1,106	1,957
- medium- and long-term loans received	1,409	938
inflows	2,567	2,663
repayments	1,158	1,725
- medium- and long-term loans granted, net	-100	-45
- short term loans, net	-33	223
- other investment*	-170	841
e. NBR's reserve assets ("-" shows an increase)	-928	-1,484

*\*) The net value of the items cash, cheques, deposits, floats, clearing/barter accounts, errors and omissions is included*

## **B. Romania's international investment position**

The debit balance of Romania's international investment position worsened further, reaching USD 9.6 billion at end-2001. The main factors behind this development were the rise in the volume of foreign investment and the rise of medium- and long-term debt stock.

Better domestic economic environment improved the perception of international business circles, especially of rating agencies, regarding Romania's financial and economic potential. Thus, access to private capital markets through a series of Eurobond issues launched by the Ministry of Public Finance occurred under conditions more favourable than in previous years. A new USD 380 million stand-by arrangement with the IMF was concluded in November and the first of the 6 tranches (worth USD 67 million) was released. Against the backdrop of economic growth, private external debt further showed an upward trend, reaching about USD 4 billion. Economic rebound also entailed an increase in foreign investment inflows, which stood 11.6 percent higher from a year earlier and were directed mainly to the non-bank sector.

The National Bank of Romania pursued its policy, initiated two years ago, of increasing official reserves, which reached a record high of USD 4.9 billion at end-2001.

The main sources for increasing foreign exchange reserves were the purchases by the monetary authority, the inflows from external borrowings and the launch of foreign-exchange-denominated government securities by the Ministry of Public Finance. The increase in the price of gold on the precious metal markets led to the rise in value of the gold stock held by the National Bank of Romania.

In 2001 external debt service totalled USD 3 billion, up 18.3 percent against the previous year. Indebtedness indicators remained within limits considered normal by international standards, against the background of increase in exports and GDP. External debt service ratio was 22.5 percent and external debt service accounted for 7.2 percent of total GDP. It is noteworthy the decline in the share of short-term external debt in total external debt (3.4 percent) and of the short-term external debt service ratio (2.3 percent).

## **1. Institutional sectors**

### **1.1. Overview**

At end-2001, the debit balance of the international investment position was USD 9,562.6 million, up USD 1,199 million year on year. This development was brought about by the deficit of net external transactions (USD 1,404 million), gains from exchange rate movements (USD 173.4 million), gold price changes (USD 13.7 million) and balance adjustments related to long-term claims on Korea, PDR (USD 17.9 million).

As regards the institutional sectors' structure, the balances of the monetary authority and the banking sector were on credit, with USD 4,384.3 million and USD 680.2 million respectively. The monetary authority's credit balance surged by 71.2 percent on account of increase in official reserves and decline in medium- and long-term external debt. The banking sector kept its net creditor position, which nevertheless posted a 19.2 percent drop against the previous year, due to the growth in non-residents' foreign-exchange deposits with commercial banks. The other two sectors, government and non-banks, further showed net debtor positions, equalling USD 1,173.7 million and USD 13,453.4 million respectively. The debit balance of the government sector almost tripled, due to the USD 831.9 million rise in foreign liabilities. In 2001, the government of Romania launched two issues of Eurobonds worth USD 655 million on the private capital markets, destined to deficit financing.

Non-bank sector deficit widened, as Romanian companies resorted to foreign sources to finance development of their activity.

### **1.2. Monetary authority (NBR)**

2001 was the second year witnessing a favourable development of NBR's international investment position, with foreign assets amounting to USD 6,163 million and foreign liabilities totalling USD 1,778.7 million.

#### **1.2.1. Foreign assets**

In the considered period, gold stock expanded on the back of interest related to NBR's investment abroad. The value of gold stock went up USD 18.7 million, due mainly to the rise in price of gold on the international market.

The main reason behind this positive development was the 58.8 percent surge in official forex reserve compared to end-2000. In 2001, the NBR was almost permanently a net buyer on the

forex market, thus sterilising the foreign exchange surplus. Net forex purchases by the NBR equalled USD 1,171.4 million.

Inflows from external borrowings (USD 819.9 million) and forex-denominated securities launched by the Ministry of Public Finance on the domestic market (USD 426.4 million) also had a favourable impact on official forex reserve in 2001.

In the period under review, payments from official reserve of foreign debt service bulked up to USD 1,231.6 million, and redemption of foreign exchange-denominated T-bills launched by the Ministry of Public Finance on the domestic market amounted to USD 201.5 million. In October the first instalment of USD 30 million of an old debt to the Swedish government was paid.

**Table No. 41. NBR's international reserves**

	-USD mill.-		
	31.12.2000	30.06.2001	31.12.2001
<b>Convertible currencies</b>	<b>2,469.7</b>	<b>3,553.2</b>	<b>3,922.5</b>
cash and cheques	0.0	0.0	0.1
deposits	495.0	942.3	687.4
of which:			
deposits with BIS	93.9	499.7	126.8
deposits with FED	105.2	350.4	397.9
deposits with banks abroad	294.9	90.4	155.9
SDRs with IMF	1.0	1.8	6.8
T-bills	1,974.7	2,610.9	3,235.0
<b>Gold</b>	<b>920.0</b>	<b>911.4</b>	<b>938.7</b>

As regards composition of investment, US T-bills and bonds further held the largest share (82.5 percent) in total official forex reserve, up 2.5 percentage points versus end-2000, while deposits with banks abroad accounted for 17.5 percent.

Composition of official reserves by main currency also shows the shift to the euro, thereby ensuring the correlation between the composition of external debt and that of the official reserves in order to pave the way for the country's integration into the EU and the adoption of the euro. Thus, the balance of EUR reserves soared by 153.4 percent in 2001, accounting for 39 percent of total foreign exchange reserves at end-2001 compared to 25.8 percent at end-2000 while the USD held 59.1 percent at year-end 2001 versus 74.1 percent at end-2000.

Import cover of goods and services improved significantly to 3.5 months in 2001 against 2.9 months in 2000.

The monetary authority's long-term assets include Romania's membership quotas in the share capital of both the IMF and the BIS (USD 1,301.9 million); the value of long-term assets dropped following the weakening of the SDR against the USD.

### 1.2.2. Foreign liabilities

The monetary authority's foreign liabilities shrank by 18.4 percent in 2001, on account of the strengthening of the USD against other currencies (USD 77 million), as well as of the sharp fall in its medium- and long-term debt. In February and October 2001, Merrill Lynch bonds worth USD 25 million and Samurai bonds worth USD 250.5 million were redeemed. During 2001 loans from the IMF worth USD 116.5 million were also repaid.

**Table No. 42. Loans under IMF arrangements**

Arrangement	Drawings SDR mill.	Repayments SDR mill.	Debt	
			SDR mill.	Equivalent USD mill.
Systemic adjustment facility	188.53	109.97	78.56	98.54
Stand-by 1997	120.60	82.91	37.69	47.28
Stand-by 1999	139.75	0.00	139.75	175.31
Stand-by 2001	52.00	0.00	52.00	65.23

Following the positive development in stabilising the main macroeconomic indicators and in order to continue reform, Romania concluded a new stand-by arrangement with the International Monetary Fund worth SDR 300 million. In November 2001, the first tranche of SRD 52 million was drawn.

Foreign liabilities in domestic currency, consisting in Romania's membership quota in the IMF's share capital, and the ROL equivalent of the reserve tranche (fully drawn) held the largest share in foreign liabilities of the monetary authority (72.7 percent).

### 1.3. General government

Debit balance of general government widened by USD 767.1 million from end-2000 following the increase in medium- and long-term debt, amid foreign assets remaining broadly unchanged.

#### 1.3.1. Foreign assets

Medium- and long-term 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, i.e. 88 percent. Out of total government claims, 41.9 percent were expressed in transferable roubles and derived from exports and co-operation activities with former CMEA countries.

**Table No. 43. Medium- and long-term government claims as at 31 December 2001**

Country	Total claims	-equivalent USD thous.- by maturity		
		past-due	not specified maturity	due in 2001
<b>Total</b>	<b>2,028,657</b>	<b>1,978,491</b>	<b>24,856</b>	<b>25,310</b>
Korea, P.D.R.	17,976	0	0	17,976
Guinea	17,620	16,564	588	468
Iraq	1,723,869	1,710,659	13,210	0
Mozambique	120,256	107,648	5,742	6,866
Sudan	122,655	122,655	0	0
Syria	26,281	20,965	5,316	0

Similar to the previous years, retrieval of these claims proved to be a slow and intricate process, due to the poor economic conditions in debtor countries and the embargo imposed by the UN Security Council on Iraq. Past-due claims held 78.6 percent in total claims. Claims against Iraq, Mozambique, Cuba, Russia and Ukraine stepped up USD 86 million over the previous year, as a result of accrued interest. Following ratification of the agreement between the governments of Romanian and China on solving issues deriving from accounts based on government arrangements, both claims on China (USD 11 million) and Romania's debt towards China (USD 23 million) were wiped out. During 2001, claims on Syria worth USD 24 million were retrieved; the interested Romanian foreign trade companies participated directly in the negotiations.

Starting September 2001, a CHF-denominated syndicated loan (USD 17.9 million) granted by Romania in 1973-4 was settled according to the agreement of the Romanian-Korean joint committee, and it was recognised in the international investment position under the item "other changes".

Medium-term foreign assets of the government sector also included contributions to international financial institutions. The fourth instalment worth EUR 1.4 million of Romania's membership quota in the share capital of the EBRD was paid in 2001 via a promissory note worth EUR 810 thousand issued by the Ministry of Public Finance and a EUR 540 thousand cash payment. The second instalment worth USD 0.4 million representing additional amounts to Romania's subscribed capital with the Multilateral Investment Guarantee Agency was paid.

**Table No. 44. Medium- and long-term government claims  
(transferable roubles)**

Country	Total claims	by maturity		-TR thou.-
		past-due	not specified maturity	due in 2001
<b>Total</b>	<b>1,671,128</b>	<b>877,286</b>	<b>772,043</b>	<b>21,799</b>
of which:				
Cuba	950,725	862,185	71,487	17,053
Mongolia	3,050	1,504	1,546	0
Korea, P.D.R.	8,204	8,204	0	0
Russia	590,572	0	590,572	0
Ukraine	118,577	5,393	108,438	4,746

Another constituent of medium- and long-term assets consists in the value of Romanian diplomatic missions' real estate abroad that is estimated at USD 97.8 million.

Public administration's short-term assets include the balances of clearing accounts in convertible currencies and transferable roubles. Syria and Cuba further rank among the main debtor countries, Russia being the only country to reduce its debt to the Romanian government.

Deposits held by Romanian diplomatic missions abroad ran at USD 5.3 million at end-2001.

### **1.3.2. Foreign liabilities**

Foreign debt of the government sector still held an overwhelming share (97.5 percent) of total foreign liabilities of this institutional sector, of which borrowings contracted directly by the government and other government institutions accounted for 76.1 percent and the bond issues launched by the Ministry of Public Finance on the private capital markets made up 23.9 percent. In the past years, the government resorted to external sources to finance budget deficits and investment projects for infrastructure development. The result was the 20.8 percent increase in foreign debt of the government sector versus end-2000. The ongoing reform and economic rebound had a positive impact on the international financial community and rating agencies. This made possible the launch in January and June of Eurobonds worth EUR 750 million led-managed by ING & Schroeder Salomon Bank and CFS First Boston Bank Switzerland. The two issues contributed to the balancing of budget financing sources at costs lower than in the past.

**Table No. 45. Government external debt**

	- USD mill. -	
	2000	2001
<b>TOTAL</b>	<b>4,155.39</b>	<b>5,017.69</b>
Public debt	3,892.90	4,517.11
Publicly-guaranteed debt	262.49	500.58
By creditor:	4,155.38	5,017.68
International institutions	2,898.04	3,116.80
EBRD	246.46	280.43
IBRD	1,902.04	1,917.59
EU	209.31	198.54
EIB	513.04	670.00
FIDA	2.60	2.60
EC SDF	21.34	44.15
OECF	3.25	3.49
Bilateral relations	319.51	242.79
Sweden	3.00	3.00
Austria	5.07	6.81
Japan	99.88	78.78
USA	35.34	32.28
Germany	137.60	106.92
Netherlands	15.42	15.00
China	23.20	0.00
Portfolio investment	564.45	1,197.20
Private banks	316.99	419.78
Canada	5.13	4.10
Germany	62.37	134.13
France	2.59	6.60
Netherlands	13.35	61.66
USA	170.27	105.57
Switzerland	14.53	30.08
Israel	37.70	52.63
Other	0.00	12.44
Supplier credit	47.52	28.92
Other	8.87	12.19

Source: Ministry of Public Finance

By debtor, at end-2001, public debt accounted for 90 percent of external debt and publicly guaranteed debt for the remaining 10 percent.

By creditor, international financial institutions were further the main credit source for the Romanian government with 62.1 percent, followed by portfolio investment and private banks with 23.9 percent and 8.4 percent respectively. Composition by creditor shows a 7.6 percentage point drop in the share of international financial institutions in total external credits in favour of portfolio investment and private banks with rises of 10.3 percentage points and 0.8 of a percentage points respectively.



**Table No. 46. IBRD credits**

Project	Contracted value		Disbursements	
	foreign currency	equivalent USD mill.	foreign currency	equivalent USD mill.
<b>TOTAL</b>		<b>2,694.09</b>		<b>2,286.39</b>
1. FESAL	USD 150.0 mill.	150.00	USD 150.0 mill.	150.00
	DEM 51.9 mill.	29.90	DEM 51.9 mill.	23.41
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	DEM 42.2 mill.	19.01
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 9.9 mill.	9.89
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 99.5 mill.	99.50
11. Education reform	USD 50.0 mill.	50.00	USD 40.6 mill.	40.56
12. Employment and social protection project	USD 55.4 mill.	55.40	USD 25.8 mill.	25.78
13. Industrial development	USD 120.0 mill.	120.00	USD 97.0 mill.	97.00
14. Bucharest water supply	USD 25.0 mill.	25.00	USD 16.9 mill.	16.87
15. Higher education and research	USD 50.0 mill.	50.00	USD 34.4 mill.	34.45
16. School rehabilitation	USD 70.0 mill.	70.00	USD 29.2 mill.	29.15
17. General land register	USD 25.5 mill.	25.50	USD 2.5 mill.	2.48
18. Child protection	USD 5.0 mill.	5.00	USD 2.6 mill.	2.56
19. Cultural heritage project	USD 5.0 mill.	5.00	USD 0.8 mill.	0.84
20. Social development fund project	USD 10.0 mill.	10.00	USD 9.9 mill.	9.87
21. Transport restructuring	USD 120.0 mill.	120.00	USD 120.0 mill.	120.00
22. Transport restructuring	USD 150.0 mill.	150.00	USD 127.1 mill.	127.10
23. Transport and trade in South-East Europe	USD 17.1 mill.	17.10	USD 1.9 mill.	1.95
24. Health sector reform	USD 40.0 mill.	40.00	USD 13.0 mill.	12.96
25. Mine closure projects	USD 44.5 mill.	44.50	USD 3.2 mill.	3.18
26. Agricultural services	USD 11.0 mill.	11.00	USD 0.6 mill.	0.626

Source: Ministry of Public Finance

The World Bank was further the leading credit provider for the government of Romania with loans accounting for 38.2 percent of total sovereign debt at end-2001. In the considered period, drawings came in at USD 114.4 million, of which USD 49.1 million for education, USD 15.1 million for road rehabilitation, and USD 13 million for health. Repayments on IBRD loans amounted to USD 96.5 million, of which USD 30.9 million principal repayments for the SAL loan, USD 15.4 million for “critical imports” and USD 11 million for health sector rehabilitation. At end-2001, borrowings from the World Bank totalled USD 2,694.1 million and drawings ran at USD 2,286.4 million, and they were destined to finance investment projects, support reform of health sector and education, adjustment of private sector and agriculture, and balance of payment support.

**Table No. 47. EIB credits**

Project	Contracted value		Disbursements	
	foreign currency equivalent EUR mill.	USD mill.	foreign currency equivalent USD mill.	USD mill.
<b>TOTAL</b>		<b>1,439.03</b>		<b>748.13</b>
1. Energy sector revamping	25.00	22.06	DEM 25.1 mill. EUR 12.0 mill.	11.32 10.59
2. Industrial development project	10.33	9.12	DEM 0.6 mill. EUR 3.6 mill. USD 7.1 mill.	0.28 3.14 7.07
3. Air traffic services	24.00	21.18	USD 30.0 mill.	30.00
4. Air traffic services	16.00	14.12	USD 16.5 mill.	16.50
5. Telecommunications development project	80.00	70.59	DEM 77.7 mill. FRF 260.2 mill.	35.07 35.00
6. Telecommunications development project	40.00	35.30	DEM 31.0 mill. EUR 6.8 mill. FRF 115.1 mill.	14.00 6.03 15.48
7. Constanta rehabilitation	35.00	30.88	EUR 35.0 mill.	30.88
8. Thermal-energy sector rehabilitation	60.00	52.94	EUR 60.0 mill.	52.94
9. Underground modernisation	100.00	88.24	CHF 32.1 mill. EUR 17.8 mill. USD 14.0 mill.	19.11 15.66 14.00
10. Underground modernisation	60.00	52.94	EUR 2.3 mill.	2.03
11. Central heating rehabilitation	35.00	30.88	EUR 25.0 mill.	22.06
12. Railway sector modernisation	200.00	176.48	EUR 0.0 mill.	0.00
13. Cluj Napoca central heating rehabilitation project	3.50	3.09	EUR 1.4 mill.	1.19
14. Timisoara city transport rehabilitation project	19.00	16.77	EUR 2.0 mill.	1.76
15. Bucharest city transport rehabilitation project	63.00	55.59	EUR 3.0 mill.	2.65
16. Transport restructuring	65.00	57.36	FRF 0.17 mill. USD 78.2 mill.	0.02 78.16
17. Transport restructuring	70.00	61.77	ITL 15,780.6 mill. EUR 35.5 mill. USD 27.8 mill.	7.26 31.32 27.83
18. Transport restructuring	225.00	198.54	EUR 65.6 mill. ITL 12,779.38 mill. USD 32.8 mill.	57.88 5.88 32.84
19. Motorway construction and rehabilitation	210.00	185.30	EUR 37.0 mill.	32.65
20. Removal of floods effects projects	250.00	220.60	EUR 104.5 mill.	92.21
21. Upgrading of TAROM fleet	40.00	35.30	EUR 40 mill.	35.30

Source: Ministry of Public Finance

The European Investment Bank strengthened its position as lender to the Romanian government with loans accounting for 13.4 percent of total government external debt at end-2001. In the period under review, inflows stood at USD 206.3 million, of which: USD 93.3 million for road and motorway building and rehabilitation, USD 74.3 million for removal of flood effects, and USD 23.3 million for thermal-energy sector modernisation. By end-2001, the European

Investment Bank granted USD 1,439 million in loans intended mainly for infrastructure modernisation by end-2001, with drawings amounting to USD 748.1 million.

At end-2001, borrowings from the European Bank for Reconstruction and Development amounted to USD 459.5 million, of which USD 359.8 million were drawn.

**Table No. 48. EBRD credits**

Project	-USD mill.-	
	Contracted value	Disbursements
<b>TOTAL</b>	<b>459.47</b>	<b>359.83</b>
1. Wholesale market	25.00	24.76
2. Industrial development	28.00	28.00
3. Industrial development	75.00	64.47
4. Water supply and environment protection in Jiu Valley	16.00	14.75
5. Thermal energy conservation	45.00	32.81
6. Transport restructuring	80.00	80.00
7. Transport restructuring	85.90	61.95
8. National Agency for Roads	53.10	52.47
9. Transelectrica	51.47	0.63

Source: Ministry of Public Finance

Out of the 27 debtor countries of the EBRD, Romania ranks third after Russia and Poland considering the projects concluded with the said financial institution.

The share of funding from bilateral sources dipped from 7.7 percent at end-2000 to 4.8 percent at end-2001. Repayments on credits extended by the German and Japanese governments were made, and Romania's debt to the Chinese government worth USD 23 million was wiped out following discussions at government level.

#### **1.4. Banking sector**

At the end of 2001, the banking sector further displayed a net credit position. The USD 161.3 million fall in credit balance compared to 2000 derived from the rise in foreign liabilities amid broadly unchanged foreign assets.

##### **1.4.1. Foreign assets**

Short-term foreign assets of the banking sector picked up 4.6 percent. Deposits with banks abroad accounted for the largest share (87.9 percent), followed by cash and cheques (9.8 percent) and payment orders, claims and banking operations (1 percent).

Composition of liquidity by currency shows banks' shift to EUR and "IN currencies". Thus, the share of euro-zone currencies moved up from 18 percent at end of 2000 to 37.1 percent at end-2001, while the share of the USD dipped from 79.6 percent to 59.4 percent.

**Table No. 49. Banks' foreign assets**

	-USD mill.-	
	31.12.2000	31.12.2001
<b>a) short-term</b>	<b>1,452.4</b>	<b>1,519.4</b>
cash and cheques	73.2	149.2
deposits abroad	1,320.9	1,336.0
-demand	165.9	95.8
-time	1,144.8	1,206.1
-collateral	10.2	34.1
payment orders, claims, bank operations	36.5	15.6
foreign securities	0.4	0.3
other	21.4	18.3
<b>b) long-term</b>	<b>94.2</b>	<b>92.5</b>
equity stakes in foreign banks	94.2	92.5

Distribution of foreign assets by leading banks shows the following picture: Banca Comerciala Româna held 29.3 percent of foreign assets of the banking system, followed by Banca Româna de Dezvoltare with 20.3 percent, ABN AMRO Bank with 9.5 percent and ING Bank with 8.3 percent.

**Table No. 50. Foreign assets by leading bank  
as at 31 December 2001**

	Total	-USD mill.-	
		of which:	
		short-term	long-term
<b>Total</b>	<b>1,611.9</b>	<b>1,519.4</b>	<b>92.5</b>
of which:			
BCR SA	472.8	406.0	66.8
BRD SA	328.0	326.6	1.4
ABN AMRO BANK	152.5	152.5	0.0
ING BANK	133.5	133.5	0.0
BANCA AGRICOLA	105.1	100.6	4.5
BANC POST	62.9	62.9	0.0
Other	357.1	337.3	19.8

At end-2001, long-term assets made up 7.2 percent of total foreign assets of the banking system, and included equity stakes in foreign banks and medium- and long-term loans to non-residents.

#### **1.4.2. Foreign liabilities**

Foreign liabilities of the banking system expanded by 31 percent in the considered period, following the rise in foreign direct investment and in short-term liabilities.

Long-term external debt of the banking sector accounted for 23.2 percent of total foreign liabilities and stemmed mostly (99.2 percent) from private loans. The composition by creditor indicates private banks as main lenders of the banking system with 46.6 percent, followed by international financial institutions with 43.7 percent, and bilateral sources with 7.7 percent. At end 2001, the balance of credit lines totalled USD 61 million, with BCR holding 88.5 percent of

the credit lines. In 2001, BCR concluded new general agreements worth over EUR 30 million with DG Bank and American Express, both from Germany, for opening new credit lines to finance various investment projects.

**Table No. 51. Medium- and long-term external debt of the banking sector**

	-USD mill.-	
	31.12.2000	31.12.2001
<b>TOTAL</b>	<b>239.02</b>	<b>225.11</b>
private debt	238.93	223.24
publicly-guaranteed debt	0.09	1.87
Of total		
loans	235.22	223.37
credit lines	68.60	61.00
portfolio investment	3.80	1.74

Another component of long-term foreign liabilities consisted in direct investment made by non-residents in the Romanian banking sector. In November 2001, Banca Agricola was privatised following protracted negotiations, being taken over by the Austrian Bank Raiffeisen, the paid-off capital amounting to EUR 39 million.

The amount under direct investment-other capitals includes the payment obligations of Dacia Felix Bank to the National Bank of Romania and the Savings Bank, which were transferred to KOLAL BV from the Netherlands. Pursuant to the Emergency Government Ordinance on settlement of claims of the NBR and the Savings Bank towards Dacia Felix, KOLAL BV was able to participate in the increase of the latter's share capital with amounts resulting from acquired claims worth USD 33 million.

Short-term liabilities advanced by 64.4 percent, following the increase in the balances of bank and non-bank deposits. Distribution of short-term foreign liabilities by bank shows that Alpha Bank, ING Barings Bank and BCR hold more than half of the total.

**Table No. 52. Short-term external debt of the banking system**

	-USD mill.-	
	2000	2001
<b>TOTAL</b>	<b>225.4</b>	<b>370.5</b>
loans	17.7	20.8
credit lines	0.0	0.0
bank deposits	75.4	200.8
non-bank deposits	132.3	148.9

### **1.5. Non-bank sector**

The net debtor position of the non-bank sector worsened continuously, reaching USD 13,453.4 million at end 2001 amid the build-up of medium- and long-term external debt and the rise in foreign investment, with a heavy impact on the debit balance of Romania's international investment position.

### 1.5.1 Foreign assets

Foreign assets of the non-bank sector decreased by 16.1 percent in 2001, following the decline in the balance of short-term export documents.

Long-term foreign assets consisted in commercial claims from Romanian exports made before 1989 to countries in Africa and the Middle East. The poor economic conditions in debtor countries rendered retrieval of claims very slow, the balance remaining almost unchanged against the prior year. In 2001, the volume of retrieved claims amounted to USD 2 million, foreign trade companies negotiating the reduction of claims on Syria.

**Table No. 53. Non-bank commercial claims  
as at 31 December 2001**

Country	Total	-equivalent USD thou.-
		Past-due
<b>Total</b>	<b>133,233</b>	<b>133,233</b>
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	48,480	48,480
Somalia	2,509	2,509
Syria	466	466
Other	553	553

Short-term export bills further held the largest share with 60.5 percent of total non-bank sector assets, though their balance decreased 21.1 percent in the period under review.

**Table No. 54. Short-term export bills**

	-USD mill.-	
	31.12.2000	31.12.2001
<b>Commercial claims</b>	<b>454.9</b>	<b>358.7</b>
Documents against payment	172.6	161.0
Export letters of credit	218.5	122.9
Guarantees received	63.8	74.8

### 1.5.2. Foreign liabilities

At end-2001, the balance of foreign liabilities of non-bank sector ran at USD 14,046.1 million, up 16.4 percent from a year earlier.

Out of the USD 1,741.8 million worth medium- and long-term borrowings from foreign companies, USD 328.2 million were loans granted by parent companies to daughter companies, and were recognised under direct investment – other capitals.

Foreign loans granted to the private sector worth USD 114 million have been converted, on a contractual basis, into equity stakes in some Romanian debtor companies (Telemobil, Astra Vagoane, Comtim, etc.).

The relatively limited access to domestic sources of financing, the cautious policy of commercial banks in lending to the real sector, as well as the liberalisation of some capital operations by the NBR made Romanian companies resort to an ever greater extent to external sources of financing. Thus, at end-2001, the debt of the non-bank sector reached USD 6,046.7 million, up 17.6 percent year on year.

External debt composition by debtor shows that 61.8 percent came from private loans and 36.9 percent hailed from publicly guaranteed loans. The debt of the non-bank sector accounted for 94.4 percent of total external private debt and 81.6 percent of publicly guaranteed external debt.

External debt composition of the non-bank sector by creditor at end-2001 illustrates that the Romanian economy was financed mainly from private capital sources (74.3 percent), as well as from international financial institutions (15.7 percent) and government agencies (10 percent respectively). As regards the private creditors, foreign companies, foreign natural persons, parent companies and other creditors held the largest share (38.7 percent).

**Table No. 55. Medium- and long-term external debt of the non-bank sector**

	-USD mill.-	
	31.12.2000	31.12.2001
<b>Total</b>	<b>5,140.00</b>	<b>6,046.69</b>
public debt	21.72	80.73
publicly-guaranteed debt	2,040.80	2,228.65
private debt	3,077.48	3,737.31
Of total		
International institutions	934.16	950.17
EBRD	503.78	475.08
IBRD	95.65	108.33
EIB	45.63	99.94
CFI	243.59	222.07
CECO	8.78	4.88
NORDIC INVESTMENT BANK	36.73	39.87
Portfolio investment	299.77	496.86
Bilateral relations	577.40	602.71
Private banks	1,313.98	1,377.93
Leasing	555.08	603.38
Supplier credits	227.48	273.88
Other	1,232.13	1,741.76

Source: Ministry of Public Finance and National Bank of Romania

In 2001, the share of non-bank sector borrowings from private banks contracted by 5.5 percentage points, while portfolio investment rose 2.8 percentage points. Net inflows from portfolio investment in the non-bank sector amounted to USD 237.7 million. Termoelectrica and Petrom launched EUR 150 million and EUR 125 million worth of Eurobonds respectively. The share of financial leasing in private financing sources fell from 15.3 percent at end-2000 to 13.4 percent at end-2001, in spite of the buoyant increase in the number of leasing agreements in the last three years, as financial leasing is an advantageous and accessible form of lending to the private sector. Supplier credits accounted for 6.1 percent of total loans from private sources, and were destined mainly to the purchase of equipment for revamping Romtelecom.

## 2. Main indicators of Romania's international investment position

Romania's total external debt equalled USD 12,087.1 million at end-2001, up 13.5 percent over 2000, amid the worsening of the current account balance and the funding of the budget deficit from external sources. Medium- and long-term debt made up 96.6 percent and short-term debt took 3.4 percent of external debt.

In 2001, external debt service amounted to USD 3,008.8 million, of which USD 2,375.4 million principal repayments and USD 633.4 million interest and commissions. Indebtedness indicators remained within normal limits. Thus, external debt service ratio was 22.5 percent, up 2.5 percentage points versus the prior year. Total external debt accounted for 30.4 percent of GDP and for 90.3 percent of exports of goods and services. Medium- and long-term debt totalled USD 11,676 million at end-2001, up 13.6 percent year on year, following USD 1,758.8 million net inflows and USD 228.3 million gains from exchange rate movements.

Medium- and long-term external debt composition by creditor shows that 53.6 percent came from private sources, 39 percent from international financial institutions, and 7.4 percent from bilateral sources. It is noteworthy the 3.3 percentage point drop in the share of international financial institutions in favour of private creditors.

**Table No. 56. Medium- and long-term external debt by creditor**

	- USD mill. -			
	31.12.2000	%	31.12.2001	%
<b>TOTAL</b>	<b>10,273.4</b>	<b>100.0</b>	<b>11,675.9</b>	<b>100.0</b>
International institutions	4,344.6	42.3	4,551.7	39.0
IMF	452.8	4.4	386.4	3.3
IBRD	1,997.7	19.4	2,025.9	17.4
EIB	566.6	5.5	803.3	6.9
EBRD	787.6	7.7	802.5	6.9
Bilateral relations	924.1	9.0	862.9	7.4
Canada	186.6	1.8	158.5	1.4
Germany	304.4	3.0	238.9	2.0
Japan	120.6	1.2	95.3	0.8
Portfolio investment	1,154.2	11.2	1,695.8	14.5
CF First Boston Germany	285.4	2.8	270.7	2.3
CF First Boston Switzerland	0.0	0.0	529.4	4.5
Deutsche Bank	139.5	1.4	132.4	1.1
Ing Bank Barings	139.5	1.4	264.7	2.3
Private banks	1,774.1	17.3	1,902.5	16.3
Germany	175.1	1.7	226.6	1.9
France	369.8	3.6	306.8	2.6
USA	478.8	4.7	370.4	3.2
UK	93.6	0.9	236.1	2.0
Netherlands	143.9	1.4	184.5	1.6
Supplier credits	275.0	2.7	302.8	2.6
Greece	110.3	1.1	163.3	1.4
Other	1,801.4	17.5	2,360.2	20.2



Medium- and long-term external debt by foreign currency shows the following picture: the share of EUR and IN-currencies went up from 31.9 percent at end-2000 to 39.8 percent at end-2001, while that of the USD shrank from 57.2 percent to 53.7 percent. A better matching between the composition of foreign assets and that of external debt can be detected, which is essential in designing the foreign indebtedness strategy.

**Table No. 57. Forex reserves and medium- and long-term external debt composition**

	-USD mill.-							
	Official reserves				Medium- and long-term external debt			
	31.12.2000	%	31.12.2001	%	31.12.2000	%	31.12.2001	%
<b>TOTAL</b>	<b>3,922.20</b>	<b>100.00</b>	<b>5,441.90</b>	<b>100.00</b>	<b>10,273.40</b>	<b>100.00</b>	<b>11,675.80</b>	<b>100.00</b>
EUR	900.05	22.95	2,095.25	38.50	3,273.70	31.87	4,644.70	39.78
USD	2,985.90	76.13	3,222.40	59.21	5,879.70	57.23	6,273.30	53.73
Other	36.25	0.92	124.25	2.28	1,120.00	10.90	757.80	6.49

By debtor, public debt further held the largest share (42.7 percent) of medium-and long-term debt, followed by private debt (33.9 percent) and publicly-guaranteed debt (23.4 percent).

**Table No. 58. Medium- and long-term external debt by debtor**

	-USD mill.-			
	31.12.2000	%	31.12.2001	%
<b>TOTAL</b>	<b>10,273.4</b>	<b>100.0</b>	<b>11,675.9</b>	<b>100.0</b>
Public debt	4,653.6	45.3	4,984.2	42.7
Publicly-guaranteed debt	2,303.4	22.4	2,731.1	23.4
Private debt	3,316.4	32.3	3,960.6	33.9

Starting with 1998, the share of private external debt in total external debt exceeded that of publicly-guaranteed debt. At end-2001, private debt amounted to about USD 4 billion, its increase being induced by:

- the relatively limited access to domestic financing sources which made Romanian companies resort to an ever – greater extent to external sources of funding;
- the expansion of financial leasing;
- economic growth in the last two years strengthened foreign creditors' confidence who granted loans to the Romanian real sector without government backing and under more favourable conditions than in the previous years.

The increase in private debt and the fact that borrowings were intended mainly for the financing of investment projects and the development of the private sector points to the strengthening of Romanian debtors' creditworthiness. The negative aspect of the increase in private debt was the small share of long-term loans (47.1 percent), compared with their share in public and publicly-guaranteed external debt (85.1 percent and 70.4 percent respectively).

**Table No. 59. Medium- and long-term external debt by maturity**

	-USD mill.-			
	31.12.2000	%	31.12.2001	%
<b>TOTAL</b>	<b>10,273.4</b>	<b>100.0</b>	<b>11,675.9</b>	<b>100.0</b>
Public debt	4,653.6	45.3	4,984.2	42.7
1-5 years	1,154.2	11.2	744.8	6.4
more than 5 years	3,499.4	34.1	4,239.4	36.3
Publicly guaranteed debt	2,303.4	22.4	2,731.1	23.4
1-5 years	410.5	4.0	809.0	6.9
more than 5 years	1,892.9	18.4	1,922.1	16.5
Private debt	3,316.4	32.3	3,960.6	33.9
1-5 years	1,597.3	15.5	2,095.8	17.9
more than 5 years	1,719.1	16.7	1,864.8	16.0

Private external debt by maturity shows a reversal in 2001 in favour of medium-term debt, following the increase in leasing arrangements, in loans from foreign companies and the EUR 125 million worth bond issue launched by Petrom.

**Table No. 60. Private external debt by maturity**

	-USD mill.-									
	1997	%	1998	%	1999	%	2000	%	2001	%
<b>TOTAL</b>	<b>1,730</b>	<b>100.0</b>	<b>2,356</b>	<b>100.0</b>	<b>2,551</b>	<b>100.0</b>	<b>3,316</b>	<b>100.0</b>	<b>3,961</b>	<b>100.0</b>
medium-term	951	55.0	1,098	46.6	1,161	45.5	1,597	48.2	2,096	52.9
long-term	779	45.0	1,258	53.4	1,390	54.5	1,719	51.8	1,865	47.1

Private debt by type of interest shows the following picture: the largest share (54.4 percent) was held by fixed interest loans, while floating interest loans held 45.6 percent. Fixed interest rates related to contracts concluded with foreign partners were further high, over 5 percent, and in many cases, such as leasing agreements, they exceeded 10 percent, reaching even 14 percent.

**Table No. 61. Private external debt by type of interest**

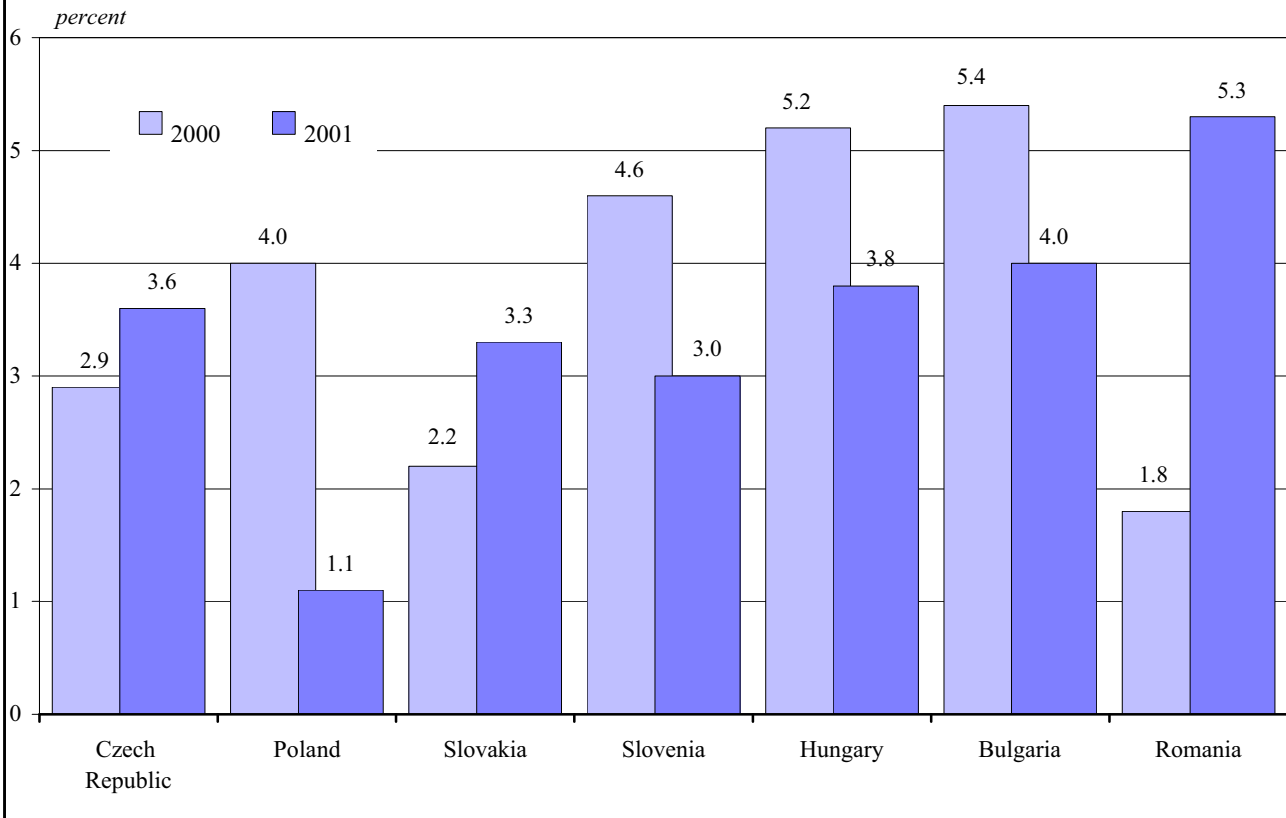
	-USD mill.-			
	31.12.2000	%	31.12.2001	%
<b>TOTAL</b>	<b>3,316.4</b>	<b>100.0</b>	<b>3,960.6</b>	<b>100.0</b>
<b>Floating-rate interest</b>	<b>1,479.4</b>	<b>44.6</b>	<b>1,805.6</b>	<b>45.6</b>
1-month LIBOR USD	0.0	0.0	42.3	1.1
3-month LIBOR USD	214.0	6.5	228.6	5.8
6-month LIBOR USD	855.8	25.8	850.0	21.5
12-month LIBOR USD	45.9	1.4	95.5	2.4
3-month EURIBOR	84.2	2.5	177.1	4.5
6-month EURIBOR	202.1	6.1	300.6	7.6
<b>Fixed interest</b>	<b>1,837.0</b>	<b>55.4</b>	<b>2,155.0</b>	<b>54.4</b>
0.0-4.99%	423.6	12.8	480.4	12.1
5.0-9.99%	901.8	27.2	1,001.5	25.3
over 10.0%	511.6	15.4	673.1	17.0

# Charts

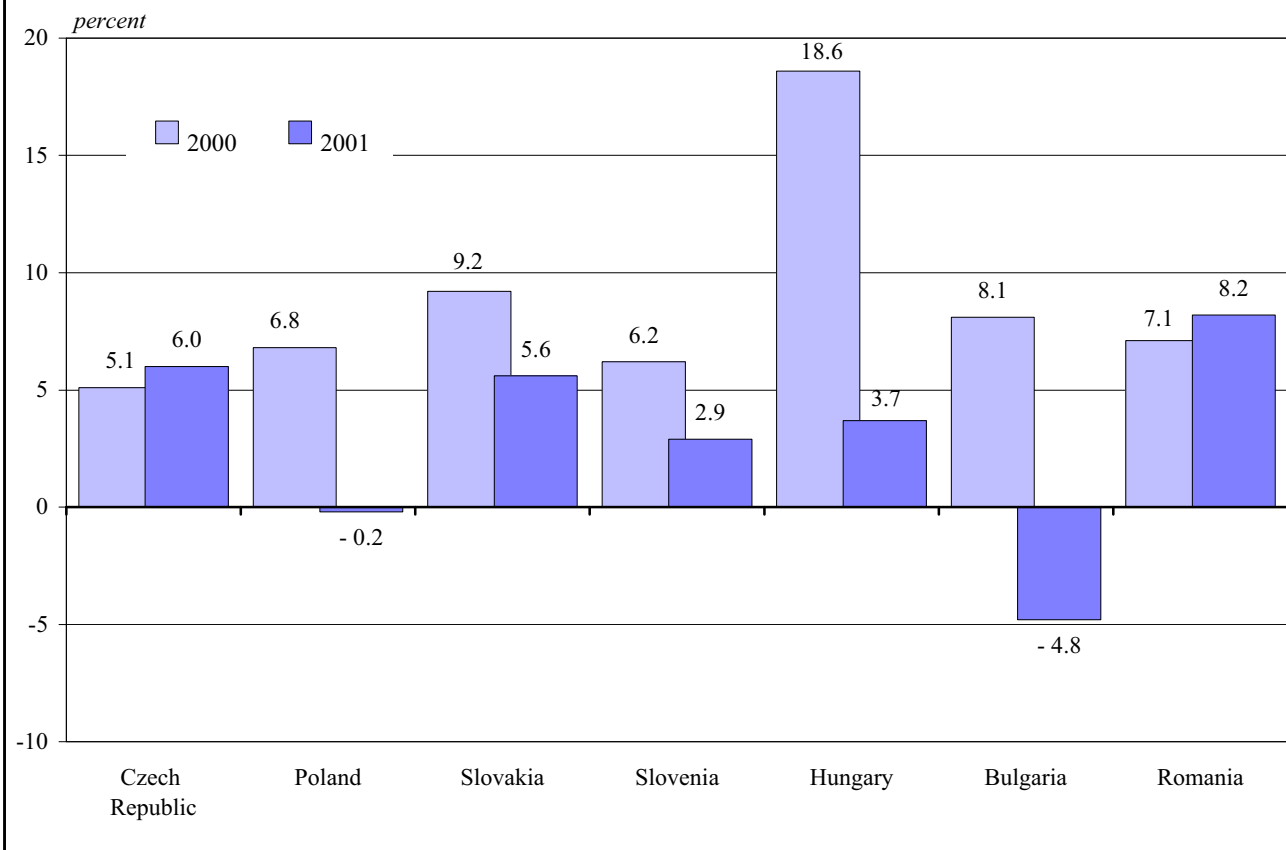
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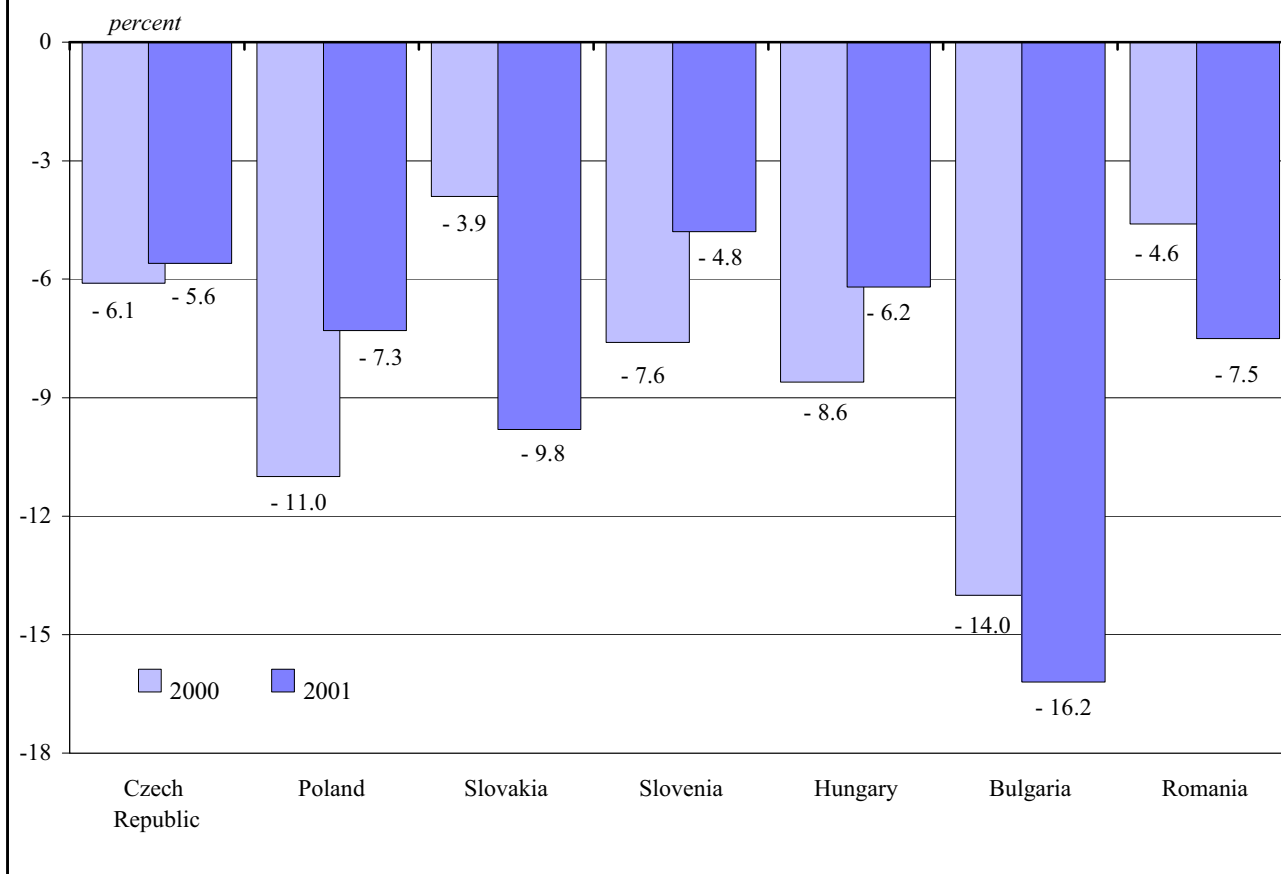
### Economic Growth Rates in some Central and East European Candidates to the European Union



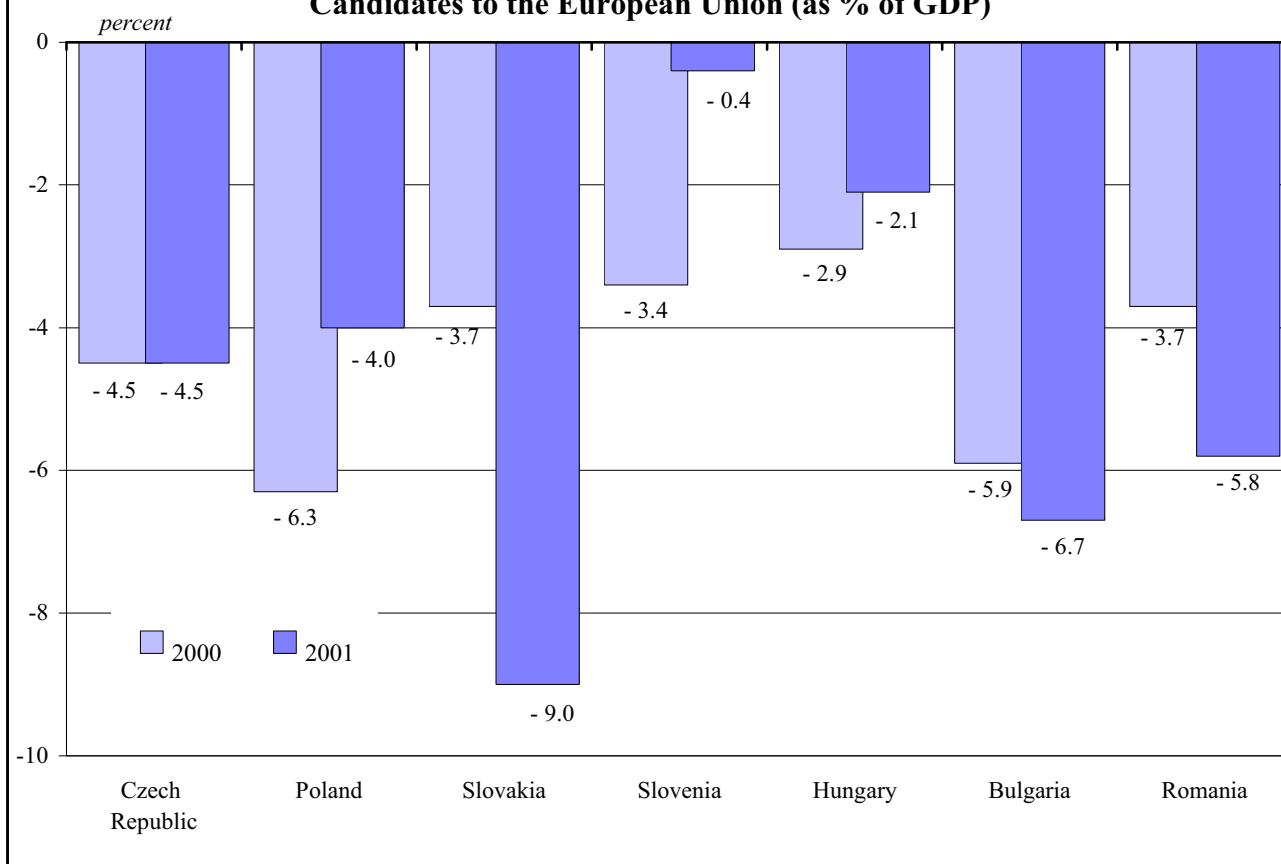
### Industrial Output Growth in some Central and East European Candidates to the European Union



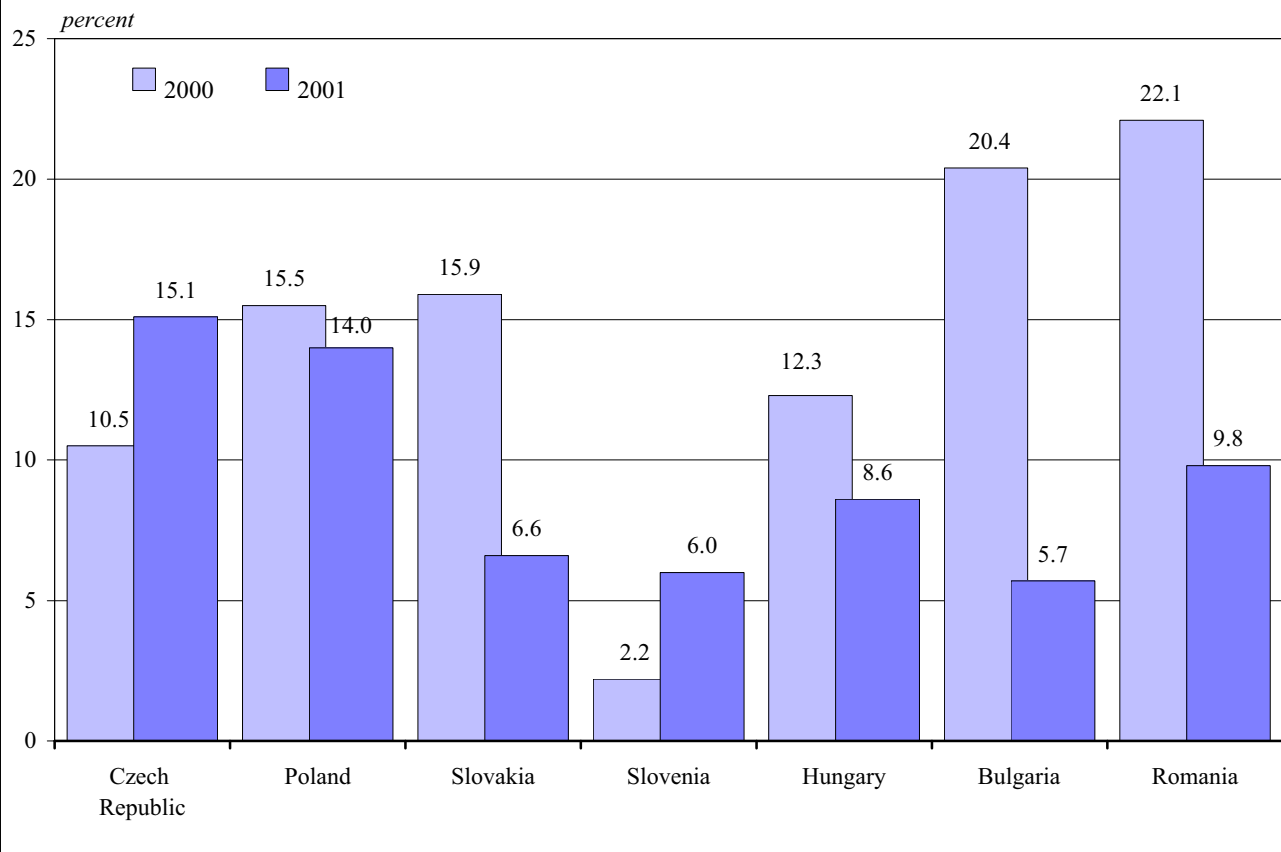
### Trade Balance in some Central and East European Candidates to the European Union (as % of GDP)



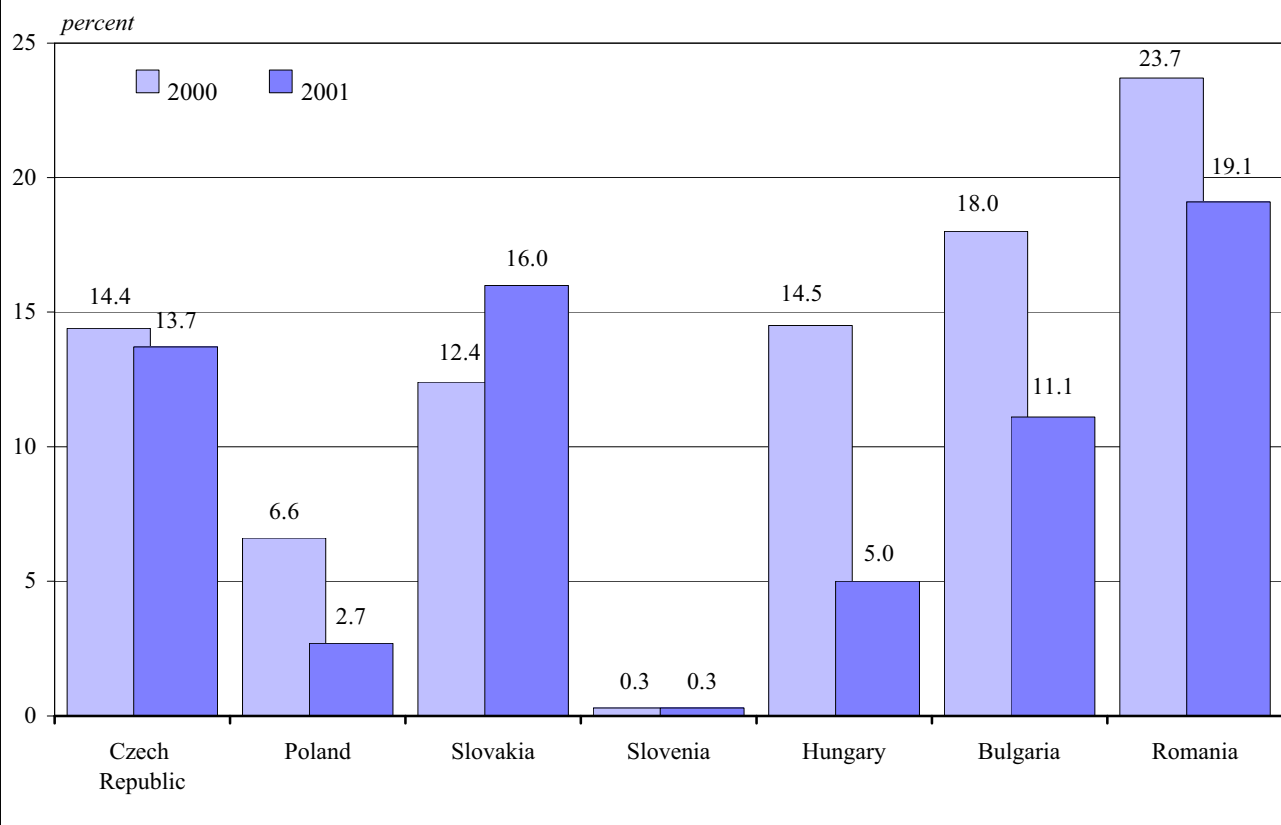
### Current Account Balance in some Central and East European Candidates to the European Union (as % of GDP)



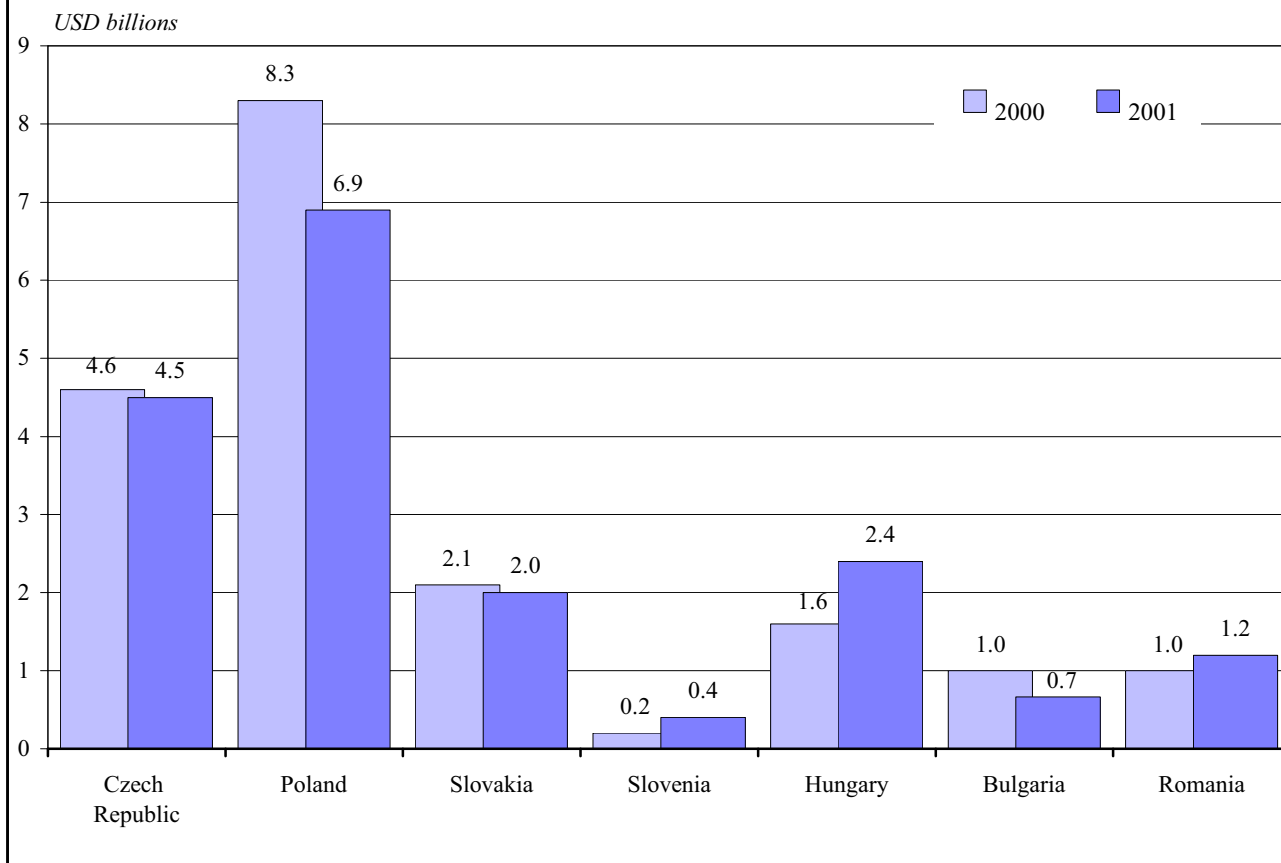
### Export Growth Rates in some Central and East European Candidates to the European Union



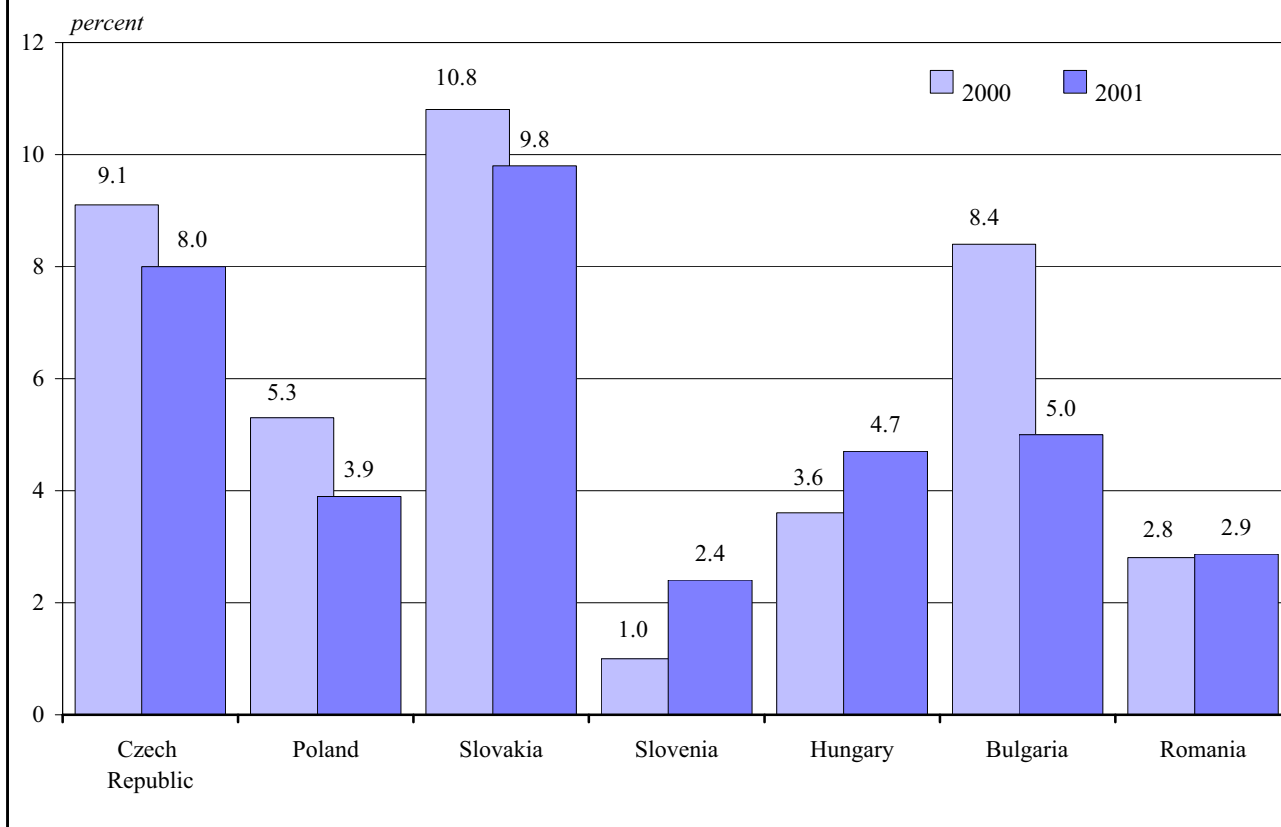
### Import Growth Rates in some Central and East European Candidates to the European Union



### Foreign Direct Investment in some Central and East European Candidates to the European Union

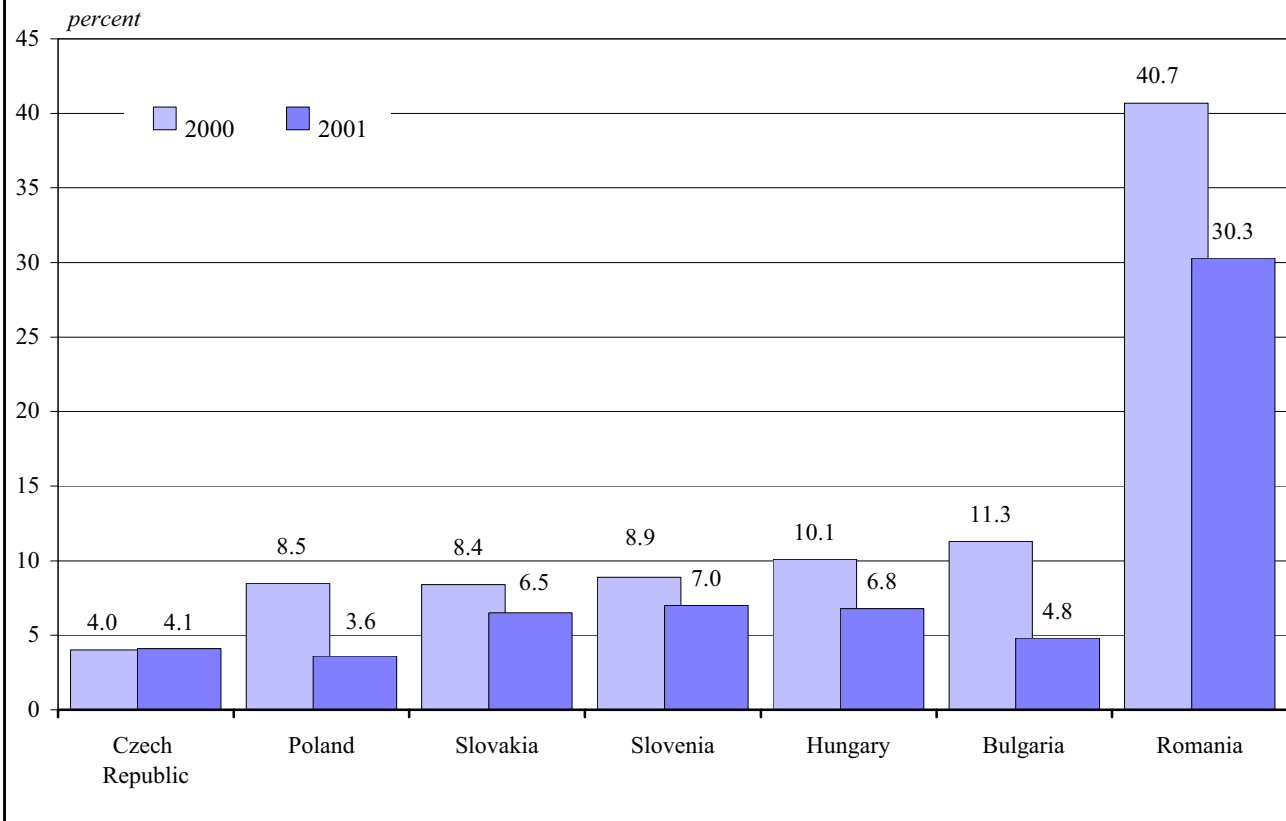


### Foreign Direct Investment in some Central and East European Candidates to the European Union (as % of GDP)

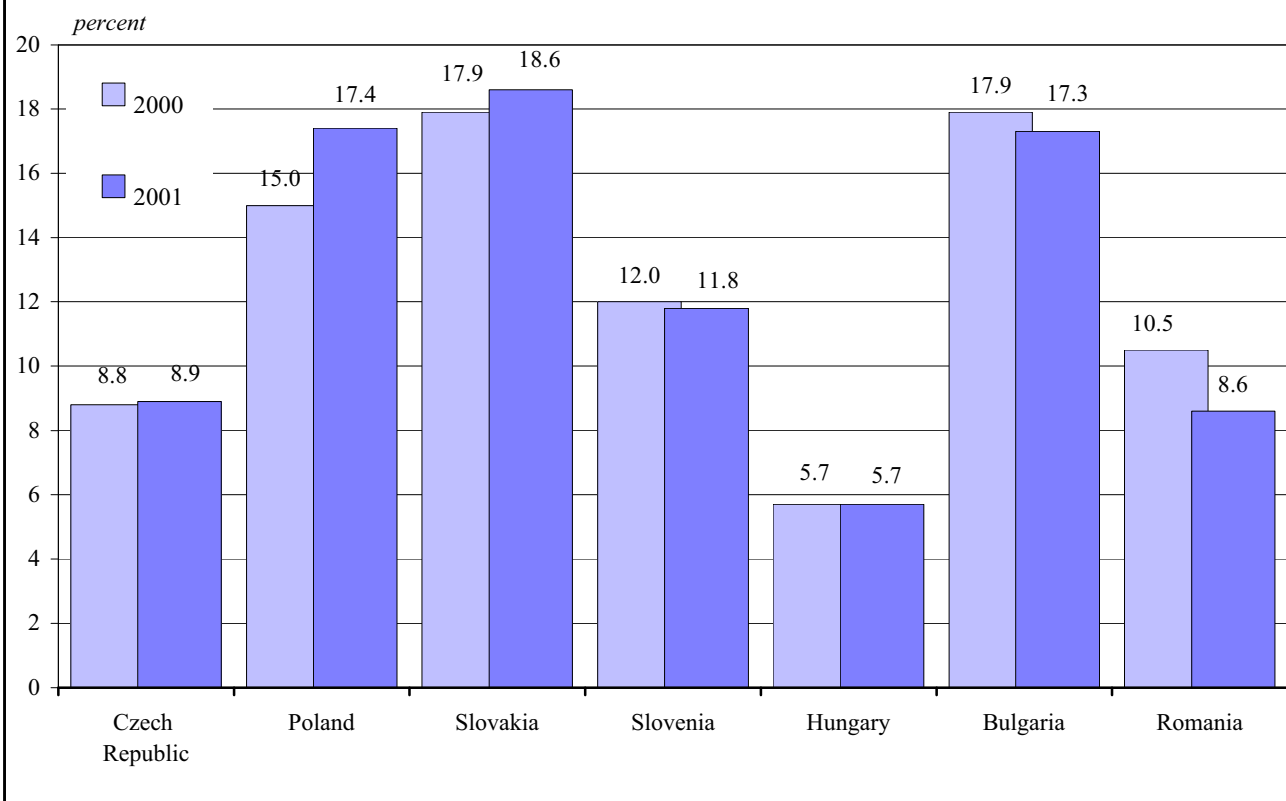




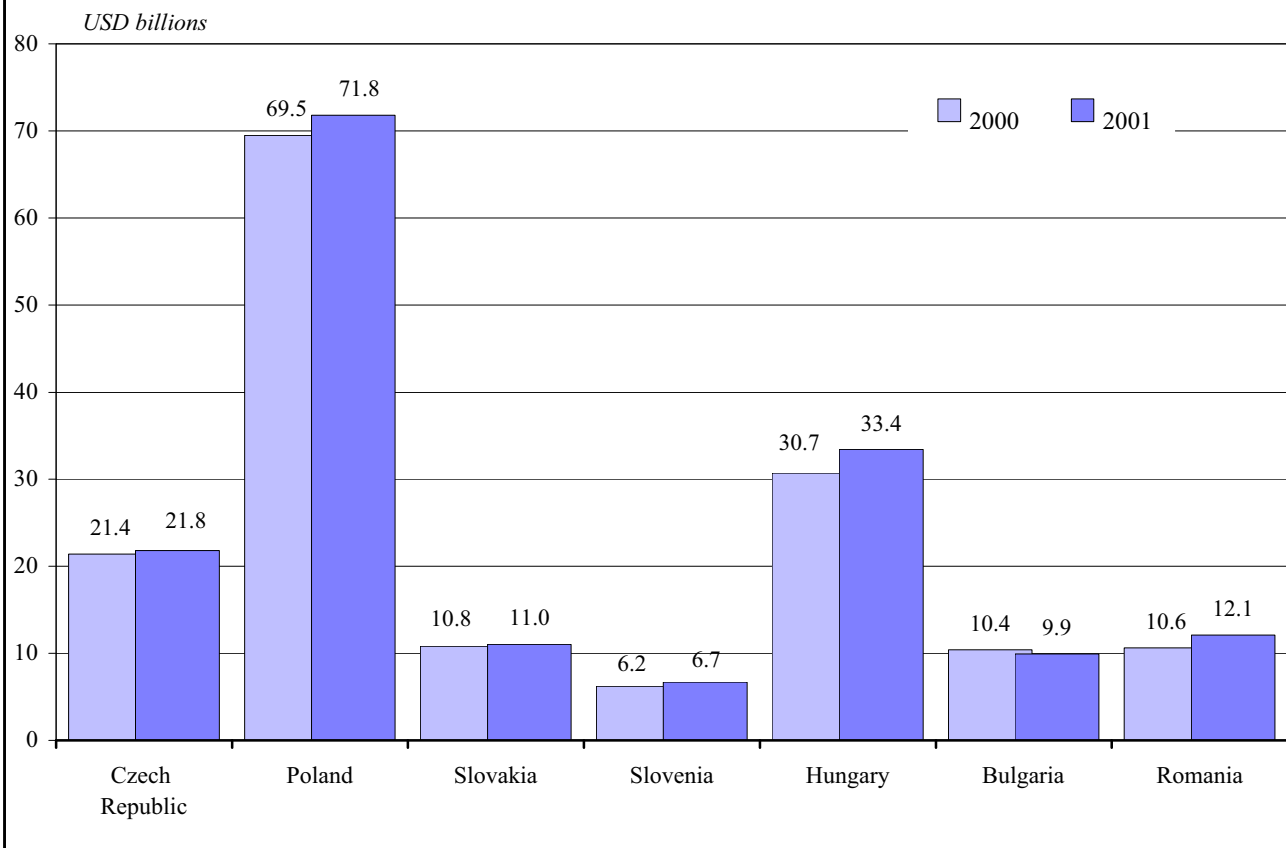
### Inflation Rate in some Central and East European Candidates to the European Union



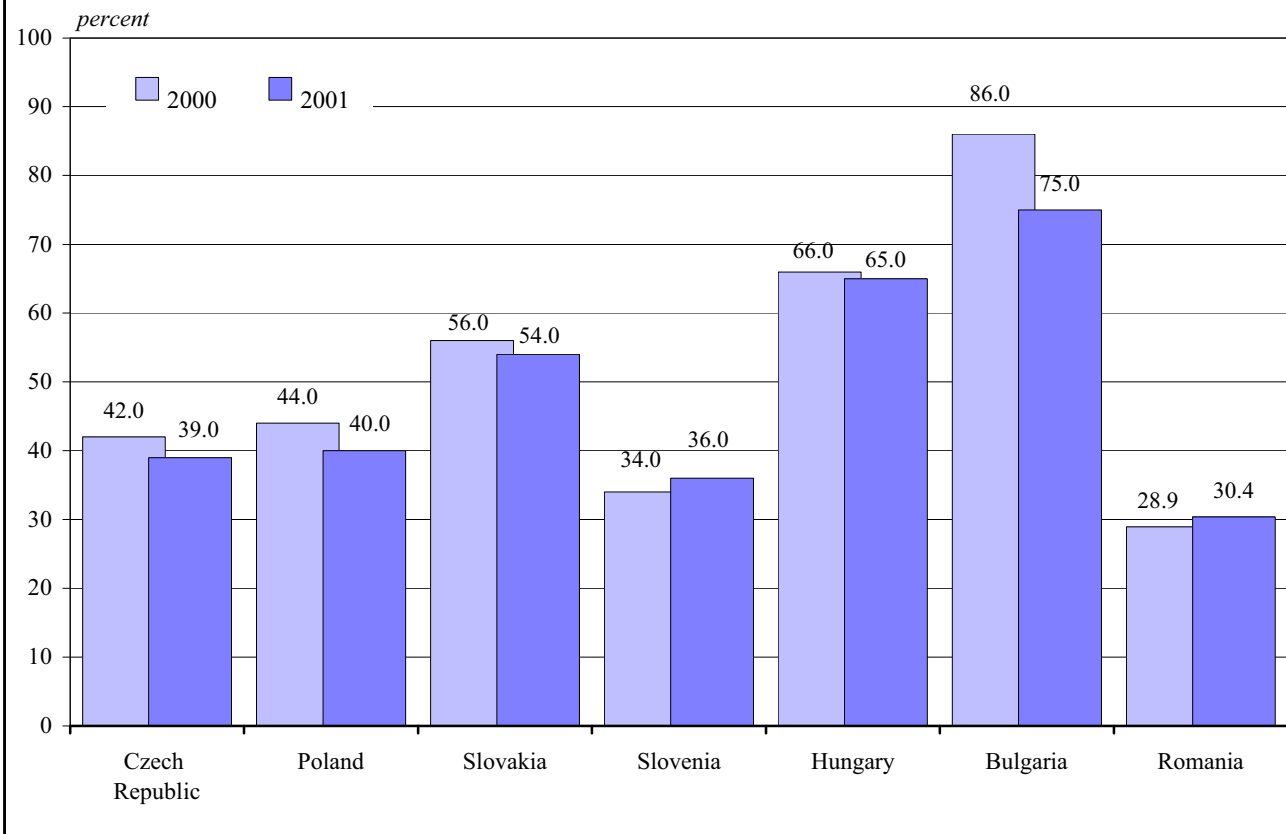
### Unemployment Rate in some Central and East European Candidates to the European Union



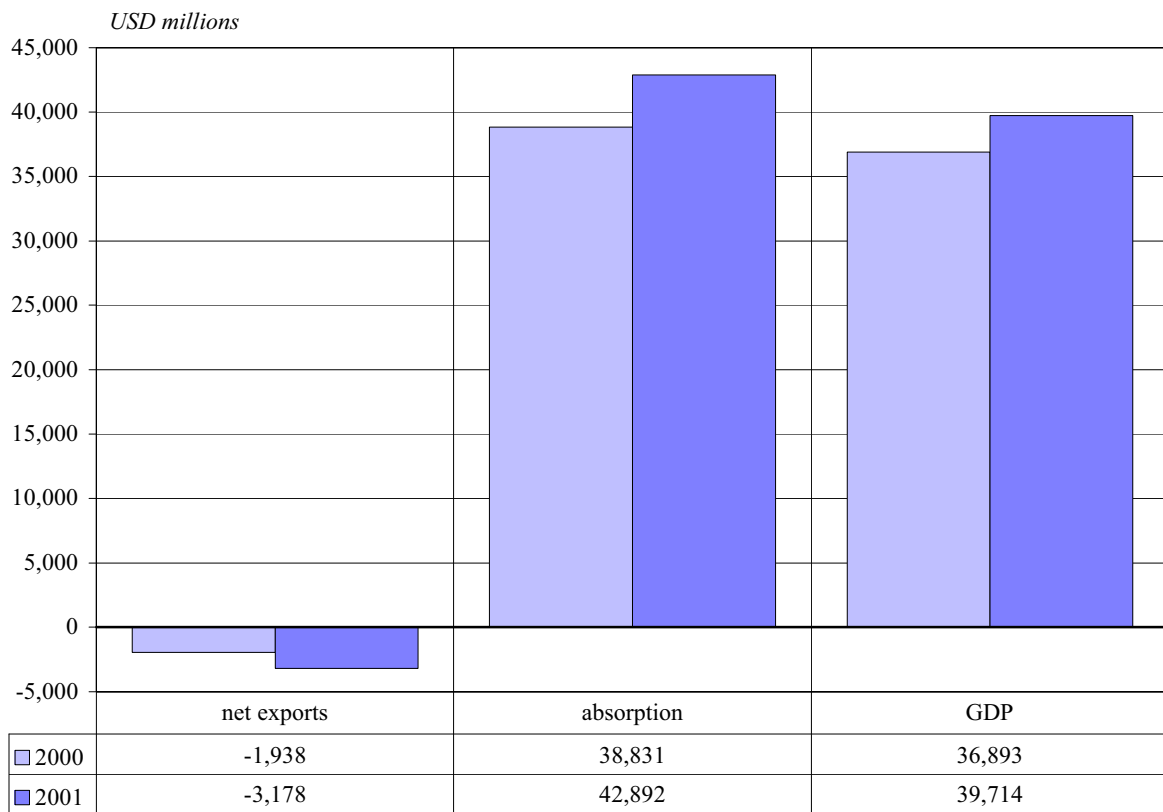
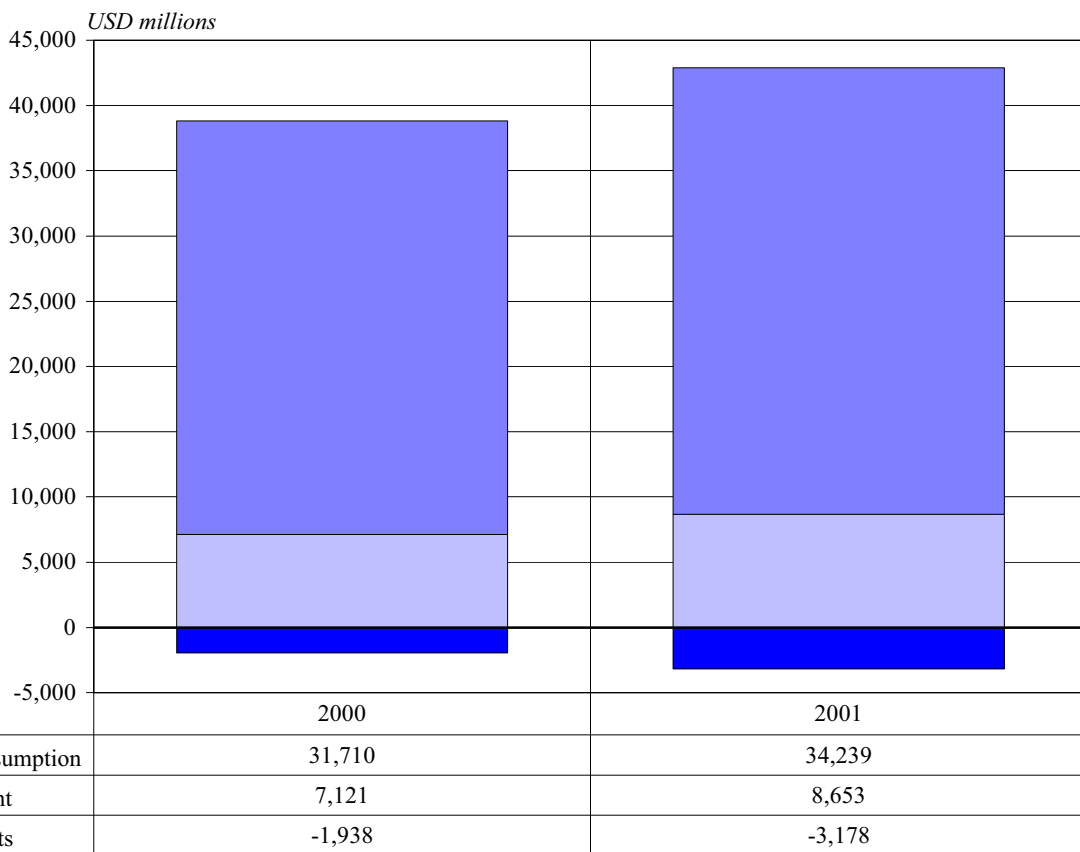
### Gross External Debt in some Central and East European Candidates to the European Union

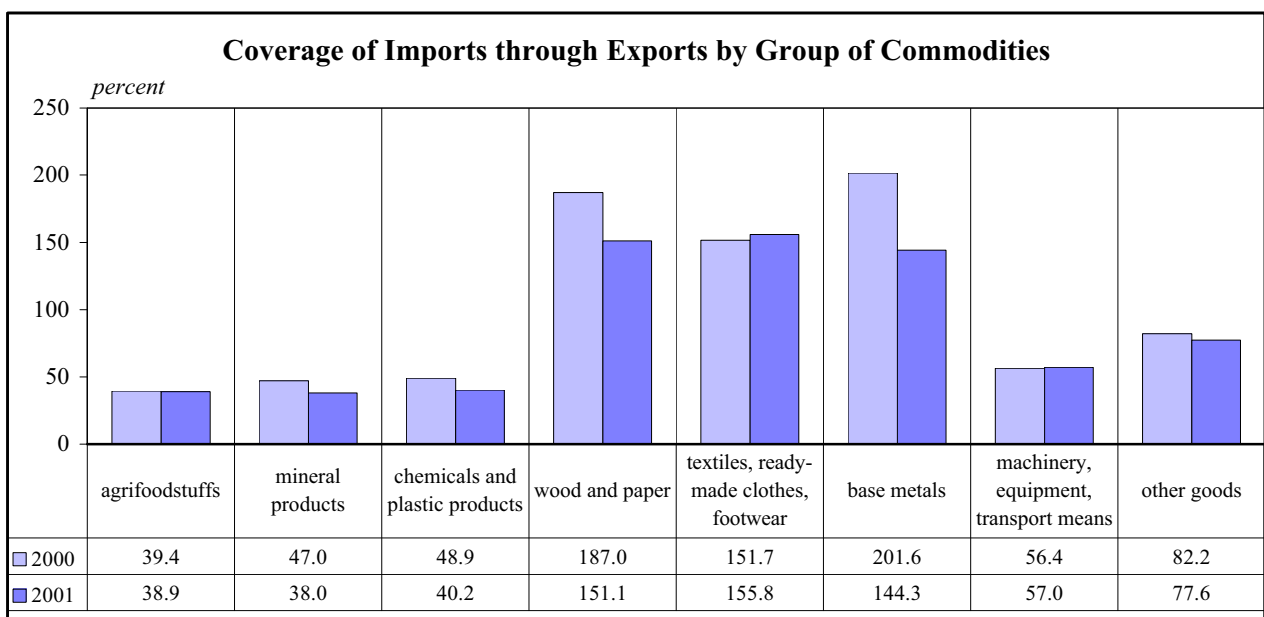
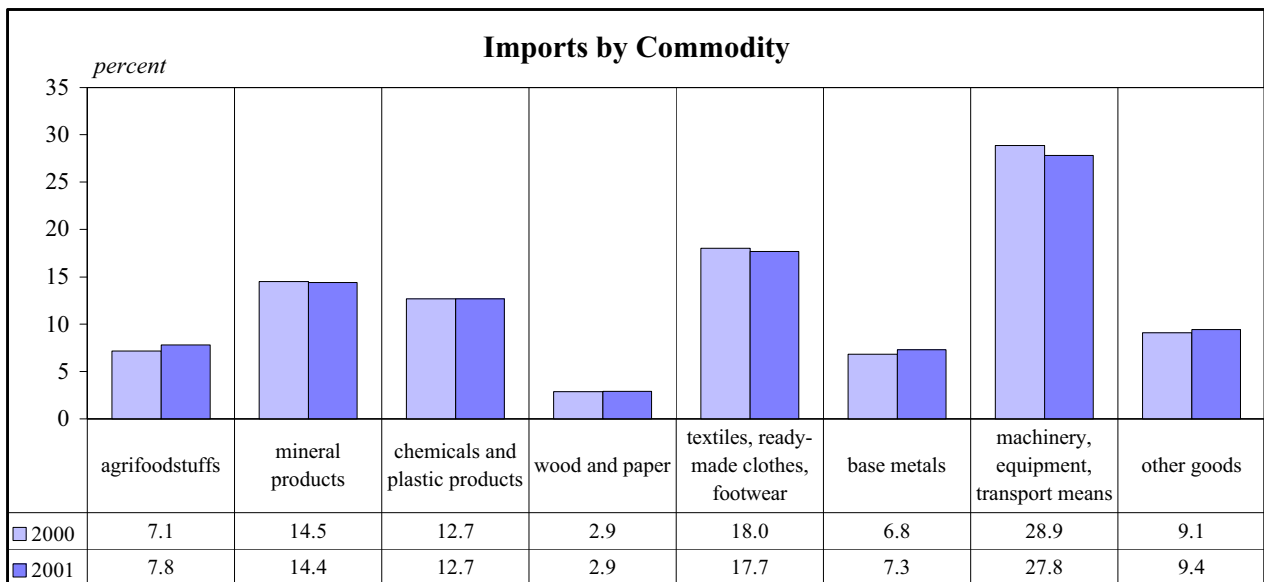
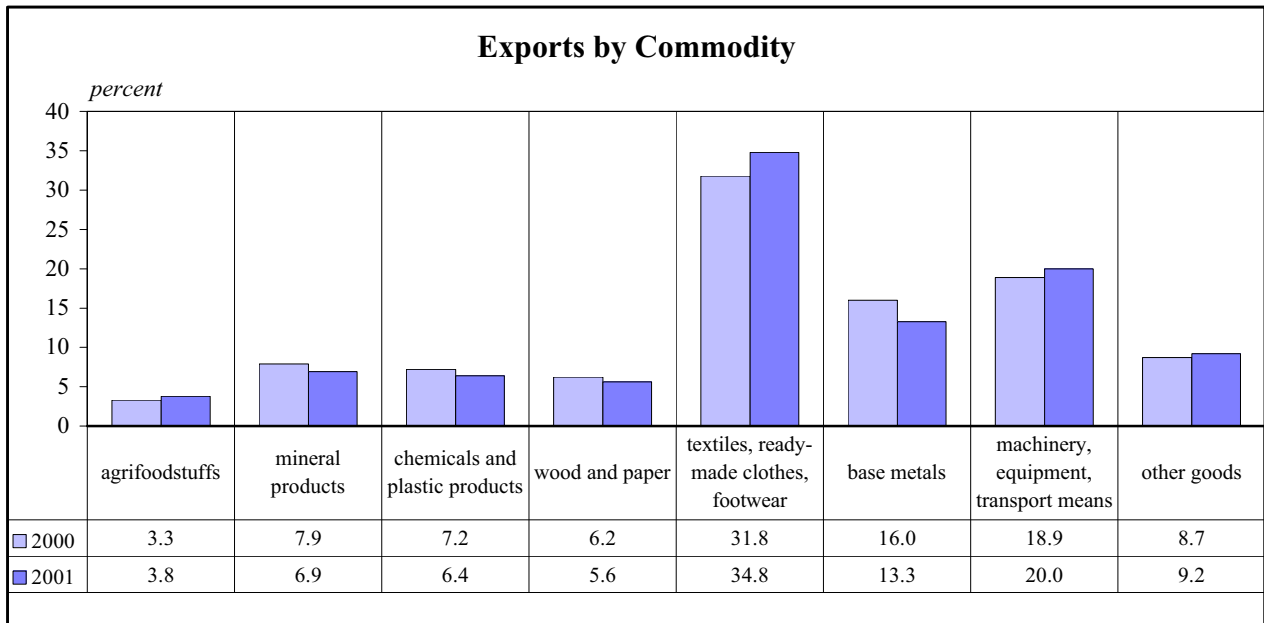


### Gross External Debt in some Central and East European Candidates to the European Union (as % of GDP)

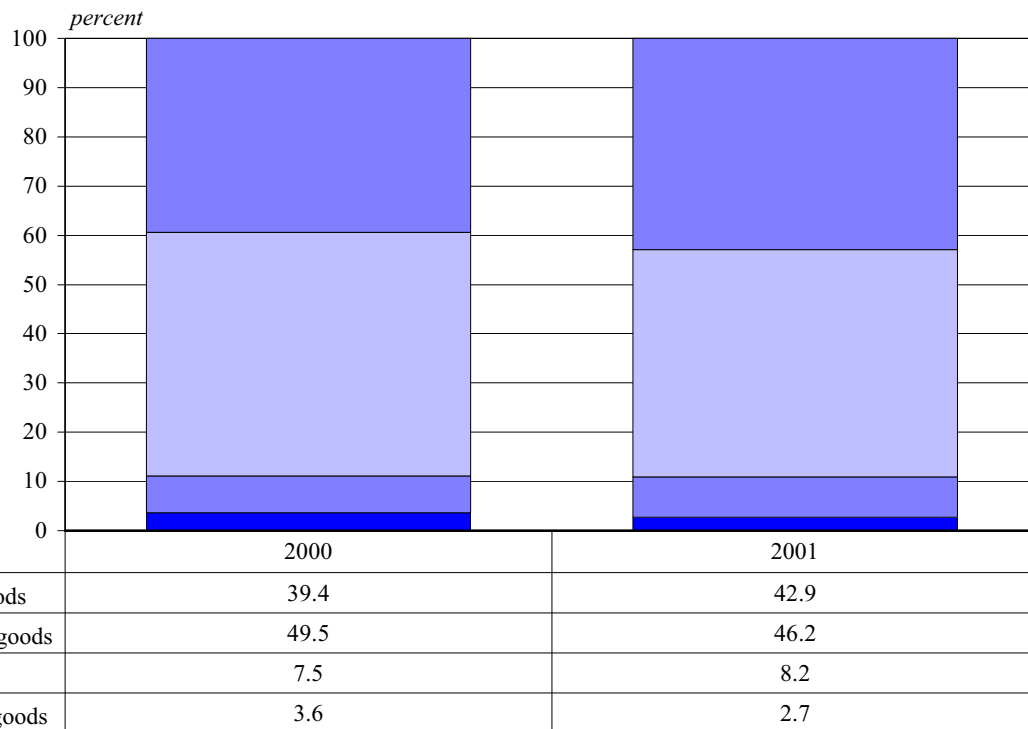


### GDP Components





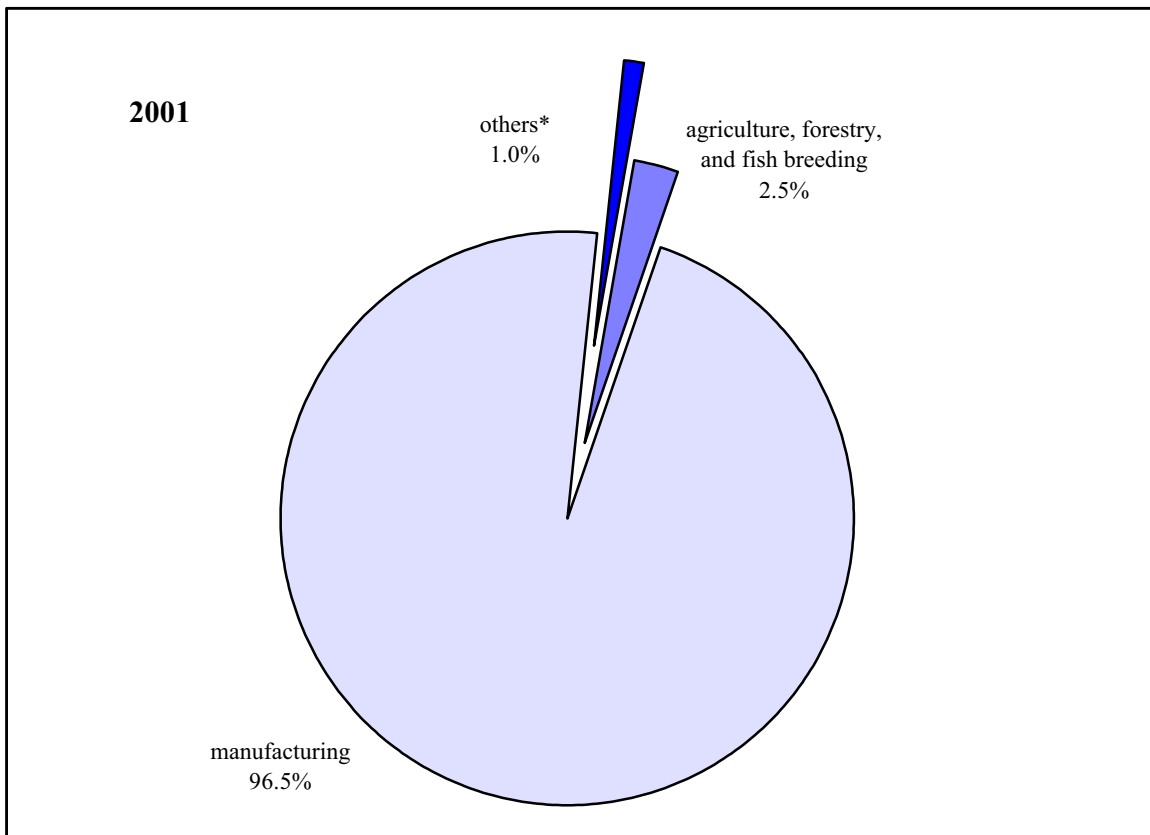
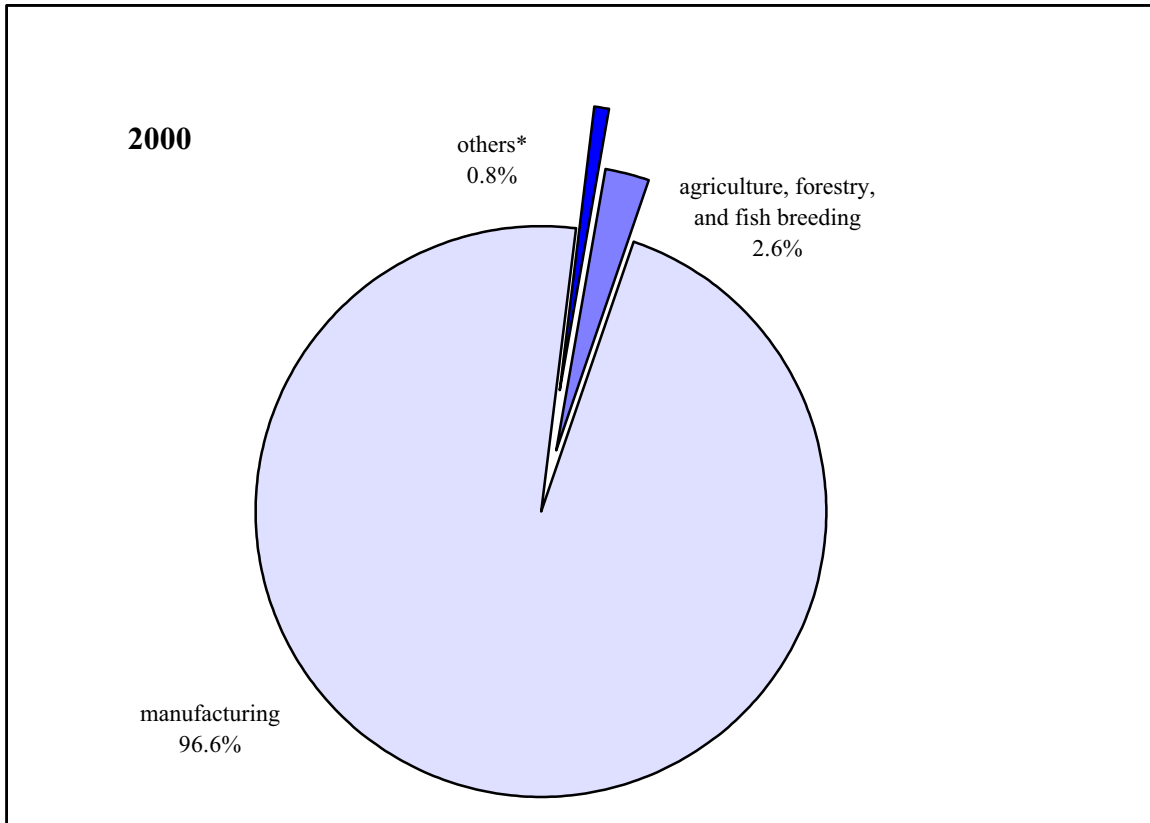
### Exports According to the National Account System (NAS)



### Imports According to the National Account System (NAS)

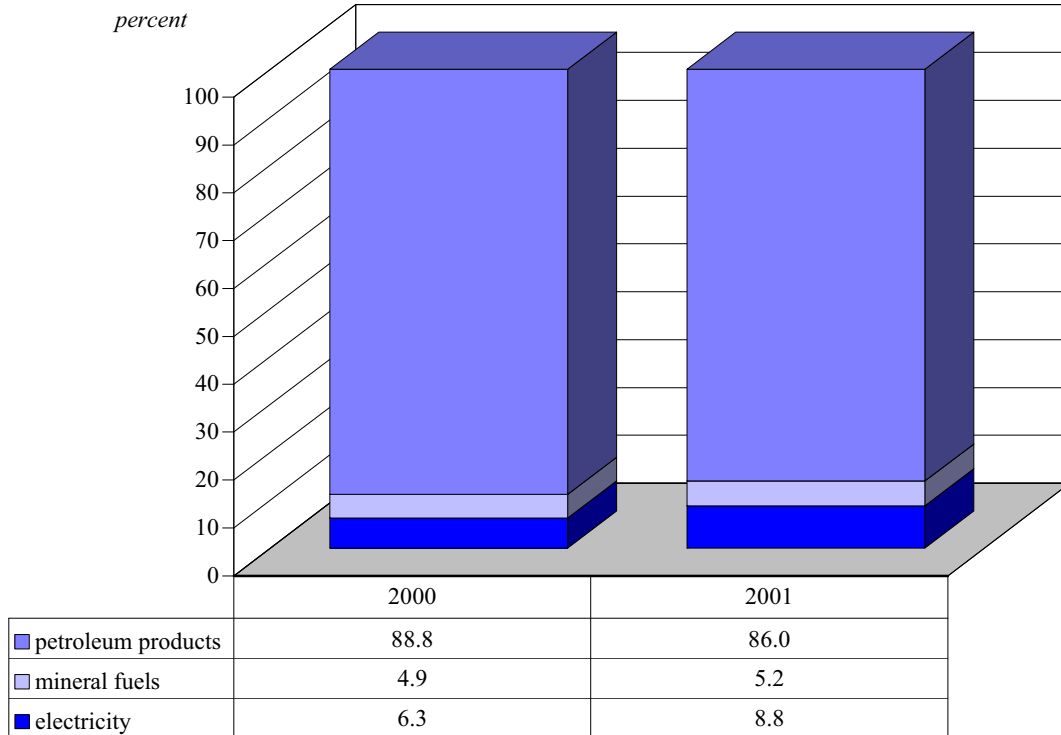


## Exports by Economic Sector

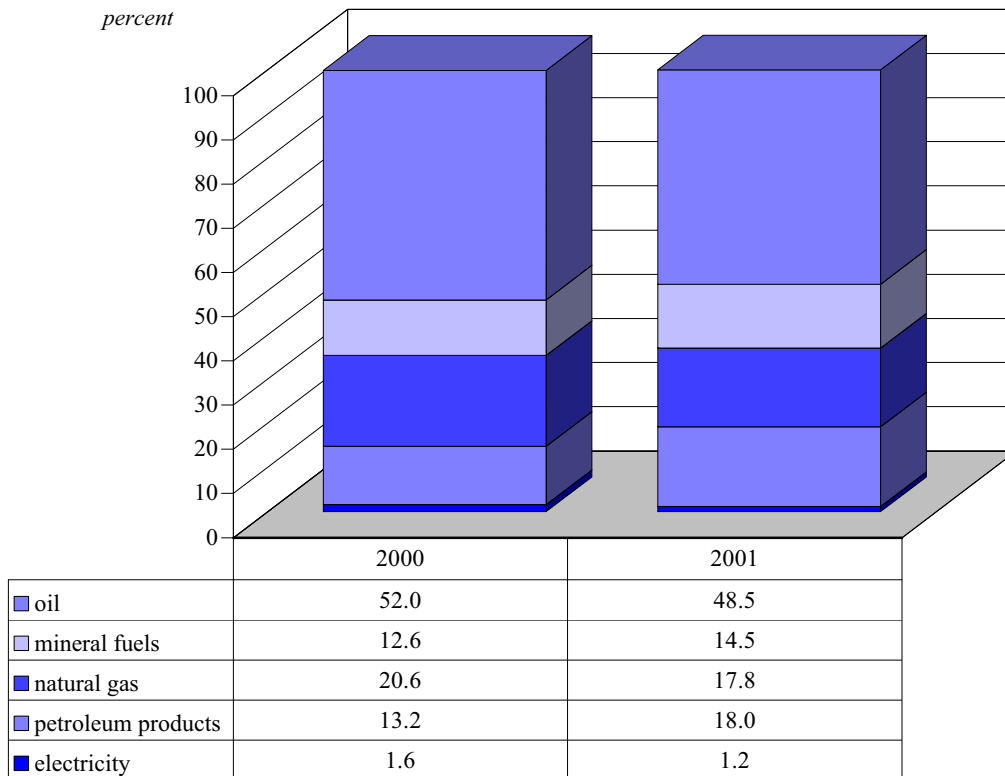


\*) including mining, electric power and unclassified activities

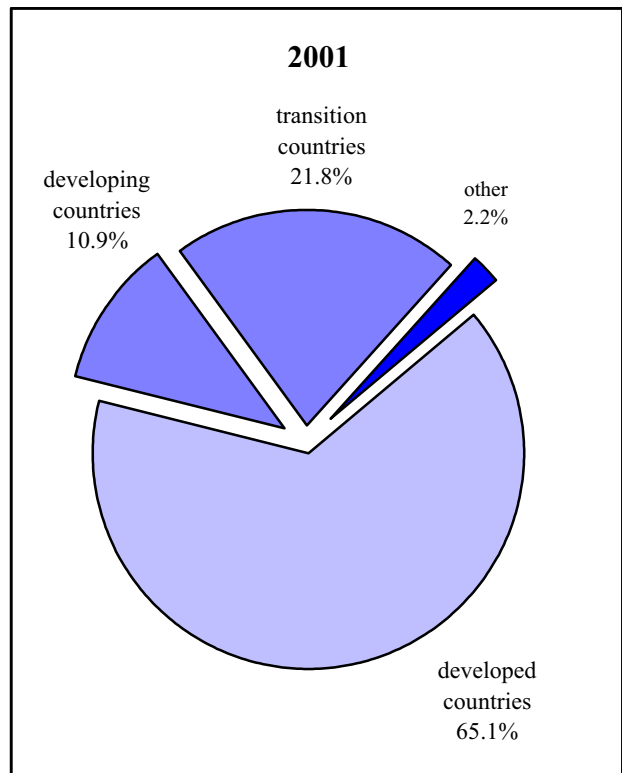
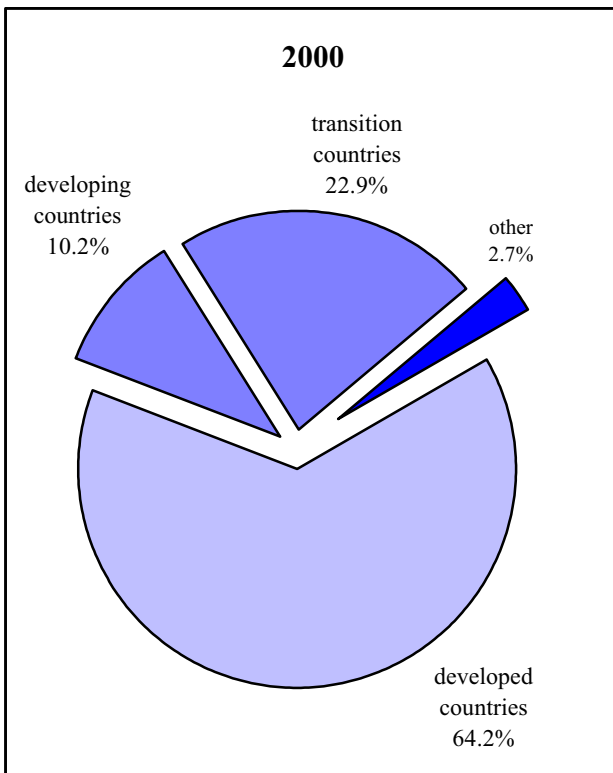
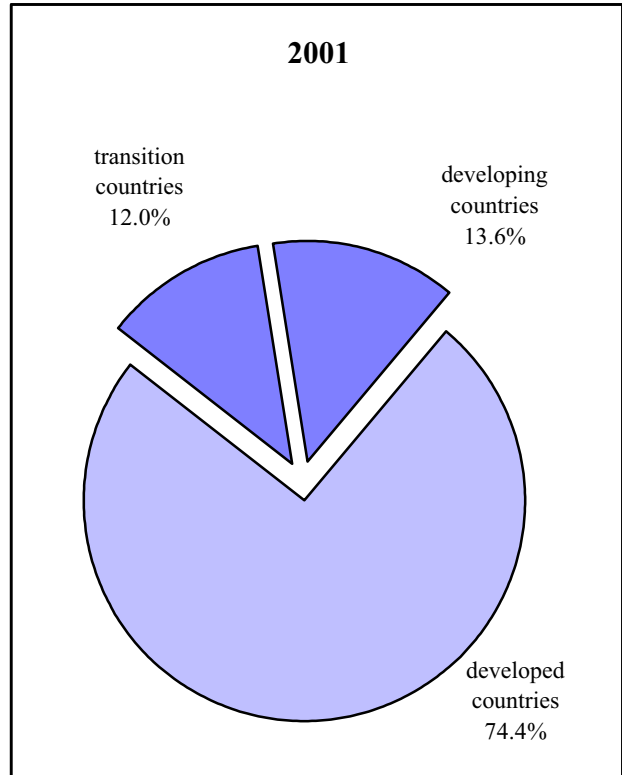
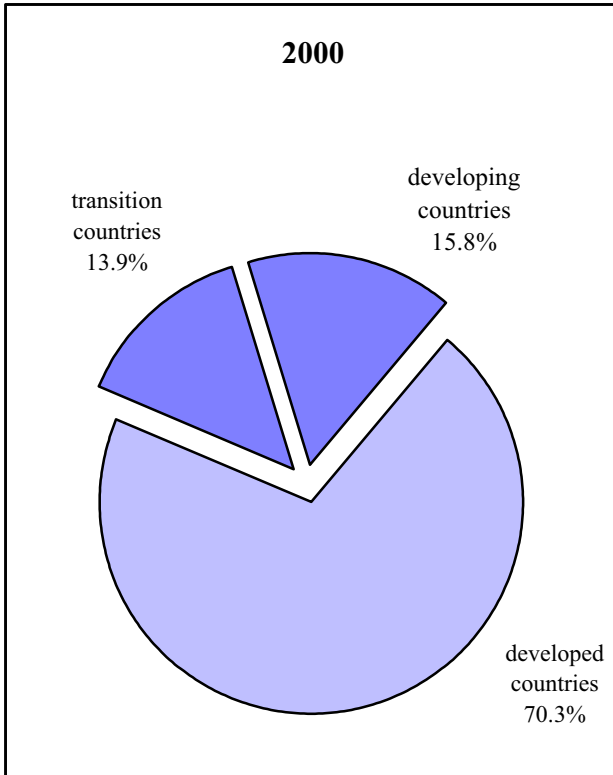
### Export Value of Energy Products



### Import Value of Energy Products

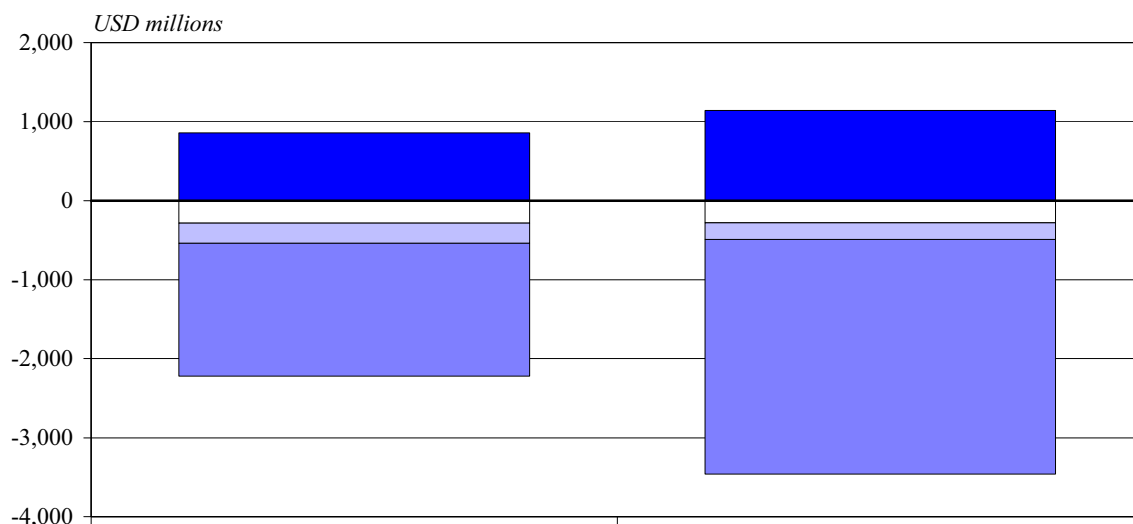


## Export Destination



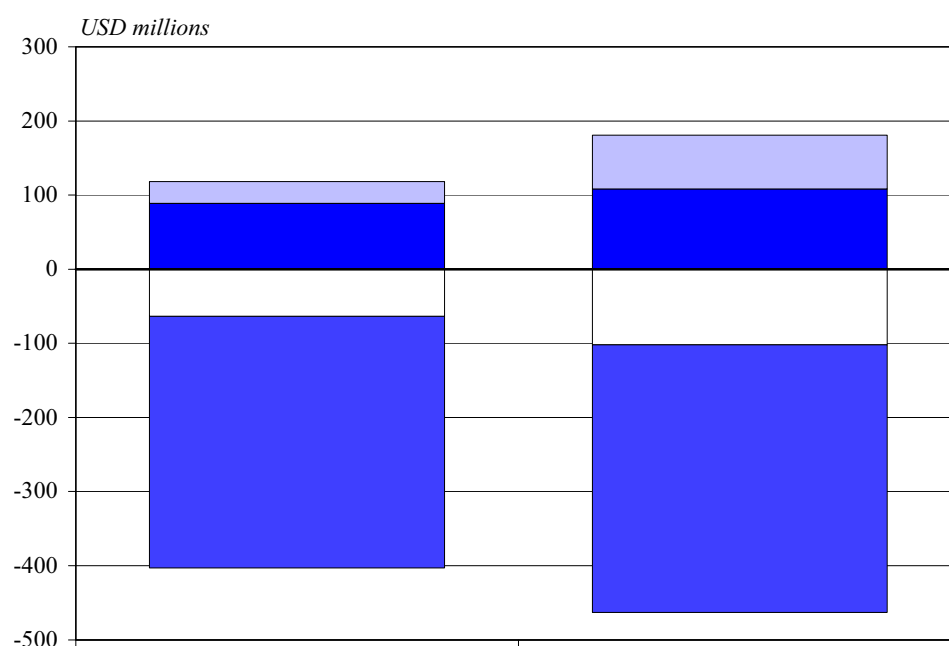


### Current Account Components



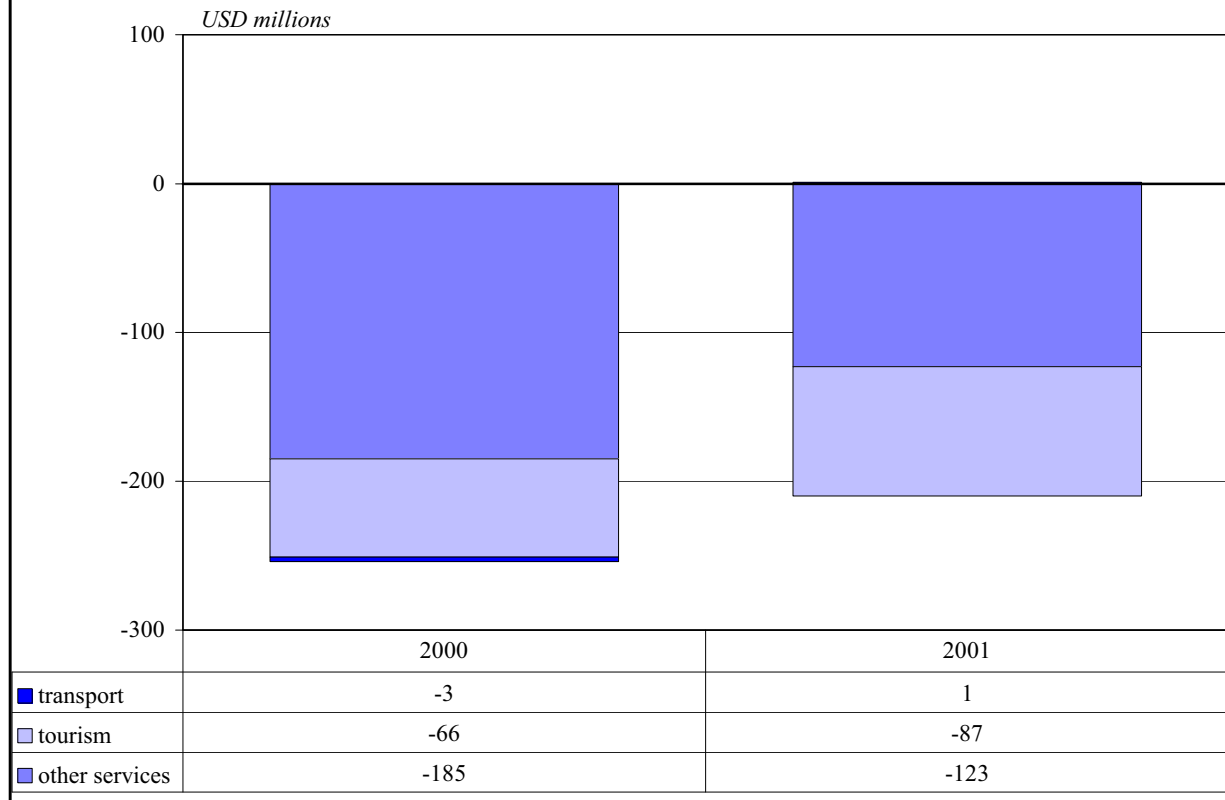
	2000	2001
goods	-1,684	-2,969
services	-254	-209
incomes	-285	-282
current transfers	860	1,143

### Incomes Balance



	2000	2001
other capital investment (interest)	-339	-361
portfolio investment income	29	73
direct investment income	-64	-102
earned income	89	108

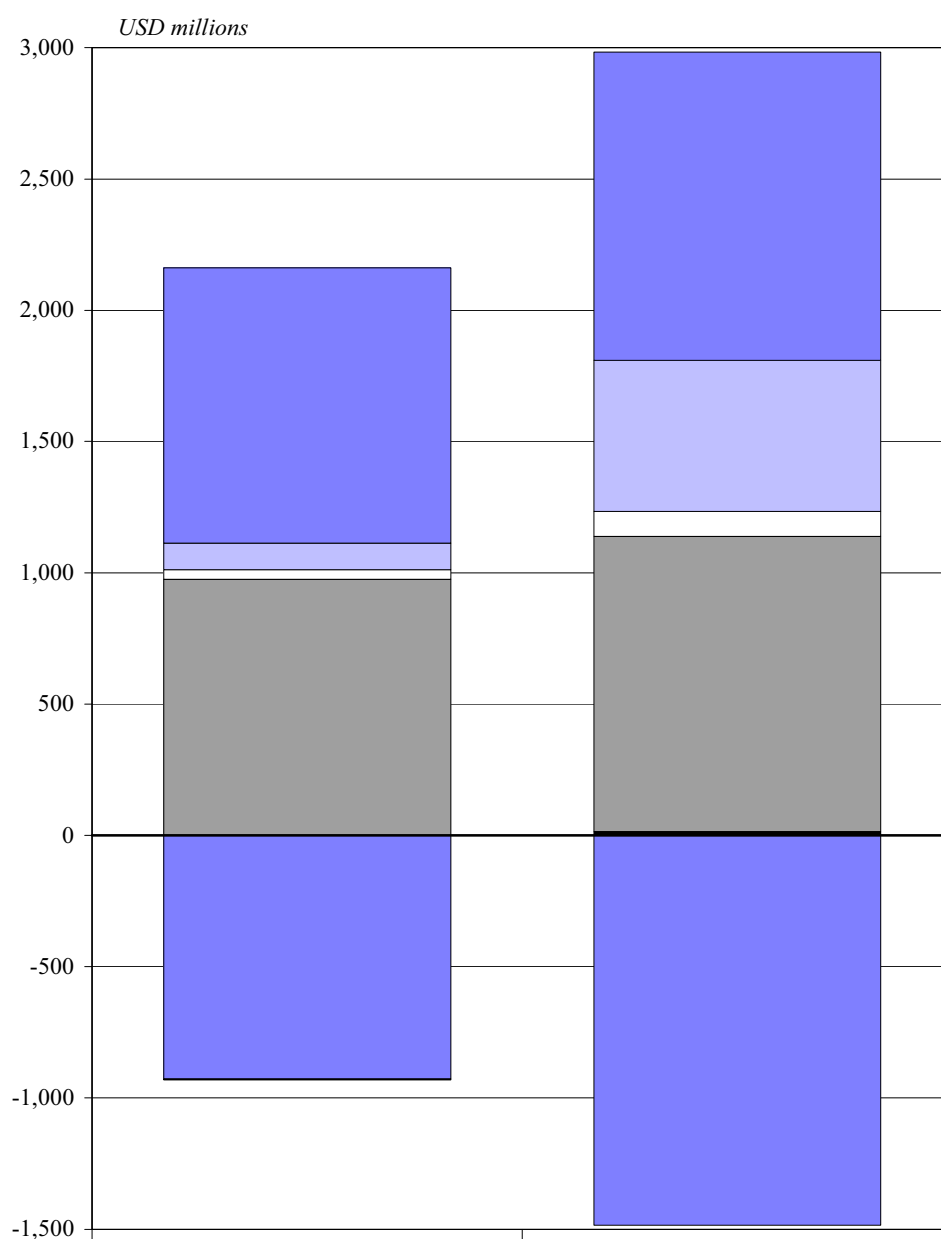
### Services Balance



### Direct Investment (Inflows)



### Capital and Financial Account Components



	2000	2001
■ direct investment	1,048	1,174
■ portfolio investments	101	575
□ capital transfers	36	95
■ other capital investments	976	1,125
■ float and clearing accounts	-3	14
■ reserve assets	-928	-1,484



# **Statistical section**

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## BALANCE OF PAYMENTS, 2000-2001

USD million

	2000			2001			
	credit	debit	balance	credit	debit	balance	
<b>1. Current account</b>	<b>13,537</b>	<b>14,900</b>	<b>-1,363</b>	<b>15,251</b>	<b>17,568</b>	<b>-2,317</b>	<b>1. Current account</b>
<i>A. Goods and services</i>	12,133	14,071	-1,938	13,379	16,557	-3,178	<i>A. Goods and services</i>
a. Goods	10,366	12,050	-1,684	11,385	14,354	-2,969	a. Goods
b. Services	1,767	2,021	-254	1,994	2,203	-209	b. Services
- transport	652	655	-3	789	788	1	- transport
- tourism	359	425	-66	362	449	-87	- tourism
- other	756	941	-185	843	966	-123	- other
<i>B. Incomes</i>	325	610	-285	455	737	-282	<i>B. Incomes</i>
- labour	94	5	89	112	4	108	- labour
- direct investment	8	72	-64	15	117	-102	- direct investment
- portfolio investment	103	74	29	178	105	73	- portfolio investment
- other capital investment	120	459	-339	150	511	-361	- other capital investment
<i>C. Current transfers</i>	1,079	219	860	1,417	274	1,143	<i>C. Current transfers</i>
- general government	99	29	70	252	31	221	- general government
- other sectors	980	190	790	1,165	243	922	- other sectors
<b>2. Capital and financial account</b>	<b>5,397</b>	<b>4,167</b>	<b>1,230</b>	<b>6,739</b>	<b>5,240</b>	<b>1,499</b>	<b>2. Capital and financial account</b>
<i>A. Capital account</i>	37	1	36	108	13	95	<i>A. Capital account</i>
a. Capital transfers	37	1	36	108	13	95	a. Capital transfers
- general government	35	0	35	95	11	84	- general government
- other sectors	2	1	1	13	2	11	- 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>	5,360	4,166	1,194	6,631	5,227	1,404	<i>B. Financial account</i>
a. Direct investment	1,106	58	1,048	1,303	129	1,174	a. Direct investment
- of residents abroad	45	34	11	48	31	17	- of residents abroad
- of non-residents in Romania	1,061	24	1,037	1,255	98	1,157	- of non-residents in Romania
b. Portfolio investment	472	371	101	1,155	580	575	b. Portfolio investment
- assets	39	11	28	20	28	-8	- assets
- liabilities	433	360	73	1,135	552	583	- liabilities
c. Other capital investment	3,693	2,717	976	4,150	3,025	1,125	c. Other capital investment
1. assets:	672	1,078	-406	795	845	-50	1. assets:
- medium- and long-term loans and credits	45	138	-93	67	114	-47	- medium- and long-term loans and credits
- medium- and short-term loans and credits	65	51	14	22	26	-4	- medium- and short-term loans and credits
- outstanding long-term export bills	49	56	-7	79	77	2	- outstanding long-term export bills
- outstanding short-term export bills	210	190	20	248	150	98	- outstanding short-term export bills
- cash and cheques	5	7	-2	1	113	-112	- cash and cheques
- resident bank deposits abroad	294	603	-309	338	360	-22	- resident bank deposits abroad
- other	4	33	-29	40	5	35	- other
- long-term	0	0	0	0	0	0	- long-term
- short-term	4	33	-29	40	5	35	- short-term
2. liabilities:	3,021	1,639	1,382	3,355	2,180	1,175	2. liabilities:
- use of IMF loans and credits	115	95	20	67	117	-50	- use of IMF loans and credits
- long- and medium-term loans and credits	2,388	1,001	1,387	2,449	1,451	998	- long- and medium-term loans and credits
- medium- and short-term loans and credits	227	259	-32	289	228	61	- medium- and short-term loans and credits
- outstanding long-term import bills	64	62	2	87	85	2	- outstanding long-term import bills
- outstanding short-term import bills	193	199	-6	233	200	33	- outstanding short-term import bills
- cash and cheques	0	0	0	0	0	0	- cash and cheques
- non-resident bank deposits in Romania	34	23	11	169	26	143	- non-resident bank deposits in Romania
- other	0	0	0	61	73	-12	- other
- long-term	0	0	0	60	72	-12	- long-term
- short-term	0	0	0	1	1	0	- short-term
d. In-transit accounts	50	43	7	16	8	8	d. In-transit accounts
e. Barter/clearing accounts	25	35	-10	7	1	6	e. Barter/clearing accounts
f. Reserve assets (NBR):	14	942	-928	0	1,484	-1,484	f. Reserve assets (NBR):
- monetary gold	0	2	-2	0	5	-5	- monetary gold
- SDRs	14	5	9	0	6	-6	- SDRs
- reserve position with IMF	0	0	0	0	0	0	- reserve position with IMF
- convertible currency	0	935	-935	0	1,473	-1,473	- convertible currency
- other	0	0	0	0	0	0	- other
<b>3. Errors and omissions</b>	<b>133</b>	<b>0</b>	<b>133</b>	<b>818</b>	<b>0</b>	<b>818</b>	<b>3. Errors and omissions</b>

## QUARTERLY BALANCE OF PAYMENTS 2001

USD million

	Q 1			Q 2		
	credit	debit	balance	credit	debit	balance
<b>1. Current account</b>	<b>3,678</b>	<b>4,137</b>	<b>-459</b>	<b>3,741</b>	<b>4,588</b>	<b>-847</b>
<i>A. Goods and services</i>	3,296	3,906	-610	3,320	4,298	-978
a. Goods	2,873	3,409	-536	2,823	3,734	-911
b. Services	423	497	-74	497	564	-67
- transport	172	185	-13	198	202	-4
- tourism	69	96	-27	93	129	-36
- other	182	216	-34	206	233	-27
<i>B. Income</i>	97	148	-51	107	233	-126
- labour	24	1	23	28	1	27
- direct investment	1	27	-26	11	51	-40
- portfolio investment	55	10	45	45	12	33
- other capital investment	17	110	-93	23	169	-146
<i>C. Current transfers</i>	285	83	202	314	57	257
- general government	45	1	44	56	10	46
- other sectors	240	82	158	258	47	211
<b>2. Capital and financial account</b>	<b>1,407</b>	<b>948</b>	<b>459</b>	<b>1,828</b>	<b>1,427</b>	<b>401</b>
<i>A. Capital account</i>	16	0	16	22	2	20
a. Capital transfers	16	0	16	22	2	20
- general government	16	0	16	21	0	21
- other sectors	0	0	0	1	2	-1
b. Acquisitions/sales of intangible non-financial assets	0	0	0	0	0	0
<i>B. Financial account</i>	1,391	948	443	1,806	1,425	381
a. Direct investment	199	10	189	297	27	270
- of residents abroad	16	2	14	20	13	7
- of non-residents in Romania	183	8	175	277	14	263
b. Portfolio investment	207	105	102	721	84	637
- assets	2	5	-3	3	2	1
- liabilities	205	100	105	718	82	636
c. Other capital investment	969	464	505	787	524	263
1. assets:	167	54	113	147	84	63
- medium- and long-term loans and credits	0	6	-6	2	0	2
- medium- and short-term loans and credits	0	15	-15	0	5	-5
- outstanding long-term export bills	12	9	3	10	12	-2
- outstanding short-term export bills	131	19	112	19	61	-42
- cash and cheques	1	0	1	0	6	-6
- resident bank deposits abroad	23	0	23	112	0	112
- other	0	5	-5	4	0	4
- long-term	0	0	0	0	0	0
- short-term	0	5	-5	4	0	4
2. liabilities:	802	410	392	640	440	200
- use of IMF credit	0	19	-19	0	39	-39
- long- and medium-term loans and credits	648	294	354	474	310	164
- medium- and short-term loans and credits	41	18	23	43	19	24
- outstanding long-term import bills	20	21	-1	5	5	0
- outstanding short-term import bills	34	32	2	55	49	6
- cash and cheques	0	0	0	0	0	0
- non-resident bank deposits in Romania	0	26	-26	62	0	62
- other	59	0	59	1	18	-17
- long-term	59	0	59	0	17	-17
- short-term	0	0	0	1	1	0
d. In-transit accounts	15	0	15	1	0	1
e. Barter/clearing accounts	1	0	1	0	0	0
f. Reserve assets (NBR):	0	369	-369	0	790	-790
- monetary gold	0	0	0	0	3	-3
- SDRs	0	1	-1	0	0	0
- reserve position in IMF	0	0	0	0	0	0
- foreign exchange	0	368	-368	0	787	-787
- other	0	0	0	0	0	0
<b>3. Errors and omissions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>446</b>	<b>0</b>	<b>446</b>



**QUARTERLY BALANCE OF PAYMENTS 2001**

USD million

Q 3			Q 4			
credit	debit	balance	credit	debit	balance	
<b>4,053</b>	<b>4,039</b>	<b>14</b>	<b>3,779</b>	<b>4,804</b>	<b>-1,025</b>	<b>1. Current account</b>
3,549	3,835	-286	3,214	4,518	-1,304	<i>A. Goods and services</i>
2,967	3,304	-337	2,722	3,907	-1,185	a. Goods
582	531	51	492	611	-119	b. Services
218	183	35	201	218	-17	- transport
98	103	-5	102	121	-19	- tourism
266	245	21	189	272	-83	- other
88	141	-53	163	215	-52	<i>B. Income</i>
29	1	28	31	1	30	- labour
1	21	-20	2	18	-16	- direct investment
39	6	33	39	77	-38	- portfolio investment
19	113	-94	91	119	-28	- other capital investment
416	63	353	402	71	331	<i>C. Current transfers</i>
81	12	69	70	8	62	- general government
335	51	284	332	63	269	- other sectors
<b>1,244</b>	<b>1,120</b>	<b>124</b>	<b>2,260</b>	<b>1,745</b>	<b>515</b>	<b>2. Capital and financial account</b>
19	0	19	51	11	40	<i>A. Capital account</i>
19	0	19	51	11	40	a. Capital transfers
16	0	16	42	11	31	- general government
3	0	3	9	0	9	- other sectors
0	0	0	0	0	0	b. Acquisitions/sales of intangible non-financial assets
1,225	1,120	105	2,209	1,734	475	<i>B. Financial account</i>
368	64	304	439	28	411	a. Direct investment
8	9	-1	4	7	-3	- of residents abroad
360	55	305	435	21	414	- of non-residents in Romania
53	56	-3	174	335	-161	b. Portfolio investment
6	11	-5	9	10	-1	- assets
47	45	2	165	325	-160	- liabilities
804	992	-188	1,590	1,045	545	c. Other capital investment
106	433	-327	375	274	101	1. assets:
27	4	23	38	104	-66	- medium- and long-term loans and credits
21	6	15	1	0	1	- medium- and short-term loans and credits
9	6	3	48	50	-2	- outstanding long-term export bills
40	34	6	58	36	22	- outstanding short-term export bills
0	23	-23	0	84	-84	- cash and cheques
0	360	-360	203	0	203	- resident bank deposits abroad
9	0	9	27	0	27	- other
0	0	0	0	0	0	- long-term
9	0	9	27	0	27	- short-term
698	559	139	1,215	771	444	2. liabilities:
0	19	-19	67	40	27	- use of IMF loans and credits
492	363	129	835	484	351	- long- and medium-term loans and credits
61	121	-60	144	70	74	- medium- and short-term loans and credits
14	12	2	48	47	1	- outstanding long-term import bills
49	19	30	95	100	-5	- outstanding short-term import bills
0	0	0	0	0	0	- cash and cheques
82	0	82	25	0	25	- non-resident bank deposits in Romania
0	25	-25	1	30	-29	- other
0	25	-25	1	30	-29	- long-term
0	0	0	0	0	0	- short-term
0	0	0	0	8	-8	d. In-transit accounts
0	1	-1	6	0	6	e. Barter/clearing accounts
0	7	-7	0	318	-318	f. Reserve assets (NBR):
0	1	-1	0	1	-1	- monetary gold
0	0	0	0	5	-5	- SDRs
0	0	0	0	0	0	- reserve position in IMF
0	6	-6	0	312	-312	- foreign exchange
0	0	0	0	0	0	- other
0	138	-138	510	0	510	<b>3. Errors and omissions</b>

## BALANCE OF SERVICES

*USD million*

	2000			2001		
	credit	debit	balance	credit	debit	balance
<b>TOTAL</b>	1,767	2,021	-254	1,994	2,203	-209
<b>TRANSPORT</b>	652	655	-3	789	788	1
Freight - goods transport	442	573	-131	528	704	-176
- sea	44	83	-39	35	148	-113
- river	3	2	1	5	2	3
- air	5	26	-21	4	31	-27
- railway	46	98	-52	51	93	-42
- road	342	305	37	431	375	56
- other	2	59	-57	2	55	-53
Passenger transport	35	26	9	57	26	31
Other	175	56	119	204	58	146
<b>TOURISM - TRAVEL</b>	359	425	-66	362	449	-87
Business	87	241	-154	59	245	-186
Private tourism	270	183	87	301	203	98
<b>OTHER SERVICES</b>	756	941	-185	843	966	-123
Communication services	145	82	63	135	91	44
Construction services	30	28	2	59	24	35
Insurance services	21	41	-20	37	49	-12
Financial services	110	98	12	94	76	18
Computer and information services	44	29	15	50	34	16
Licensing, merchanting, leasing fees, audio-visual and related services	35	93	-58	48	112	-64
Other leisure and cultural services	67	63	4	61	69	-8
Government services n.s.e.	27	45	-18	25	40	-15
Other	277	462	-185	334	471	-137

## BALANCE OF CURRENT TRANSFERS

*USD million*

	2000			2001		
	credit	debit	balance	credit	debit	balance
<b>TOTAL</b>	1,079	219	860	1,417	274	1,143
General government, of which:	151	29	122	252	31	221
Subsidies granted/received*	58	8	50	158	3	155
Collection of taxes, charges, fines	93	0	93	94	0	94
Private transfers, of which:	928	190	738	1,165	243	922
Grants and aids, subsidies, etc.	200	3	197	191	3	188
Other current transfers	690	162	528	907	222	685

\*) non-redeemable technical assistance included

# FINANCIAL ACCOUNT

USD million

	2000			2001		
	credit	debit	balance	credit	debit	balance
<b>TOTAL</b>	<b>5,360</b>	<b>4,166</b>	<b>1,194</b>	<b>6,631</b>	<b>5,227</b>	<b>1,404</b>
<b>1. Monetary authority</b>	<b>229</b>	<b>1,151</b>	<b>-922</b>	<b>167</b>	<b>1,976</b>	<b>-1,809</b>
<b>Assets</b>	<b>14</b>	<b>942</b>	<b>-928</b>	<b>0</b>	<b>1,484</b>	<b>-1,484</b>
- Deposits abroad	0	935	-935	0	1,473	-1,473
- SDRs	14	5	9	0	6	-6
- Monetary gold	0	2	-2	0	5	-5
<b>Liabilities</b>	<b>215</b>	<b>209</b>	<b>6</b>	<b>167</b>	<b>492</b>	<b>-325</b>
- Portfolio investments	0	0	0	0	275	-275
- Long-term loans and credits:	115	95	20	67	117	-50
- IMF loans and credits	115	95	20	67	117	-50
- Short-term loans and credits	100	114	-14	100	100	0
<b>2. General government</b>	<b>1,286</b>	<b>431</b>	<b>855</b>	<b>1,479</b>	<b>549</b>	<b>930</b>
<b>Assets</b>	<b>27</b>	<b>112</b>	<b>-85</b>	<b>43</b>	<b>88</b>	<b>-45</b>
- Portfolio investments:	0	3	-3	0	1	-1
- bonds	0	3	-3	0	1	-1
- Long-term loans and credits	5	86	-81	36	86	-50
- Other:	22	23	-1	7	1	6
- short-term assets	22	23	-1	7	1	6
<b>Liabilities</b>	<b>1,259</b>	<b>319</b>	<b>940</b>	<b>1,436</b>	<b>461</b>	<b>975</b>
- Portfolio investments:	259	0	259	655	0	655
- bonds	259	0	259	655	0	655
- Long-term loans and credits	997	307	690	781	431	350
- Other:	3	12	-9	0	30	-30
- long-term liabilities	3	12	-9	0	30	-30
<b>3. Banks</b>	<b>461</b>	<b>901</b>	<b>-440</b>	<b>881</b>	<b>745</b>	<b>136</b>
<b>Assets</b>	<b>383</b>	<b>731</b>	<b>-348</b>	<b>448</b>	<b>553</b>	<b>-105</b>
- Portfolio investments:	8	2	6	18	20	-2
- bonds	8	2	6	18	20	-2
- Direct investment:	7	7	0	6	7	-1
- of residents abroad	7	7	0	6	7	-1
- equity holdings	7	7	0	6	7	-1
- Long-term loans and credits	0	28	-28	23	22	1
- Short-term loans and credits	65	51	14	22	26	-4
- Cash and cheques	5	7	-2	1	113	-112
- Resident bank deposits abroad	294	603	-309	338	360	-22
- Other:	4	33	-29	40	5	35
- short-term assets	4	33	-29	40	5	35
<b>Liabilities</b>	<b>78</b>	<b>170</b>	<b>-92</b>	<b>433</b>	<b>192</b>	<b>241</b>
- Portfolio investments:	0	34	-34	1	3	-2
- bonds	0	34	-34	1	3	-2
- Direct investment:	16	0	16	84	0	84
- Non-residents' capital investments in Romania:	16	0	16	84	0	84
- equity holdings	16	0	16	51	0	51
- other	0	0	0	33	0	33
- Long-term loans and credits	15	93	-78	76	81	-5
- Short-term loans and credits	13	20	-7	43	40	3
- Non-residents' deposits in Romania	34	23	11	169	26	143
- Other:	0	0	0	60	42	18
- long-term liabilities	0	0	0	60	42	18
<b>4. Other sectors</b>	<b>3,384</b>	<b>1,683</b>	<b>1,701</b>	<b>4,104</b>	<b>1,957</b>	<b>2,147</b>
<b>Assets</b>	<b>368</b>	<b>303</b>	<b>65</b>	<b>379</b>	<b>264</b>	<b>115</b>
- Portfolio investments:	31	6	25	2	7	-5
- bonds	31	6	25	2	7	-5
- shares	0	0	0	0	0	0
- Direct investment:	38	27	11	42	24	18
- Non-residents' capital investments in Romania:	38	27	11	42	24	18
- equity holdings	38	27	11	42	24	18
- other	0	0	0	0	0	0
- Long-term loans and credits	40	24	16	8	6	2
- Short-term loans and credits	0	0	0	0	0	0
- Outstanding long-term export bills	49	56	-7	79	77	2
- Outstanding short-term export bills	210	190	20	248	150	98
- Other:	0	0	0	0	0	0
- short-term assets	0	0	0	0	0	0
<b>Liabilities</b>	<b>3,016</b>	<b>1,380</b>	<b>1,636</b>	<b>3,725</b>	<b>1,693</b>	<b>2,032</b>
- Direct investment:	1,045	24	1,021	1,171	98	1,073
- Non-residents' capital investments in Romania:	1,045	24	1,021	1,171	98	1,073
- equity holdings	928	11	917	1,001	29	972
- other	117	13	104	170	69	101
- Portfolio investments:	174	326	-152	479	274	205
- bonds	67	277	-210	368	171	197
- shares	107	49	58	111	103	8
- Long-term loans and credits	1,376	601	775	1,592	939	653
- Short-term loans and credits	114	125	-11	146	88	58
- Outstanding long-term import bills	64	62	2	87	85	2
- Outstanding short-term import bills	193	199	-6	233	200	33
- Other:	50	43	7	17	9	8
- short-term liabilities	50	43	7	17	9	8

## ROMANIA: GROSS INTERNATIONAL RESERVES, 1996-2001

(end of period)

*USD million*

	1996	1997	1998	1999	2000	2001
<i>National Bank of Romania</i>	1,592.2	3,061.0	2,299.1	2,492.9	3,389.7	4,861.2
- Gold	1,041.5	867.5	924.3	966.6	920.0	938.7
(tonnes)	87.660	93.899	100.279	103.366	104.955	105.181
- SDRs	4.1	103.9	1.2	10.1	1.0	6.8
- convertible currencies	546.6	2,089.6	1,373.6	1,516.2	2,468.7	3,915.7
<i>Commercial banks</i>	1,552.1	1,609.9	1,492.6	1,160.7	1,452.5	1,519.4
- convertible currencies	1,552.1	1,609.9	1,492.6	1,160.7	1,452.5	1,519.4
<b>Gross international reserves</b>	<b>3,144.3</b>	<b>4,670.9</b>	<b>3,791.7</b>	<b>3,653.6</b>	<b>4,842.2</b>	<b>6,380.6</b>
<i>of which:</i>						
<b>Gross foreign exchange reserves</b>	<b>2,102.8</b>	<b>3,803.4</b>	<b>2,867.4</b>	<b>2,687.0</b>	<b>3,922.2</b>	<b>5,441.9</b>

## ROMANIA: INTERNATIONAL INVESTMENT POSITION, 1996-2001

*USD million*

<b>Institutional sector</b>	1996	1997	1998	1999	2000	2001
I. Monetary authority	-333	1,306	734	1,612	2,560	4,384
- assets	2,753	4,089	3,370	3,903	4,741	6,163
- liabilities	3,086	2,783	2,636	2,291	2,181	1,779
II. Government sector	699	-219	-200	562	-407	-1,174
- assets	3,211	3,025	3,158	3,828	3,906	3,971
- liabilities	2,512	3,244	3,358	3,266	4,313	5,145
III. Banking sector	269	608	664	410	842	680
- assets	1,637	1,726	1,581	1,272	1,582	1,650
- liabilities	1,368	1,118	917	862	740	970
IV. Non-bank sector	-3,019	-5,122	-7,829	-9,627	-11,359	-13,453
- assets	1,483	1,324	1,418	715	706	593
- liabilities	4,502	6,446	9,247	10,342	12,065	14,046
<b>Net position</b>	<b>-2,384</b>	<b>-3,427</b>	<b>-6,631</b>	<b>-7,043</b>	<b>-8,364</b>	<b>-9,563</b>
- assets	<b>9,084</b>	<b>10,164</b>	<b>9,527</b>	<b>9,718</b>	<b>10,935</b>	<b>12,377</b>
- liabilities	<b>11,468</b>	<b>13,591</b>	<b>16,158</b>	<b>16,761</b>	<b>19,299</b>	<b>21,940</b>

**ROMANIA: MEDIUM- AND LONG-TERM EXTERNAL CLAIMS, 1996-2001**

(by country; end of period)

	1996	1997	1998	1999	2000	2001
<b>Total convertible currencies</b>						
<b>(USD thou)</b>	<b>2,258,726</b>	<b>2,007,512</b>	<b>2,167,604</b>	<b>2,129,549</b>	<b>2,136,265</b>	<b>2,161,890</b>
Angola	17,661	17,661	17,661	17,662	17,662	17,662
Saudi Arabia	250	250	250	0	0	0
Argentina	224	224	224	0	0	0
Bangladesh	1,740	882	253	0	0	0
Bulgaria	9,645	9,645	9,645	0	0	0
Canada	0	0	0	0	0	0
Korea, PDR	0	0	0	0	0	17,976
Congo	1,444	1,444	1,444	1,444	1,444	1,444
China	45,082	14,744	12,446	11,036	11,076	0
Egypt	38,800	0	0	0	0	0
Philippines	0	0	0	0	0	0
France	0	0	0	0	0	0
Guinea	14,529	15,015	15,567	15,770	17,082	17,620
Iraq	1,720,535	1,542,144	1,689,300	1,689,300	1,689,300	1,723,869
Iran	141	0	0	0	0	0
Israel	0	0	0	0	0	0
Libya	43,768	43,768	43,768	45,500	43,768	43,768
Morocco	0	0	0	0	0	0
Mozambique	91,196	98,427	105,253	109,094	120,739	129,381
Nigeria	10,103	3,181	1,700	1,700	1,523	1,523
Pakistan	0	0	0	0	0	0
Peru	12,429	12,783	12,783	0	0	0
Central African Republic	7,692	7,692	7,693	7,703	7,703	7,703
Sri Lanka	5,996	3,150	1,663	0	0	0
Syria	48,445	48,619	48,616	51,646	51,646	26,747
Somalia	1,654	1,654	1,654	2,509	2,509	2,509
Sudan	171,062	170,025	170,019	170,619	171,171	171,135
Turkey	0	0	0	0	0	0
Vietnam	0	0	11,625	5,020	0	0
Zair	522	522	522	546	546	0
Zambia	15,574	15,574	15,467	0	0	0
Zimbabwe	0	0	0	0	0	0
Other	234	108	51	0	96	553
<b>Total transferable roubles</b>						
<b>(thou)</b>	<b>1,497,826</b>	<b>1,523,285</b>	<b>1,532,025</b>	<b>1,538,994</b>	<b>1,621,046</b>	<b>1,671,128</b>
Mongolia	3,050	3,050	3,050	3,050	3,050	3,050
Cuba	771,404	771,404	840,181	840,181	916,839	950,725
Korea, PDR	8,204	8,204	8,204	8,204	8,204	8,204
Vietnam	69,446	69,944	0	0	0	0
Russian Federation	538,322	563,283	573,190	580,159	580,158	590,572
Ukraine	107,400	107,400	107,400	107,400	112,795	118,577

## ROMANIA: MEDIUM- AND LONG-TERM EXTERNAL CLAIMS, 1996-2001

(stocks; end of period)

	1996	1997	1998	1999	2000	2001
<b>Convertible currencies</b>						
<b>(USD million)</b>	<b>2,259</b>	<b>2,008</b>	<b>2,168</b>	<b>2,130</b>	<b>2,136</b>	<b>2,162</b>
- government credits	2,051	1,849	2,012	1,993	2,000	2,029
- commercial credits	208	159	156	137	136	133
<b>Transferable roubles</b>						
<b>(million)</b>	<b>1,498</b>	<b>1,523</b>	<b>1,532</b>	<b>1,539</b>	<b>1,621</b>	<b>1,671</b>
- government credits	830	856	789	1,539	1,621	1,671
- commercial credits	668	667	743	0	0	0
(transferable roubles/USD)	0.877	0.877	0.877	0.877	0.877	0.877
<b>Total lending (USD million)</b>	<b>3,573</b>	<b>3,344</b>	<b>3,512</b>	<b>3,480</b>	<b>3,558</b>	<b>3,627</b>
- government credits	2,779	2,600	2,704	3,343	3,422	3,494
- commercial credits	794	744	808	137	136	133

## ROMANIA: SHORT-TERM EXTERNAL CLAIMS AND LIABILITIES, 1996-2001

(stocks; end of period)

	1996	1997	1998	1999	2000	2001
					<i>USD million</i>	
Export bills						
(payment against documents)	180.6	185.8	187.0	173.7	172.6	161.0
Export letters of credit	321.4	226.2	179.3	219.4	218.5	122.9
Received guarantees	64.9	59.7	92.1	80.9	63.8	74.8
<b>Total claims</b>	<b>566.9</b>	<b>471.7</b>	<b>458.4</b>	<b>474.0</b>	<b>454.9</b>	<b>358.7</b>
Import bills						
(payment against documents)	474.7	471.3	231.5	159.9	147.7	160.5
Import letters of credit	410.0	258.3	150.6	128.1	161.4	148.1
Extended guarantees	142.6	151.4	178.9	61.2	48.9	81.8
<b>Total liabilities</b>	<b>1,027.3</b>	<b>881.0</b>	<b>561.0</b>	<b>349.2</b>	<b>358.0</b>	<b>390.4</b>

## ROMANIA: CLEARING ACCOUNTS IN TRANSFERABLE ROUBLES, 1996-2001

(stocks; end of period)

	1996	1997	1998	1999	2000	2001
					<i>transferable roubles million</i>	
Bulgaria	19.5	19.5	19.5	19.5	0.0	0.0
Hungary	0.0	0.0	0.0	0.0	0.0	0.0
Cuba	95.3	96.1	96.1	96.1	96.1	96.1
Mongolia	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Poland	0.0	0.0	0.0	0.0	0.0	0.0
Russian Federation	-2.0	-2.0	-2.0	-2.0	0.0	0.0
Czech Republic & Slovakia	-18.1	-6.4	-6.4	-6.1	0.0	0.0
Albania	10.3	10.3	12.3	12.3	12.9	12.9
Korea, PDR	15.4	15.6	16.5	17.0	17.5	17.9
<b>TOTAL</b>	<b>120.3</b>	<b>133.0</b>	<b>135.9</b>	<b>136.7</b>	<b>126.4</b>	<b>126.8</b>
<b>assets</b>	<b>140.5</b>	<b>141.5</b>	<b>144.4</b>	<b>144.9</b>	<b>126.5</b>	<b>126.9</b>
<b>liabilities</b>	<b>-20.2</b>	<b>-8.5</b>	<b>-8.5</b>	<b>-8.2</b>	<b>-0.1</b>	<b>-0.1</b>

**ROMANIA: CLEARING ACCOUNTS IN CONVERTIBLE CURRENCIES,  
1996-2001**  
(stocks; end of period)

*USD million*

Country	1996	1997	1998	1999	2000	2001
Iran	43.5	3.6	4.7	5.2	2.4	2.3
India	-0.5	0.1	0.1	0.1	0.0	0.0
Egypt	0.4	0.3	0.3	0.3	0.3	0.3
Greece	0.5	0.2	0.2	0.2	0.2	0.2
Korea, P.D.R.	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	-9.9	2.4	0.2	0.2	0.2	0.0
Republic of Moldova	6.4	4.3	4.3	4.3	4.3	4.3
Bangladesh	-1.4	-3.8	-4.8	3.3	2.0	1.4
Mozambique	5.8	5.8	5.8	5.8	5.8	5.8
Pakistan	-0.2	-0.2	-0.2	-0.2	0.0	0.0
Sudan	0.9	0.9	0.9	0.9	0.9	0.8
CIS	-0.2	6.1	6.1	0.0	0.0	0.0
Bulgaria	-1.5	-1.5	-1.5	-1.5	0.0	0.0
Poland	-7.3	-1.8	-1.4	-0.5	-0.2	-0.1
Iraq	0.1	0.1	0.1	0.1	0.1	0.1
Russian Federation	0.0	0.0	0.0	0.0	21.7	15.8
Syria	101.3	101.3	102.9	102.9	102.9	102.9
<b>TOTAL</b>	<b>139.1</b>	<b>119.0</b>	<b>118.9</b>	<b>122.3</b>	<b>141.8</b>	<b>135.0</b>
- assets	<b>160.5</b>	<b>126.7</b>	<b>127.2</b>	<b>124.9</b>	<b>142.4</b>	<b>135.5</b>
- liabilities	<b>-21.4</b>	<b>-7.7</b>	<b>-8.3</b>	<b>-2.6</b>	<b>-0.6</b>	<b>-0.5</b>

**ROMANIA: CLEARING ACCOUNTS, 1996-2001**  
(stocks; end of period)

	1996	1997	1998	1999	2000	2001
1. Transferable roubles (TR) (TR million)	120.3	133.0	135.9	136.7	126.4	126.8
- assets	140.5	141.5	144.4	144.9	126.5	126.9
- liabilities	-20.2	-8.5	-8.5	-8.2	-0.1	-0.1
TR/USD	0.877	0.877	0.877	0.877	0.877	0.877
1a. Transferable roubles (equivalent USD million)	105.5	116.6	119.2	119.9	110.9	111.2
- assets	123.2	124.1	126.6	127.1	110.9	111.3
- liabilities	-17.7	-7.5	-7.5	-7.2	-0.1	-0.1
2. Convertible currencies (USD million)	139.1	119.0	118.9	122.3	141.8	135.0
- assets	160.5	126.7	127.2	124.9	142.4	135.5
- liabilities	-21.4	-7.7	-8.3	-2.6	-0.6	-0.5
<b>TOTAL CLEARING</b> <b>(equivalent USD million)</b>	<b>244.6</b>	<b>235.6</b>	<b>238.1</b>	<b>242.2</b>	<b>252.7</b>	<b>246.2</b>
- assets	<b>283.7</b>	<b>250.8</b>	<b>253.8</b>	<b>252.0</b>	<b>253.3</b>	<b>246.8</b>
- liabilities	<b>-39.1</b>	<b>-15.2</b>	<b>-15.8</b>	<b>-9.8</b>	<b>-0.7</b>	<b>-0.6</b>

## ROMANIA: EXTERNAL DEBT INDICATORS, 1996-2001

	1996	1997	1998	1999	2000	2001
External debt (ED) - USD million	8,345	9,503	9,899	9,156	10,649	12,087
- medium- and long-term (MLT)	7,209	8,584	9,323	8,771	10,273	11,676
- short-term (ST)	1,136	918	577	385	376	411
GDP - current prices						
- ROL billion	108,920	252,926	373,798	545,730	800,308	1,154,126
- average yearly ROL/USD rate	3,083	7,168	8,876	15,333	21,693	29,061
- USD million	35,334	35,286	42,116	35,592	36,893	39,714
Exports of goods and services (EXP)						
- USD million	9,648	9,955	9,519	9,854	12,133	13,379
Imports of goods and services (IMP)						
- USD million	12,503	12,349	12,798	11,538	14,071	16,557
External debt service (EDS) - USD million	1,590	2,582	3,551	3,548	2,424	3,009
- principal repayment	1,222	2,080	2,997	3,040	1,867	2,376
- interest payment (INT)	368	502	554	508	557	633
Foreign exchange reserves of the banking system including SDR (FRBS) - USD million	2,103	3,803	2,867	2,687	3,922	5,442
Indicator						
ED/GDP (%)	23.6	26.9	23.5	25.7	28.9	30.4
MLT/GDP (%)	20.4	24.3	22.1	24.6	27.8	29.4
ED/EXP (%)	86.5	95.5	104.0	92.9	87.8	90.3
MLT/EXP (%)	74.7	86.2	97.9	89.0	84.7	87.3
EDS/EXP (%)	16.5	25.9	37.3	36.0	20.0	22.5
EDS/GDP (%)	4.5	7.3	8.4	10.0	6.6	7.6
EDS/FRBS (%)	75.6	67.9	123.9	132.0	61.8	55.3
INT/EXP (%)	3.8	5.0	5.8	5.2	4.6	4.7
FRBS/IMP (months) (%)	2.1	3.7	2.7	2.8	3.3	3.9
ST/ED (%)	13.6	9.7	5.8	4.2	3.5	3.4
Multilateral debt/ED (%)	32.6	34.5	37.3	42.3	40.8	37.7

## ROMANIA'S SUBSCRIPTION QUOTA TO INTERNATIONAL FINANCIAL INSTITUTIONS, 1996 - 2001

	<i>USD million</i>					
International institution	1996	1997	1998	1999	2000	2001
IBRD	30.5	30.5	30.5	30.5	30.5	30.5
MIGA	1.2	1.2	1.2	1.2	1.6	2.0
IFC	2.6	2.6	2.6	2.6	2.6	2.6
EBRD	16.8	16.8	18.4	19.5	20.6	21.6
IBEC	11.5	10.1	10.7	9.2	8.5	8.1
IIB	15.8	13.9	14.7	12.7	11.7	11.1
BLACK SEA TRADE AND DEVELOPMENT BANK	0.0	18.2	57	55.1	52.7	50.8
<b>Total</b>	<b>78.4</b>	<b>93.3</b>	<b>135.1</b>	<b>130.8</b>	<b>128.2</b>	<b>126.7</b>



## MEDIUM- AND LONG-TERM EXTERNAL CLAIMS AS OF YEAR-END 2001

(convertible currencies)

*USD thou*

Country	Total	by maturity			by institutional sector	
		overdue	not specified maturity	due in 2001	gov't credit	commercial credit
<b>Total</b>	<b>2,161,890</b>	<b>2,111,724</b>	<b>24,856</b>	<b>25,310</b>	<b>2,028,657</b>	<b>133,233</b>
<i>of which :</i>						
Angola	17,662	17,662	0	0	0	17,662
Congo	1,444	1,444	0	0	0	1,444
Korea, P.D.R.	17,976	0	0	17,976	17,976	0
Guinea	17,620	16,564	588	468	17,620	0
Iraq	1,723,869	1,710,659	13,210	0	1,723,869	0
Libya	43,768	43,768	0	0	0	43,768
Mozambique	129,381	116,773	5,742	6,866	120,256	9,125
Nigeria	1,523	1,523	0	0	0	1,523
Central African Republic	7,703	7,703	0	0	0	7,703
Syria	26,747	21,431	5,316	0	26,281	466
Somalia	2,509	2,509	0	0	0	2,509
Sudan	171,135	171,135	0	0	122,655	48,480
Other	553	553	0	0	0	553

## MEDIUM- AND LONG-TERM EXTERNAL CLAIMS AS OF YEAR-END 2001

(transferable roubles)

*TR thou*

Country	Total	by maturity			by institutional sector	
		overdue	not specified maturity	due after 2001	gov't credit	commercial credit
<b>TOTAL</b>	<b>1,671,128</b>	<b>877,286</b>	<b>772,043</b>	<b>21,799</b>	<b>1,671,128</b>	<b>0</b>
<i>of which :</i>						
Cuba	950,725	862,185	71,487	17,053	950,725	0
Mongolia	3,050	1,504	1,546	0	3,050	0
Korea, P.D.R.	8,204	8,204	0	0	8,204	0
Russian Federation	590,572	0	590,572	0	590,572	0
Ukraine	118,577	5,393	108,438	4,746	118,577	0

**ROMANIA'S INTERNATIONAL INVESTMENT POSITION AS OF YEAR-END 2001**
*USD million*

Item	Outstanding at start of period	Transactions	Adjustments due to price changes	Adjustments due to exchange rate changes	Other adjustments	Outstanding at end-2001
<b>NET POSITION</b>	<b>-8,363.6</b>	<b>-1,404.0</b>	<b>13.7</b>	<b>173.4</b>	<b>17.9</b>	<b>-9,562.6</b>
<b>Assets</b>	<b>10,935.2</b>	<b>1,519.0</b>	<b>13.7</b>	<b>-109.1</b>	<b>17.9</b>	<b>12,376.7</b>
<b>Liabilities</b>	<b>19,298.8</b>	<b>2,923.0</b>	<b>0.0</b>	<b>-282.5</b>	<b>0.0</b>	<b>21,939.3</b>
<i>of which :</i>						
<b>MONETARY AUTHORITY</b>	<b>2,560.2</b>	<b>1,809.0</b>	<b>13.7</b>	<b>1.4</b>	<b>0.0</b>	<b>4,384.3</b>
Assets	4,740.9	1,484.0	13.7	-75.6	0.0	6,163.0
Liabilities	2,180.7	-325.0	0.0	-77.0	0.0	1,778.7
<b>GOVERNMENT SECTOR</b>	<b>-406.6</b>	<b>-930.0</b>	<b>0.0</b>	<b>145.0</b>	<b>17.9</b>	<b>-1,173.7</b>
Assets	3,906.0	45.0	0.0	1.9	17.9	3,970.8
Liabilities	4,312.6	975.0	0.0	-143.1	0.0	5,144.5
<b>BANKING SECTOR</b>	<b>841.5</b>	<b>-136.0</b>	<b>0.0</b>	<b>-25.3</b>	<b>0.0</b>	<b>680.2</b>
Assets	1,581.7	105.0	0.0	-36.5	0.0	1,650.2
Liabilities	740.2	241.0	0.0	-11.2	0.0	970.0
<b>NON-BANK SECTOR</b>	<b>-11,358.7</b>	<b>-2,147.0</b>	<b>0.0</b>	<b>52.3</b>	<b>0.0</b>	<b>-13,453.4</b>
Assets	706.6	-115.0	0.0	1.1	0.0	592.7
Liabilities	12,065.3	2,032.0	0.0	-51.2	0.0	14,046.1

	Outstanding at start of period	Transactions	Adjustments due to price changes	Adjustments due to exchange rate changes	Other adjustments	Outstanding at end-2001
<b>Monetary Authority</b>	<b>2,560.2</b>	<b>1,809.0</b>	<b>13.7</b>	<b>1.4</b>	<b>0.0</b>	<b>4,384.3</b>
<b>Assets</b>	<b>4,740.9</b>	<b>1,484.0</b>	<b>13.7</b>	<b>-75.6</b>	<b>0.0</b>	<b>6,163.0</b>
- Portfolio investments	1,351.2	0.0	0.0	-49.3	0.0	1301.9
- Shares	1,351.2	0.0	0.0	-49.3	0.0	1301.9
- 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	0.0	0.0	0.0	0.0	0.0	0.0
- Deposits abroad	2,468.7	1,473.0	0.0	-26.1	0.0	3,915.6
- 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	1.0	6.0	0.0	-0.2	0.0	6.8
- Monetary gold	920.0	5.0	13.7	0.0	0.0	938.7
<b>Liabilities</b>	<b>2,180.7</b>	<b>-325.0</b>	<b>0.0</b>	<b>-77.0</b>	<b>0.0</b>	<b>1,778.7</b>
- Portfolio investments	1,627.9	-275.0	0.0	-60.6	0.0	1,292.3
- Shares	1,341.7	0.0	0.0	-49.4	0.0	1,292.3
- Bonds	286.2	-275.0	0.0	-11.2	0.0	0.0
- Medium- and long-term loans and credits	452.8	-50.0	0.0	-16.4	0.0	386.4
- IMF loans	452.8	-50.0	0.0	-16.4	0.0	386.4
- Short-term loans and credits	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	100.0	0.0	0.0	0.0	0.0	100.0
- 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
<b>Government Sector</b>	<b>-406.6</b>	<b>-930.0</b>	<b>0.0</b>	<b>145.0</b>	<b>17.9</b>	<b>-1,173.7</b>
<b>Assets</b>	<b>3,906.0</b>	<b>45.0</b>	<b>0.0</b>	<b>1.9</b>	<b>17.9</b>	<b>3,970.8</b>
- Portfolio investments	128.3	1.0	0.0	-2.6	0.0	126.7
- Shares	128.3	1.0	0.0	-2.6	0.0	126.7
- Bonds						
- Medium- and long-term loans and credits	3,422.0	50.0	0.0	4.3	17.9	3,494.2
- Short-term loans and credits	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	3.1	0.0	0.0	2.2	0.0	5.3
- Other	352.6	-6.0	0.0	-2.0	0.0	344.6
- medium- and long-term assets	99.3	0.0	0.0	-1.5	0.0	97.8
- short-term assets	253.3	-6.0	0.0	-0.5	0.0	246.8
<b>Liabilities</b>	<b>4,312.6</b>	<b>975.0</b>	<b>0.0</b>	<b>-143.1</b>	<b>0.0</b>	<b>5,144.5</b>
- Portfolio investments	601.0	655.0	0.0	-22.8	0.0	1,233.2
- Shares	36.5	0.0	0.0	-0.3	0.0	36.2
- Bonds	564.5	655.0	0.0	-22.5	0.0	1,197.0
- Medium- and long-term loans and credits	3,590.9	350.0	0.0	-120.2	0.0	3,820.7
- Short-term loans and credits	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	120.7	-30.0	0.0	-0.1	0.0	90.6
- medium- and long-term liabilities	120.0	-30.0	0.0	0.0	0.0	90.0
- short-term liabilities	0.7	0.0	0.0	-0.1	0.0	0.6

continued

Item	Outstanding at start of period	Transactions	Adjustments due to price changes	Adjustments due to exchange rate changes	Other adjustments	Outstanding at end-2001
<b>Banking sector</b>	<b>841.5</b>	<b>-136.0</b>	<b>0.0</b>	<b>-25.3</b>	<b>0.0</b>	<b>680.2</b>
<b>Assets</b>	<b>1,581.7</b>	<b>105.0</b>	<b>0.0</b>	<b>-36.5</b>	<b>0.0</b>	<b>1,650.2</b>
- Portfolio investments	0.4	2.0	0.0	-2.1	0.0	0.3
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	0.4	2.0	0.0	-2.1	0.0	0.3
- Direct investment abroad	94.2	1.0	0.0	-2.7	0.0	92.5
- equity holdings	94.2	1.0	0.0	-2.7	0.0	92.5
- 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	28.0	-1.0	0.0	0.0	0.0	27.0
- Short-term loans and credits	7.0	4.0	0.0	0.0	0.0	11.0
- Cash and cheques	73.2	112.0	0.0	-36.0	0.0	149.2
- Deposits abroad	1,320.9	22.0	0.0	-6.9	0.0	1,336.0
- Other	58.0	-35.0	0.0	11.2	0.0	34.2
- medium- and long-term assets	0.0	0.0	0.0	0.0	0.0	0.0
- short-term assets	58.0	-35.0	0.0	11.2	0.0	34.2
<b>Liabilities</b>	<b>740.2</b>	<b>241.0</b>	<b>0.0</b>	<b>-11.2</b>	<b>0.0</b>	<b>970.0</b>
- Portfolio investments	3.8	-2.0	0.0	-0.1	0.0	1.7
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	3.8	-2.0	0.0	-0.1	0.0	1.7
- Foreign direct investment	230.5	84.0	0.0	0.0	0.0	314.5
- equity holdings	230.5	51.0	0.0	0.0	0.0	281.5
- ploughed-back profits	0.0	0.0	0.0	0.0	0.0	0.0
- other	0.0	33.0	0.0	0.0	0.0	33.0
- Medium- and long-term loans and credits	235.2	-5.0	0.0	-6.8	0.0	223.4
- Short-term loans and credits	17.7	3.0	0.0	0.1	0.0	20.8
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Deposits abroad	207.7	143.0	0.0	-1.0	0.0	349.7
- Other	45.3	18.0	0.0	-3.4	0.0	59.9
- medium- and long-term liabilities	45.3	18.0	0.0	-3.4	0.0	59.9
- short-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-bank sector</b>	<b>-11,358.7</b>	<b>-2,147.0</b>	<b>0.0</b>	<b>52.3</b>	<b>0.0</b>	<b>-13,453.4</b>
<b>Assets</b>	<b>706.6</b>	<b>-115.0</b>	<b>0.0</b>	<b>1.1</b>	<b>0.0</b>	<b>592.7</b>
- Portfolio investments	5.4	5.0	0.0	0.0	0.0	10.4
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	5.4	5.0	0.0	0.0	0.0	10.4
- Direct investment abroad	42.0	-18.0	0.0	0.0	0.0	24.0
- equity holdings	42.0	-18.0	0.0	0.0	0.0	24.0
- 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	135.9	-2.0	0.0	-0.7	0.0	133.2
- Short-term loans and credits	0.0	0.0	0.0	0.0	0.0	0.0
- Outstanding medium- and long-term export bills*	41.0	-2.0	0.0	0.0	0.0	39.0
- Outstanding short-term export bills	454.9	-98.0	0.0	1.8	0.0	358.7
- 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
<b>Liabilities</b>	<b>12,065.3</b>	<b>2,032.0</b>	<b>0.0</b>	<b>-51.2</b>	<b>0.0</b>	<b>14,046.1</b>
Portfolio investments	799.6	205.0	0.0	-6.1	0.0	998.5
- Shares	487.0	8.0	0.0	0.0	0.0	495.0
- Bonds	312.6	197.0	0.0	-6.1	0.0	503.5
- Foreign direct investment	6,249.4	1,073.0	0.0	-23.6	0.0	7,298.8
- equity holdings	5,998.6	972.0	0.0	0.0	0.0	6,970.6
- ploughed-back profits	0.0	0.0	0.0	0.0	0.0	0.0
- other	250.8	101.0	0.0	-23.6	0.0	328.2
- Medium- and long-term loans and credits	4,589.5	653.0	0.0	-20.8	0.0	5,221.7
- Short-term loans and credits	24.0	58.0	0.0	0.0	0.0	82.0
- Outstanding medium- and long-term import bills*	15.0	2.0	0.0	0.0	0.0	17.0
- Outstanding short-term import bills	358.0	33.0	0.0	-0.6	0.0	390.4
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Other	29.8	8.0	0.0	-0.1	0.0	37.7
- medium- and long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
- short-term liabilities	29.8	8.0	0.0	-0.1	0.0	37.7

\* estimates by cumulating balance of payments flows