

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

**ANNUAL REPORT
2002**

Note

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Some of the data are provisional and will be updated as appropriate in the subsequent issues. Sources of data are mentioned when institutions other than the National Bank of Romania supplied data.

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MAIN DEVELOPMENTS IN 2002

I. External environment*

In 2002, world economy witnessed a moderate rebound (3 percent growth year on year) amid the pick-up in private consumption in the USA and the export-led economic expansion of Asian countries (except for Japan) and the EU candidate countries. International trade resumed the upward trend, posting a 2.9 percent increase, after staying flat in 2001. However, world economy was marked by the volatility of financial markets and the heightening of geopolitical tensions.

In the **USA**, economic activity resumed growth after the relative stagnation in 2001, due to the growth in private and government spending, as well as in real-estate investment. On the other hand, productive investment decreased, while the decline in exports coupled with the rise in imports led to the build-up of a current account deficit of 4.8 percent of GDP. Despite the increase in the oil price, inflationary pressures were weak, owing to labour productivity growth. Thus, CPI inflation rate decreased to 1.6 percent from 2.8 percent in 2001. Budget deficit as a proportion of GDP increased from 0.7 percent in 2001 to 3.6 percent, largely as a result of lower taxes.

In 2002, **Japan's** economy grew by merely 0.3 percent; the slight increase induced by exports in 2002 H1 was subsequently slowed down by the decline in external demand and the mounting geopolitical uncertainty, whereas consumer prices fell by 0.9 percent. The other **economies in Asia** exceeded the economic growth forecasts, mainly as a result of external demand for information and communications technology and the upturn of the Chinese economy that took a large share of regional exports. Across the region, China and South Korea posted the sharpest growth rates, i.e. 8 percent and over 6 percent respectively.

Latin America experienced negative economic growth overall (the favourable developments in Brazil and Mexico notwithstanding) because of the aggravating crisis in Argentina, where financial constraints slashed domestic demand.

Economic growth in **the eurozone** continued to slow down in 2002 reaching 0.8 percent, as compared to 1.4 percent in 2001. The slowdown in economic activity led to a worsening of the fiscal stance, the share of budget deficit in GDP rising from 1.5 percent in 2001 to 2.2 percent in 2002. The average HICP inflation rate inched down from 2.4 percent in 2001 to 2.2 percent in 2002, further exceeding the 2 percent limit set by the European Central Bank, whereas unemployment rate

* Sources: ECB, *Annual Report*, 2002; *Economic Survey of Europe*, No. 1/2003; *Transition report update*, EBRD, May 2003.

recorded an average of 8.3 percent, 0.3 percentage points higher year on year. The aggregate current account of the eurozone posted a EUR 62.1 billion surplus as compared to the EUR 13.8 billion deficit in 2001. This improvement emerged amid the nearly twofold increase in trade surplus, induced mainly by the decrease in imports. Direct and portfolio investment saw net inflows worth EUR 29.4 billion, as compared to net outflows of EUR 63.4 billion in 2001. The current account surplus along with net inflows of direct and portfolio investment led to the reversal in the international position of the eurozone from net debtor in 2001 to net creditor in 2002.

In 2002, the economies of **countries in transition** expanded at a pace similar to that of a year earlier, recording a favourable performance relative to the USA, the EU, Japan and most of the emerging markets, save those in Asia. Domestic demand was the main driver of economic growth in these countries, whereas net exports made a small or even negative contribution. Economic growth in Central and East European countries stayed put at almost 3 percent versus the year before and was affected by the rather poor performance of Poland, which registered a 1.3 percent GDP growth rate. The other countries in the region displayed GDP growth rates ranging from 3.1 percent to 4.9 percent, except the Czech Republic, whose economic growth was 2 percent only.

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

	- percent -							
	GDP (growth rate)		Industrial output (growth rate)		Inflation (annual average)		Unemployment rate (end of period)	
	2001	2002	2001	2002	2001	2002	2001	2002
Bulgaria	4.1	4.8	1.6	1.0	7.4	5.8	17.3	16.3
Czech Republic	3.1	2.0	6.8	4.8	4.7	1.8	8.9	9.8
Poland	1.0	1.3	0.4	1.4	5.5	1.9	17.4	18.1
Romania¹⁾	5.7	4.9	8.4	6.0	34.5	22.5	8.8	8.1
Slovakia	3.3	4.4	6.9	6.5	7.3	3.3	18.6	17.4
Slovenia	3.0	3.1	3.1	2.5	8.4	7.5	11.8	11.3
Hungary	3.8	3.3	3.6	2.6	9.2	5.3	5.4	5.9

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

1) For Romania, data were updated according to the latest NIS publications.

In most countries in Central and Eastern Europe, the inflows of foreign direct investment, the rise in real wages, as well as the prospects of EU accession boosted private consumption. Moreover, foreign direct investment spurred productivity, which, along with exchange rate appreciation, supported disinflation. The shift from the export-led to domestic-demand-driven economic growth entailed the widening of external imbalance and budget deficits in Slovakia, the Czech Republic and Hungary. Romania and Bulgaria experienced the highest growth rates (4.9 percent and 4.8 percent respectively) amid the strengthening of investment (particularly in outward-bound sectors), reduction in net imports and the step-up in private consumption. Both countries recorded lower budget deficits, with Romania also reaping the benefits of faster disinflation.

In **Central and Eastern Europe, industrial production** advanced on average by over 3 percent, rising the fastest in Slovakia and Romania, i.e. by 6.5 percent and 6 percent respectively.

The overall disinflation trend in **Central and Eastern Europe** persisted due to lower pressure of import prices of non-food items. Labour market was more heterogeneous than a year earlier as a result of different macroeconomic conditions in each country. The average unemployment rate was influenced by Poland, which holds about 60 percent of labour force across the region and where unemployment rate almost doubled as compared with 1998.

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

The sharp increase of domestic demand, boosted by fiscal policy easing, entailed the build-up of current account deficits in most countries in **Central and Eastern Europe**. Among EU candidate countries, current account deficit as a share of GDP rose solely in Hungary as a result of sped-up increase in imports of goods and services and of the decline in receipts under tourism. In Poland, current account deficit was kept under control via appropriate monetary policies that counteracted the effects of budget deficit widening, whereas Slovakia and the Czech Republic posted slight decreases of the share of current account deficits in GDP, due to the improvement of their trade balances. Romania recorded the largest decline in the share of current account deficit in GDP as a result of lower net imports of goods and services and higher current transfers, followed by Bulgaria, on the back of narrower trade deficit, higher receipts under tourism and the decrease in interest payments. In the past two years, Slovenia was the only EU candidate country that showed current account surplus as a result of faster growth in exports than in imports.

Despite the slowdown in world economy in 2001 and 2002, the exports of countries in Central and Eastern Europe posted sharp increases whose average exceeded both the growth rate of Western Europe's demand for imports and that of world exports. This development was mainly due to the US dollar depreciation against the euro and the comparative advantage of labour cost.

Table No. 2. Foreign trade and external position of the EU candidate countries in Central and Eastern Europe

	Exports		Imports		Trade balance		Current account balance	
	- growth rate -				- share of GDP -		-percent-	
	2001	2002	2001	2002	2001	2002	2001	2002
Bulgaria	6.0	11.2	11.6	8.8	-11.6	-10.2	-6.2	-4.4
Czech Republic	14.9	14.6	13.2	11.2	-5.4	-3.3	-5.7	-5.3
Poland	7.1	8.8	1.3	3.2	-6.4	-5.5	-3.9	-3.6
Romania¹⁾	9.8	21.9	19.1	14.9	-7.4	-5.7	-5.5	-3.3
Slovakia	6.4	13.7	15.5	11.7	-10.4	-9.0	-8.6	-8.2
Slovenia	6.1	12.1	0.2	7.6	-3.2	-1.1	0.2	1.7
Hungary	10.9	6.1	7.9	4.9	-3.9	-3.2	-3.4	-4.0

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

1) For Romania, data were updated as of 15 August 2003.

In 2002, the terms of trade in Central and Eastern Europe improved as a result of steeper increase in the unit value index of manufactured goods exports as compared with that of imports of raw materials and intermediate goods, helping to contain the worsening of the aggregate trade deficit. By country, the trade gap decreased in Poland, the Czech Republic, Slovenia and Romania.

Table No. 3. Net financial flows in the EU candidate countries in Central and Eastern Europe

	Net financial flows				Change in official reserves ¹⁾	
	- USD bill.-		- share of GDP, % -		- USD bill.-	
	2001	2002	2001	2002	2001	2002
Bulgaria	1.1	1.5	8.1	9.6	0.3	0.6
Czech Republic	4.5	10.4	7.9	14.9	1.8	6.6
Poland	3.0	7.1	1.6	3.8	-0.4	0.6
Romania²⁾	1.4	2.3	3.5	5.0	1.5	2.4
Slovakia	1.6	5.1	7.8	21.5	0.1	3.6
Slovenia	-0.1	-0.4	-0.5	-1.8	1.3	1.9
Hungary	1.6	0.1	3.1	0.2	-0.1	-1.8

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

1) Gold included; "+" indicates increase in reserves

2) For Romania, data were updated as of 15 August 2003.

In 2002, most transition economies enjoyed a significant share of capital inflows, mainly private capital, the bulk of which consisted in direct investment chiefly in the frontrunners of the accession to the EU. Moreover, these countries benefited from the improvement of access conditions on the international capital markets (longer maturities of loans taken, lower interest margins), as well as from non-residents' higher interest in domestic capital markets, which entailed the increase of net inflows of portfolio investment and foreign borrowings. In 2002, countries in transition posted a record volume of foreign borrowings from individual banks and syndicated loans.

Table No. 4. Net foreign direct investment in the EU candidate countries in Central and Eastern Europe

	- USD bill. -		Direct investment/GDP (%)	
	2001	2002	2001	2002
Bulgaria	0,8	0,4	5,9	2,6
Czech Republic	5,5	8,2	9,6	11,8
Poland	6,9	3,8	3,8	2,0
Romania¹⁾	1,2	1,1	2,9	2,4
Slovakia	1,5	4,0	7,1	16,9
Slovenia	0,4	1,7	2,0	7,7
Hungary	2,2	0,6	4,2	0,9

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

1) For Romania, data were updated as of 15 August 2003.

Gross inflows of direct investment in transition economies ran at about USD 30 billion, a level similar to that of 2001, but their share in total investment rose amid decreasing global direct investment. Direct investment stepped up in the Czech Republic and Slovakia, due mainly to significant privatisation deals, while in other countries, such as Hungary, the share of direct investment in new fields of activity, as well as in the form of mergers and acquisitions, increased. Direct investment in

Poland was almost halved as compared to 2001, which prevented the country to stay top across the region. In Romania, direct investment remained at around USD 1.1 billion, while direct investment in Bulgaria dropped sharply due to the delay of significant privatisation deals.

Apart from direct investment, portfolio investment in the form of Eurobond issues in particular, represented another major private financing source for countries in transition. Portfolio investment increased by more than 50 percent in year-on-year comparison to USD 12.8 billion, of which Poland accounted for more than one fifth. Romania managed to launch the first 10-year Eurobond issue, while Bulgaria performed a bond swap resulting in the decrease of public debt, both countries benefiting from the improvement in their country ratings. In 2002, countries in transition saw a 60 percent fall in the share of government securities in total issues, while private issues doubled their volume year on year due to the easier access of banks and privately-owned companies to international capital markets. The structure of accession countries' issues by currency showed a rise in the share of EUR-denominated issues to the detriment of USD-denominated issues, as well as the emergence of Eurobonds denominated in domestic currency in Poland, Hungary and Slovakia.

In recent years, most countries in the **Central and Eastern Europe** financed their current account deficits preponderantly or totally from foreign direct investment, which led to a slowdown in external debt build-up. This development is also illustrated by World Bank's ranking, according to which the countries in Central and Eastern Europe display low indebtedness (the Czech Republic, Slovenia and Romania) or moderate indebtedness (Bulgaria, Hungary, Poland and Slovakia).

Table No. 5. External debt and foreign exchange reserves of the EU candidate countries in Central and Eastern Europe

	Gross external debt		Gross external debt/ exports (%) ¹⁾		Gross external debt / GDP (%)		Forex reserves ²⁾ mths. of imports ¹⁾		
	-USD bill.-						- USD bill. -		
	2001	2002	2001	2002	2001	2002	2001	2002	2002
Bulgaria	10.6	10.9	141.1	133.9	78.0	70.0	3.3	4.4	5.8
Czech Republic	22.4	26.3	50.9 ³⁾	46.4 ³⁾	39.1	37.8	14.3	23.5	5.8
Poland	71.8	81.9	204.8	202.7	39.3	43.6	25.6	28.7	6.9
Romania⁴⁾	11.9	15.1	88.8	93.4	29.6	33.0	3.9	6.1	3.9
Slovakia	11.3	13.2	74.5	78.1	55.3	55.7	4.1	8.8	6.5
Slovenia	6.7	8.8	59.4	68.5	34.3	40.0	4.3	7.0	7.0
Hungary	33.9	42.5	94.6	99.9	65.5	68.4	10.9	9.6	2.6

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

1) Exports of goods and services; imports of goods and services

2) Official reserve leaves gold out of account

3) Exports of goods and services, and incomes

4) For Romania, data were updated as of 15 August 2003.

In 2002, the volume of financial inflows exceeded by and large the level of current account deficits in **Central and Eastern Europe**. Most countries, except for Hungary, continued to strengthen their official reserves, which entailed the improvement in their capacity of external debt repayment, thus avoiding payment default, and protected these economies from the disturbances on foreign markets.

III. Romanian economy in 2002

In 2002, the steadiness of Romania's economic growth was mirrored by the decline in the major imbalances (inflation, unemployment, fiscal and current account deficits) that occurred in spite of the worsening of economic environment worldwide. Gross domestic product was 4.9 percent higher than in 2001 on the background of increase in goods and services exports, as well as in private investment. Services and industry posted increases of 5.3 percent and 7.2 percent respectively, accounting for as much as 70 percent to GDP.

Table No. 6. GDP by expenditure

	previous year = 100	
	2001 ^{*)}	2002 ^{**)}
Real GDP	105.7	104.9
Actual final consumption of households	106.6	103.0
Actual final consumption of general government	99.7	102.1
Gross fixed capital formation	109.1	108.3
Exports of goods and services	111.1	116.9
Imports of goods and services	117.2	112.1

Source: National Institute of Statistics (NIS)

^{*)} Semidefinite data

^{**)} Provisional data

In 2002, **CPI inflation** (December versus December) dropped 12.5 percentage points to 17.8 percent, while the monthly average rate was 1.4 percent, as compared with 2.2 percent in 2001. Disinflation continued for the third consecutive year, supported by better correlation between monetary, fiscal and wage policies, along with the slowdown in increase in food prices and the real appreciation of the ROL against the USD and the EUR by 7.7 percent and 2 percent respectively.

Unemployment rate reached 8.1 percent at end-2002, 0.7 percentage points lower year on year, making Romania come in second among EU candidates (the same as in the previous year), after Hungary (5.9 percent).

In 2002, **consolidated general government deficit** stood at 2.6 percent of GDP^{*}, less than the forecasted level of 2.9 percent amid tighter control over spending and the improved performance of revenue collection.

* Provisional data

IV. Balance of payments and international investment position of Romania in 2002

A. Balance of payments

In 2002, Romania's balance of payments showed the narrowing of current account due to the decline in net imports of goods and services and the step-up in net current transfers, amid the strengthening of economic growth and improvement in country rating. Thus, financing of the current account deficit did not pose great problems as direct investment covered more than 70 percent of the deficit, while the largest share of financial inflows helped boost foreign exchange reserve.

Table No. 7. GDP¹⁾ and external sector

	2001	2002
	-USD million-	
1. Absorption (A=FC+I)	43,249.5	48,351.1
Final consumption (FC)	34,211.2	37,825.3
Investment ²⁾ (I)	9,038.3	10,525.8
2. Exports of goods and services, net (E)	-3,084.0	-2,602.0
3. Income from abroad, net (AI)	-282.0	-459.0
4. Current transfers, net (CT)	1,143.0	1,536.0
GROSS DOMESTIC PRODUCT (GDP = A+E)	40,165.5	45,749.1
Gross national disposable income (GNDI=A+E+AI+CT)	41,026.5	46,826.1
CURRENT ACCOUNT BALANCE (CA=E+AI+CT)	-2,223.0	-1,525.0
GROSS SAVING (GS=I+CA)	6,815.3	9,000.8
	- percent -	
Saving rate (GS/GDP)	17.0	19.7
Investment rate (I/GDP)	22.5	23.0
Share of current account balance in GDP (CA/GDP=GS/GDP-I/GDP) ³⁾	-5.5	-3.3

¹⁾ Calculations based on National Institute of Statistics (NIS) data and average ROL/USD exchange rate

²⁾ Investment includes: gross fixed capital formation, stocks change and statistical differences.

³⁾ Known in economic literature as "saving, investment and current account balance" equilibrium relationship

The narrowing of the current account deficit emerged against the backdrop of domestic absorption, staying on the upward trend, with investment further the most dynamic component in 2002.

In 2002, the current account deficit accounted for 3.3 percent of GDP, the lowest level in the past two years, due to the favourable performance of both saving rate, which reached 19.7 percent, the record high since 1994, and investment rate, which was 23 percent as compared with 22.5 percent in 2001.

1. Current account

The current account deficit amounted to USD 1,525 million, 31.4 percent lower year on year, its share in GDP falling from 5.5 percent to 3.3 percent.

Table No. 8. Balance of payments

	-USD million-					
	2001			2002		
	Credit	Debit	Balance	Credit	Debit	Balance
1. CURRENT ACCOUNT	15,290	17,513	-2,223	18,444	19,969	-1,525
Goods and services	13,418	16,502	-3,084	16,223	18,825	-2,602
- Goods	11,385	14,354	-2,969	13,876	16,487	-2,611
- Services	2,033	2,148	-115	2,347	2,338	9
Incomes	455	737	-282	413	872	-459
Current transfers	1,417	274	1,143	1,808	272	1,536
2. CAPITAL AND FINANCIAL ACCOUNT	6,739	5,240	1,499	8,245	5,863	2,382
Capital transfers	108	13	95	100	7	93
Direct investment	1,303	129	1,174	1,366	238	1,128
Portfolio investment	1,155	580	575	905	523	382
Other investment (including in-transit and clearing accounts)	4,173	3,034	1,139	5,864	3,283	2,581
Reserve assets ("-" increase, "+" decrease)	0	1,484	-1,484	10	1,812	-1,802
3. ERRORS AND OMISSIONS	724	0	724	0	857	-857

The 34.4 percent increase in net current transfers, the shift of services deficit into a surplus and the 12.1 percent decrease in trade deficit were the drivers of the improvement in current account balance. However, the deficit under incomes posted a two-third increase year on year, owing to the repatriation of incomes from direct and portfolio investment by non-residents.

1.1. Balance on goods and services

In 2002, goods and services balance registered a USD 2,602 million deficit, down 15.6 percent year on year, as exports of goods and services advanced 20.9 percent (compared with 10.8 percent in 2001) and the growth rate of imports of goods and services declined (from 17.5 percent in 2001 to 14.1 percent in 2002).

1.1.1. Goods

Trade deficit reached USD 2,611 million in 2002, posting a year-on-year decrease both in terms of absolute value and as a share of GDP (by USD 358 million and 1.7 percentage points respectively), due to fast-paced exports boosted by steady economic growth, external demand for mineral products and products made under OPT arrangements (wearing apparel, knitwear, and footwear), rise in intra-activity specialisation (machinery, equipment and transport means), as well as the real 2.9 percent depreciation of domestic currency against the euro. The same as a year ago, trade deficit built up primarily in Q2 and Q4.

The geographical distribution shows that the trade deficit stemmed from trade relations with countries in transition (88.5 percent, of which 43.9 percent with the Russian Federation, 28.8 percent with CEFTA members and 10.7 percent with Ukraine) and developed countries (14.2 percent, of which 12.2 percent in the EU). A surplus of USD 115.8 million resulted from trade relations with developing countries.

Table No. 9. Trade balance (goods)

	M.U.	2001	2002	Difference (+/-)
Exports (fob)	USD million	11,385.0	13,876.0	2,491.0
Imports (fob)	USD million	14,354.0	16,487.0	2,133.0
Trade balance	USD million	-2,969.0	-2,611.0	358.0
Share of exports in GDP	%	28.3	30.3	2.0
Share of imports in GDP	%	35.7	36.0	0.3
Share of trade balance in GDP	%	-7.4	-5.7	1.7
Share of trade balance in current account balance	%	133.6	171.2	37.6
Economy openness: (exports+imports)/GDP	%	64.1	66.4	2.3

Source: National Institute of Statistics (NIS)

Economy openness showed a steady upsurge in the past four years, rising from 41.4 percent in 1993 to 66.4 percent in 2002 against the backdrop of the fall in protective tariffs and the foreign trade shifting to the EU.

Exports of goods amounted to USD 13,876 million. The year on year increase of 21.9 percent, or USD 2,491 million, came mainly from higher volumes, up more than one half. The rise of exports throughout the last four years generated their wider contribution to GDP growth, from 19.7 percent in 1998 to 30.3 percent in 2002. The monthly average of exports was USD 207.5 million higher year on year, reaching USD 1,156.3 million. The table below sets out the increases in commodity groups holding a significant weight in exports:

Table No. 10. Exports by group of commodities in 2002

	Share of products in total exports %	- USD mill. -	Increase against 2001 %
Knitted or crocheted apparel	23.0	3,196	16.9
Machinery, mechanic devices, electric apparatus and equipment	15.7	2,175	29.5
Cast, laminated metallurgical products, made of iron, steel, pig iron, aluminium and copper (excluding waste material)	11.5	1,591	15.5
Leather goods and footwear	9.1	1,258	18.8
Petroleum products	6.9	956	57.2
Chemicals, plastics, rubber and articles thereof	6.1	840	14.4
Materials and transport means	5.6	786	31.5
Wood and wood items	4.5	620	18.1
Furniture (including components)	4.4	610	22.7

Source: Customs General Department

Imports of goods (fob) amounted to USD 16,487 million (36 percent of GDP), up USD 2,133 million, or 14.9 percent, over the year before, against the background of larger domestic demand, increasing exports and higher world oil prices. The increase in the volume of goods (due to liberalisation of imports of industrial goods from the European Union and suspension of value added tax payments on machinery and equipment imports) and in the volume of raw materials that are not produced domestically or are in scarce supply stood mainly behind the import rise. In 2002, imports posted a monthly average of USD 1,373.9 million, up USD 177.7 million as compared with 2001. Among commodities holding significant shares in total imports, imports of the following goods posted increases:

Table No. 11. Imports by group of commodities in 2002

	Share of products	- USD mill.-	Increase
	in total imports		against 2001
	%		%
Fabrics made of wool, cotton and synthetic or man-made fibres; synthetic or man-made fibres, textile products	13.7	2,261	16.9
Machinery, engines, apparatus and mechanical devices (including components)	12.0	1,971	13.9
Energy products (crude oil, natural gas, petroleum products, coal, coke)	11.1	1,833	2.0
Electric machinery, appliances and equipment, apparatus for recording and reproducing sound and image	11.0	1,805	18.3
Products made of pig iron, iron, steel and non-ferrous metals	6.7	1,097	14.3
Motorcars, tractors and other road vehicles	4.6	759	31.0
Plastic and plastic items	4.2	687	25.5
Wearing apparel and footwear	4.0	652	15.9
Pharmaceutical products	2.8	469	33.3

Source: Customs General Department

1.1.1.1. Exports by commodity and group of countries

a) Exports structure

Exports structure by economic sector highlights manufacturing as the main source of Romanian exports; its contribution saw little change as against the previous year.

Table No. 12. Exports by economic sector

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	11,385.0	13,876.0	121.9	100.0	100.0
Agriculture, forestry and fishery	288.0	307.6	106.8	2.5	2.2
Mining and quarrying	37.7	40.5	107.4	0.3	0.3
Manufacturing	10,987.0	13,418.6	122.1	96.5	96.7
Electricity	62.3	100.4	161.2	0.6	0.7
Other*	10.0	8.9	89.0	0.1	0.1

*) Including non-classified activities

Source: National Institute of Statistics (NIS)

Exports of manufactured goods rose 22.1 percent year on year. The rise was recorded by most sub-sectors save the food and beverages industry the exports of which shrank by 12.9 percent.

Table No. 13. Exports by main manufacturing sub-sector

	- USD mill. -		Indices (%)	Structure (%)	
	2001	2002	2002/2001	2001	2002
TOTAL, of which:	10,987.0	13,418.6	122.1	100.0	100.0
Food and beverages	181.1	157.8	87.1	1.6	1.2
Textiles and textile products	505.4	639.4	126.5	4.6	4.8
Textile, fur and leather apparel	2,493.0	2,901.9	116.4	22.7	21.6
Leather and footwear	1,051.9	1,266.1	120.4	9.6	9.4
Woodworking	531.8	636.5	119.7	4.8	4.7
Pulp, paper and cardboard	87.8	112.4	128.0	0.8	0.8
Petroleum processing and coal coking	643.8	981.6	152.5	5.9	7.3
Chemicals and man-made fibres	612.0	657.8	107.5	5.6	4.9
Rubber and plastic products	112.8	206.5	183.1	1.0	1.5
Non-metallic mineral products	214.9	265.1	123.4	2.0	2.0
Metallurgy	1,400.4	1,595.2	113.9	12.7	11.9
Metallic construction and metal products	186.4	229.8	123.3	1.7	1.7
Machinery and equipment	669.8	810.2	121.0	6.1	6.0
Electric machinery and apparatus	515.2	778.9	151.2	4.7	5.8
Radio, television and communication equipment	399.6	531.4	133.0	3.6	4.0
Medical instruments and apparatus, watches and clocks	52.3	57.2	109.4	0.5	0.4
Road transport means	263.4	354.8	134.7	2.4	2.6
Other transport means	361.2	458.5	126.9	3.3	3.4
Furniture and other activities	598.7	722.3	120.6	5.4	5.4

Source: National Institute of Statistics (NIS)

Above-average increases in exports were displayed by the following sub-sector: rubber and plastic products (83.1 percent), petroleum processing and coal coking (52.5 percent), electric machinery and apparatus (51.2 percent), road transport means (34.7 percent), radio, television and communication equipment (33 percent), pulp, paper and cardboard (28 percent), other transport means (26.9 percent), textiles and textile products (26.5 percent), other non-metallic mineral products (23.4 percent), metallic construction and metal products (23.3 percent).

Table No. 14. Exports by production stage ¹⁾

	- USD mill. -		Indices (%)	Structure (%)	
	2001	2002	2002/2001	2001	2002
TOTAL	11,385.0	13,876.0	121.9	100.0	100.0
1. Raw materials	560.3	642.6	114.7	4.9	4.6
2. Intermediate goods	4,986.0	6,363.1	127.6	43.8	45.9
3. Capital goods	1,003.9	1,067.8	106.4	8.8	7.7
4. Consumer goods	4,817.2	5,774.7	119.9	42.3	41.6
5. Goods not specified elsewhere	17.6	27.8	158.0	0.2	0.2

¹⁾ UN Group (foreign trade classification by Main Economic Category – National Institute of Statistics)

Compared with 2001, commodity structure of exports by production stage changed, exhibiting an expansion in the weight of exports of intermediate goods (by 2.1 percentage points) and a decline in the weight of exports of capital goods, consumer goods and raw materials.

In 2002, two groups of commodities, i.e. textiles, wearing apparel, footwear and machinery, equipment and transport means made up more than half of exports.

In year-on-year comparison, the following groups increased their shares in total exports: mineral products (by 1.6 percentage points) and machinery, equipment and transport means (by 1.3 percentage points).

Table No. 15. Exports by group of commodities

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	11,385.0	13,876.0	121.9	100.0	100.0
Agrifoodstuffs	433.3	437.5	101.0	3.8	3.2
Mineral products	784.4	1,181.1	150.6	6.9	8.5
Chemical and plastic products	734.1	840.0	114.4	6.4	6.1
Paper and wood products	634.8	748.9	118.0	5.6	5.4
Textiles, wearing apparel, and footwear	3,961.1	4,680.2	118.2	34.8	33.7
Base metals	1,515.9	1,781.9	117.5	13.3	12.8
Machinery, equipment, and transport means	2,277.3	2,961.5	130.0	20.0	21.3
Other	1,044.1	1,244.9	119.2	9.2	9.0

Source: National Institute of Statistics (NIS)

The structure of exports by **customs regime** illustrates that the share of definitive exports reached 43.9 percent, up 3.5 percentage points year on year, whereas the share of exports after domestic processing reached 55.9 percent.

b) Geographical distribution of exports

In 2002, geographical spread of exports changed from a year earlier, with exports to developing countries increasing due to higher demand for metallurgic products, wood, chemicals, plastics and mineral products.

Table No. 16. Exports by group of countries

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	11,385.0	13,876.0	121.9	100.0	100.0
1. Developed countries	8,472.1	10,341.9	122.1	74.4	74.5
of which:					
- European Union	7,720.1	9,309.9	120.6	67.8	67.1
- EFTA	127.4	187.8	147.4	1.1	1.4
- USA	357.1	599.1	167.8	3.1	4.3
- Japan	17.7	11.5	65.0	0.2	0.1
2. Transition countries	1,338.3	1,343.5	100.4	11.8	9.7
of which:					
- CEFTA	807.7	882.6	109.3	7.1	6.4
- Russian Federation	82.8	40.2	48.6	0.7	0.3
- Ukraine	45.1	37.8	83.8	0.4	0.3
- Republic of Moldova	111.5	109.6	98.3	1.0	0.8
3. Developing countries	1,553.5	2,166.2	139.4	13.6	15.6
4. Countries not specified¹⁾	21.1	24.4	115.6	0.2	0.2

Source: National Institute of Statistics (NIS)

¹⁾ Includes the goods for which the export destination country was not specified in the customs declaration.

Exports to **developed countries** amounted to USD 10,341.9 million, up 22.1 percent versus 2001 as a result of increase in trade with the European Union (by 20.6 percent), the United States of America (up 67.8 percent), and EFTA (up 47.4 percent). Exports to the European Union accounted for 67.1 percent of total exports (down 0.7 percentage points from 2001) and went primarily (over 80 percent) to four countries, namely Italy, Germany, France and United Kingdom.

Table No. 17. Exports to EU by group of commodities

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	7,720.1	9,309.9	120.6	100.0	100.0
Agrifoodstuffs	234.5	225.3	96.1	3.0	2.4
Mineral products	189.8	507.5	267.4	2.5	5.5
Chemical and plastic products	256.5	322.9	125.9	3.3	3.5
Paper and wood products	278.5	319.1	114.6	3.6	3.4
Textiles, wearing apparel, and footwear	3,672.0	4,335.9	118.1	47.6	46.5
Base metals	698.3	672.2	96.3	9.0	7.2
Machinery, equipment, and transport means	1,580.9	1,970.2	124.6	20.5	21.2
Other	809.6	956.8	118.2	10.5	10.3

Source: National Institute of Statistics (NIS)

Exports to the EU rose for most commodity groups, except for agrifoodstuffs and base metals, down 3.9 percent and 3.7 percent respectively. The shares of exports of the following groups expanded: mineral products (3 percentage points), machinery, equipment and transport means (0.7 percentage points), and chemical and plastic products (0.2 percentage points).

In 2002, Romania's exports to **transition countries** were up 0.4 percent year on year to USD 1,343.5 million, of which exports to CEFTA increased by 9.3 percent. The share of exports to transition countries contracted by 2.1 percentage points in total exports, of which that of exports to

CEFTA dropped by 0.7 percentage points for mineral products, agrifoodstuffs, base metals and other goods.

Table No. 18. Exports to CEFTA by group of commodities

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	807.7	882.6	109.3	100.0	100.0
Agrifoodstuffs	62.5	54.9	87.8	7.7	6.2
Mineral products	169.7	156.1	92.0	21.0	17.7
Chemical and plastic products	93.6	127.9	136.6	11.6	14.5
Paper and wood products	47.4	60.6	127.8	5.9	6.8
Textiles, wearing apparel, and footwear	110.5	145.7	131.9	13.7	16.5
Base metals	107.9	104.6	96.9	13.4	11.9
Machinery, equipment, and transport means	144.8	161.2	111.3	17.9	18.3
Other	71.3	71.6	100.4	8.8	8.1

Source: National Institute of Statistics (NIS)

Exports to **developing countries** expanded by 39.4 percent to USD 2,166.2 million, their share in total exports climbing 2 percentage points.

1.1.1.2. Imports by commodity and group of countries

a) Imports structure

In 2002, imports structure by production stage showed the decrease in the share of raw materials and capital goods in total imports and the increase in the share of consumer and intermediate goods in total imports as shown in the table below:

Table No. 19. Imports (fob) by production stage¹⁾

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	14,354.0	16,487.0	114.9	100.0	100.0
1. Raw materials	2,097.7	2,201.9	105.0	14.6	13.4
2. Intermediate goods	7,493.8	8,719.1	116.4	52.2	52.8
3. Capital goods	2,576.7	2,901.4	112.6	18.0	17.6
4. Consumer goods	2,138.5	2,630.6	123.0	14.9	16.0
5. Goods not specified elsewhere	47.3	34.0	71.9	0.3	0.2

1) UN Group (foreign trade classification by Main Economic Category – National Institute of Statistics)

In 2002, import demand was upheld to a proportion of over 70 percent by the same four commodity groups as in the previous year: machinery, equipment, and transport means, textiles, wearing apparel, footwear, chemical and plastic products, and mineral products.

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

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	14,354.0	16,487.0	114.9	100.0	100.0
Agrifoodstuffs	1,114.0	1,084.1	97.3	7.8	6.6
Mineral products	2,064.5	2,097.3	101.6	14.4	12.7
Chemical and plastic products	1,824.0	2,292.4	125.7	12.7	13.9
Paper and wood products	420.0	524.0	124.8	2.9	3.2
Textiles, wearing apparel, and footwear	2,542.0	2,973.2	117.0	17.7	18.0
Base metals	1,050.6	1,219.8	116.1	7.3	7.4
Machinery, equipment, and transport means	3,992.7	4,716.9	118.1	27.8	28.6
Other	1,346.2	1,579.3	117.3	9.4	9.6

Source: National Institute of Statistics (NIS)

Compared with 2001, the share of mineral products and agrifoodstuffs in total imports diminished by 1.7 percentage points and 1.2 percentage points respectively.

As for the final destination, imports of **consumer goods** (durables and non-durables) amounted to USD 2,523 million, more than one fifth higher over the year before.

Imports structure by **customs regime** showed that the share of definitive imports remained unchanged year on year at 67.3 percent of total imports, while that of temporary imports widened by 0.6 percentage points as a result of the fall in the share of financial leasing.

b) Geographical distribution of imports

As concerns imports by origin, **developed countries** ranked first (65 percent of total imports), followed by **transition countries** (22.2 percent) and **developing countries** (12.4 percent).

Table No. 21. Imports (fob) by group of countries

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	14,354.0	16,487.0	114.9	100.0	100.0
1. Developed countries	9,340.2	10,711.9	114.7	65.1	65.0
of which:					
- European Union	8,231.9	9,628.1	117.0	57.3	58.4
- EFTA	185.7	189.0	101.8	1.3	1.1
- USA	452.9	494.4	109.2	3.2	3.0
- Japan	141.8	200.5	141.4	1.0	1.2
2. Transition countries	3,128.4	3,653.1	116.8	21.8	22.2
of which:					
- CEFTA	1,418.5	1,633.4	115.1	9.9	9.9
- Russian Federation	1,092.7	1,187.6	108.7	7.6	7.2
- Ukraine	295.6	317.6	107.4	2.1	1.9
- Republic of Moldova	35.7	46.3	129.7	0.2	0.3
3. Developing countries	1,566.8	2,050.4	130.9	10.9	12.4
4. Countries not specified¹⁾	318.6	71.6	22.5	2.2	0.4

Source: National Institute of Statistics (NIS)

¹⁾ Including the goods for which the import origin country was not specified in the customs declaration.

Imports from **developed countries** expanded by 14.7 percent year on year to USD 10,711.9 million. This performance can be put down on higher imports from the European Union (17 percent) and Japan (41.4 percent).

Table No. 22. Imports (fob) from EU by group of commodities

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	8,231.9	9,628.1	117.0	100.0	100.0
Agrifoodstuffs	359.0	409.8	114.2	4.4	4.3
Mineral products	167.0	117.5	70.4	2.1	1.2
Chemical and plastic products	1,180.9	1,552.6	131.5	14.3	16.2
Wood products	243.7	311.8	127.9	3.0	3.2
Textiles, wearing apparel, and footwear	2,140.9	2,443.3	114.1	26.0	25.4
Base metals	528.8	668.4	126.4	6.4	6.9
Machinery, equipment, and transport means	2,629.0	2,983.9	113.5	31.9	31.0
Other	982.6	1,140.8	116.1	11.9	11.8

Source: National Institute of Statistics (NIS)

Imports from the European Union accounted for 58.4 percent of total imports in 2002 (up 1.1 percentage points versus the previous year) and originated, in a proportion of 84 percent, in five countries, namely Italy, Germany, France, United Kingdom and Austria.

Except for mineral products, commodity groups displayed higher imports from the European Union. Increases in imports were recorded mainly by chemical and plastic products (31.5 percent), paper and wood products (27.9 percent) and base metals (26.4 percent).

Imports from **transition countries** rose 16.8 percent year on year to USD 3,653.1 million, of which imports from CEFTA members increased 15.1 percent. The share of imports from transition countries in total imports stepped up 0.4 percentage points, due to the increase in imports from the Russian Federation, while the share of imports from CEFTA countries stayed flat.

Imports from CEFTA countries rose for most commodity groups (except for mineral products and agrifoodstuffs), particularly machinery, equipment, and transport means (by 50.4 percent), textiles, wearing apparel, footwear (21.7 percent), chemical and plastic products (19.3 percent).

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

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
TOTAL	1,418.5	1,633.4	115.1	100.0	100.0
Agrifoodstuffs	268.9	226.4	84.2	19.0	13.9
Mineral products	83.8	62.6	74.7	5.9	3.8
Chemical and plastic products	286.6	341.8	119.3	20.2	20.9
Paper and wood products	132.9	152.6	114.8	9.4	9.3
Textiles, wearing apparel, and footwear	86.6	105.4	121.7	6.1	6.5
Base metals	178.2	195.0	109.4	12.6	11.9
Machinery, equipment, and transport means	263.3	395.9	150.4	18.5	24.3
Other	118.2	153.7	130.0	8.3	9.4

Source: National Institute of Statistics (NIS)

Imports from **developing countries** added 30.9 percent to USD 2,050.4 million. Their share in total imports widened by 1.5 percentage points as compared with 2001.

1.1.1.3. Currency structure and foreign trade efficiency

In terms of currency, the weight of the euro rose by 2.8 percentage points to 58.5 percent in total exports and by 4.9 percentage points to 65.5 percent in total imports, while the US dollar lost ground.

Table No. 24. Foreign trade by currency

	Exports		Imports	
	2001	2002	2001	2002
TOTAL	100.0	100.0	100.0	100.0
USD	39.5	36.4	35.1	30.3
EUR	55.7	58.5	60.6	65.5
Other	4.8	5.1	4.3	4.2

Source: Customs General Department

Net terms of trade¹ painted a brighter picture in 2002, advancing to 103.9 percent (103.7 percent for the trade with the European Union), due to higher prices of commodities exported to the European Union. **Gross terms of trade**² ran at 102.1 percent, showing that export volume increased faster than import volume (117.5 percent versus 115.1 percent).

Table No. 25. Foreign trade efficiency

	- percent -	
	2001	2002
Value indices	previous year = 100	
Exports	109.8	121.9
Imports	119.1	114.9
Unit value indices ¹⁾		
Exports	98.1	103.7
Imports	96.2	99.8
Volume indices		
Exports	112.0	117.5
Imports	123.9	115.1
Terms of trade index		
net (unit value)	102.0	103.9
gross (volume)	90.4	102.1
Export purchasing power index	114.2	122.1

¹⁾ Calculated by the National Institute of Statistics

1.1.1.4. Private sector contribution

In 2002, **privately owned enterprises** (commission agents and producers) carrying out foreign trade activity accounted for two thirds of total exports (tantamount to USD 9,242 million), 21.7 percent higher

¹ Ratio of unit value index of exports and unit value index of imports

² Ratio of volume index of exports and volume index of imports

against 2001. Imports by the private sector constituted 72.6 percent of total imports (69.6 percent in 2001), amounting to USD 11,963.2 million, up 19.7 percent as compared with the prior year. Coverage of imports through exports in the private sector edged up 1.3 percentage points in 2002.

Table No. 26. Private sector foreign trade

	M.U.	2001	2002	Indices (%) 2002/2001
Exports (fob)	USD mill.	7,591.1	9,242.0	121.7
as a share of total exports	%	66.7	66.6	x
Imports (fob)	USD mill.	9,994.8	11,963.2	119.7
as a share of total imports	%	69.6	72.6	x
Trade balance	USD mill.	-2,403.7	-2,721.2	113.2
Coverage of imports through exports	%	76.0	77.3	x

Source: Customs General Department

1.1.1.5. Net imports of energy products

In 2002, **net imports of energy products** contracted by one third year over year to USD 737.8 million, i.e. 28.3 percent of trade deficit, thanks to lower imports of petroleum products and electricity. **Exports** of primary energy resources amounted to USD 1,101 million (7.9 percent of total exports), up 55.7 percent over the year before, mainly as a result of higher volume of petroleum products exports. **Imports (fob)** of primary energy products equalled USD 1,838.9 million (taking 11.1 percent of total imports), up 1.1 percent as compared with 2001 following rises in crude oil and natural gas imports.

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

	- USD mill. -	
	2001	2002
TOTAL	-1,111.6	-737.8
1. Natural gas	-324.3	-379.8
2. Electricity	41.1	89.3
3. Crude oil	-880.7	-983.6
4. Petroleum products	278.7	737.8
5. Mineral fuels	-226.4	-201.5

Source: Customs General Department

1.1.2. Services

In 2002, the services balance displayed a **surplus tantamount to USD 9 million**, compared to the USD 115 million deficit recorded a year earlier; this development can be attributed to the improvement of receipts/payments ratio under "Personal travel" and "Other services". "Transport" was the only component posting a surplus.

Table No. 28. Services

	- USD mill. -		Indices (%)	Structure (%)	
	2001	2002	2002/2001	2001	2002
Receipts	2,033	2,347	115.4	100.0	100.0
transport	828	964	116.4	40.7	41.1
travel	362	335	92.5	17.8	14.3
other	843	1,048	124.3	41.5	44.7
Payments	2,148	2,338	108.8	100.0	100.0
transport	733	835	113.9	34.1	35.7
travel	449	396	88.2	20.9	16.9
other	966	1,107	114.6	45.0	47.3
Balance	-115	9	x		
transport	95	129	135.8		
travel	-87	-61	70.1		
other	-123	-59	48.0		

Receipts from services worked out at USD 2,347 million, 15.4 percent higher from 2001, while **services payments** totalled USD 2,338 million, up 8.8 percent. Both movements were induced by rises under “Transport” and “Other services”. “Travel” displayed declines in both receipts and payments.

1.1.2.1. Transport

In 2002, “Transport” posted a USD 129 million surplus, up over one third from the previous year, on the back of the 2.5 percentage point faster increase in receipts than in payments. “Freight” was the only component that showed a deficit.

Table No. 29. Transport

	- USD mill. -		Indices (%)	Structure (%)	
	2001	2002	2002/2001	2001	2002
Receipts	828	964	116.4	100.0	100.0
freight	567	683	120.5	68.5	70.9
passenger transport	57	65	114.0	6.9	6.7
other transport services	204	216	105.9	24.6	22.4
Payments	733	835	113.9	100.0	100.0
freight	649	707	108.9	88.5	84.7
passenger transport	26	52	200.0	3.5	6.2
other transport services	58	76	131.0	7.9	9.1
Balance	95	129	135.8		
freight	-82	-24	29.3		
passenger transport	31	13	41.9		
other transport services	146	140	95.9		

In 2002, the deficit displayed by freight equalled USD 24 million, down over 70 percent as against 2001, amid the correlation between receipts and the trend of exports and between payments and the trend of imports, whereas “Other transport services” exhibited a surplus close to that recorded in 2001.

The increase displayed by resident carriers' receipts stemmed primarily from the pick-up in volume of goods exported by road, sea and cable, while larger payments to non-resident carriers were due to larger volume of goods imported by road, pipelines and river.

Table No. 30. Value of transported goods

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
Exports (resident carriers)	5,453.9	6,851.4	125.6	100.0	100.0
- railroad	529.3	514.0	97.1	9.7	7.5
- road	4,461.6	5,835.7	130.8	81.8	85.2
- river	48.8	18.9	38.8	0.9	0.3
- sea	361.1	421.7	116.8	6.6	6.2
- air	38.9	36.5	93.8	0.7	0.5
- pipelines*	14.2	24.6	173.4	0.3	0.4
Imports (non-resident carriers)	9,141.5	9,968.3	109.0	100.0	100.0
- railroad	1,202.6	1,126.0	93.6	13.2	11.3
- road	4,870.2	5,540.7	113.8	53.3	55.6
- river	29.3	58.6	200.0	0.3	0.6
- sea	1,922.3	1,924.8	100.1	21.0	19.3
- air	402.2	433.1	107.7	4.4	4.3
- pipelines*	714.9	885.1	123.8	7.8	8.9

Source: Customs General Department

*) including electricity cable transmission

The surplus under "Passenger transport" dropped more than one-half year over year due to the twofold increase in payments.

1.1.2.2. Travel

In 2002, the deficit under "Travel" amounted to USD 61 million, about 30 percent lower than in the previous year, owing mainly to the decline in payments for personal travel.

Table No. 31. Travel

	- USD mill.-		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
Receipts	362	335	92.5	100.0	100.0
business travel	59	23	39.0	16.3	6.9
personal travel	301	304	101.0	83.1	90.7
other	2	8	400.0	0.6	2.4
Payments	449	396	88.2	100.0	100.0
business travel	245	215	87.8	54.6	54.3
personal travel	203	180	88.7	45.2	45.5
other	1	1	100.0	0.2	0.3
Balance	-87	-61	70.1		
business travel	-186	-192	103.2		
personal travel	98	124	126.5		
other	1	7	700.0		

1.1.2.3. Other services

The deficit under “Other services” was more than halved, reaching USD 59 million, due to faster increase in receipts than in payments. The deficit was attributed mainly to insurance and operational leasing.

Table No. 32. Other services

	-USD mill.-		Indices (%)	Structure (%)	
	2001	2002	2002/2001	2001	2002
Receipts, of which:	843	1,048	124.3	100.0	100.0
insurance services	37	20	54.1	4.4	1.9
trade, professional etc. services	196	313	159.7	23.3	29.9
financial services	94	83	88.3	11.2	7.9
operational leasing	8	7	87.5	0.9	0.7
communication services	135	167	123.7	16.0	15.9
construction services	59	65	110.2	7.0	6.2
culture and leisure services	61	79	129.5	7.2	7.5
Payments, of which:	966	1,107	114.6	100.0	100.0
insurance services	49	79	161.2	5.1	7.1
trade, professional etc. services	265	306	115.5	27.4	27.6
financial services	76	83	109.2	7.9	7.5
operational leasing	29	41	141.4	3.0	3.7
communication services	91	59	64.8	9.4	5.3
construction services	24	15	62.5	2.5	1.4
culture and leisure services	69	66	95.7	7.1	6.0
Balance, of which:	-123	-59	48.0		
insurance services	-12	-59	491.7		
trade, professional etc. services	-69	7	-10.1		
financial services	18	0	x		
operational leasing	-21	-34	161.9		
communication services	44	108	245.5		
construction services	35	50	142.9		
culture and leisure services	-8	13	x		

1.2. Income balance

In 2002, the income balance posted a deficit of USD 459 million (30.1 percent of the current account deficit), about two thirds higher than in 2001, on account of increase in capital outflows in the form of profit from direct and portfolio investment. The structure of receipts changed year on year. Thus, the share of incomes from compensation of employees and management of official reserves increased while the share of incomes from interest and direct investment dropped. On the payments side, the share of repatriated profit from direct and portfolio investment as well as that of compensation of employees rose whereas the share of interest payments related to medium- and long-term loans went down.

“Compensation of employees” exhibited a USD 130 million surplus (up more than one fifth from 2001), driven by the rise in earnings of Romanians working abroad on the basis of labour contracts.

Table No. 33. Income balance

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
Receipts	455	413	90.8	100.0	100.0
compensation of employees	112	136	121.4	24.6	32.9
direct investment	15	11	73.3	3.3	2.7
portfolio investment	178	184	103.4	39.1	44.6
other investment (interest)	150	82	54.7	33.0	19.8
Payments	737	872	118.3	100.0	100.0
compensation of employees	4	6	150.0	0.5	0.7
direct investment	117	197	168.4	15.9	22.6
portfolio investment	105	181	172.4	14.2	20.8
other investment (interest)	511	488	95.5	69.4	55.9
Balance	-282	-459	162.8		
compensation of employees	108	130	120.4		
direct investment	-102	-186	182.4		
portfolio investment	73	3	4.1		
other investment (interest)	-361	-406	112.5		

“Portfolio investment” displayed a USD 3 million surplus, compared with a USD 73 million surplus recorded in 2001, due to the rise in interest payments on Eurobond issues launched by the Ministry of Public Finance.

Table No. 34. Interest developments

	-USD mill.-					
	2001			2002		
	Credit	Debit	Balance	Credit	Debit	Balance
TOTAL	150	511	-361	82	488	-406
Interest on medium- and long-term credits	86	497	-411	46	463	-417
IMF	0	19	-19	0	11	-11
G-24	0	18	-18	0	12	-12
IBRD	0	102	-102	0	70	-70
EBRD	0	56	-56	0	54	-54
other	86	302	-216	46	316	-270
Interest on short-term credits	64	14	50	36	25	11

“Other investment” showed a USD 406 million deficit (up 12.5 percent versus 2001), due mainly to the decline in interest accrued on Romania’s external claims in the form of government credit granted before 1990. Among them, Romania’s claims on Cuba entailed accrued interest of about USD 30 million in 2002. Interest payments on medium- and long-term debt totalled USD 463 million (down about 7 percent), out of which interest payments to the international financial institutions accounted for 45 percent of the total.

1.3. Current transfers

In 2002, balance of current transfers ran at USD 1,536 million, accounting for 3.4 percent of GDP, its highest in the past few years. Net current transfers augmented by more than one third versus 2001, due mainly to the increase in money flows to residents.

Table No. 35. Balance of current transfers

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
Receipts	1,417	1,808	127.6	100.0	100.0
Public administration	252	298	118.3	17.8	16.5
Private transfers	1165	1,510	129.6	82.2	83.5
Payments	274	272	99.3	100.0	100.0
Public administration	31	17	54.8	11.3	6.3
Private transfers	243	255	104.9	88.7	93.8
Balance	1,143	1,536	134.4	100.0	100.0
Public administration	221	281	127.1	19.3	18.3
Private transfers	922	1255	136.1	80.7	81.7

The funds received by Romania under PHARE technical assistance grew 11.8 percent year on year to USD 228 million³, of which non-redeemable technical assistance in the form of consulting services and training courses (current transfers) equalled USD 148 million and equipment purchase (capital transfers) totalled USD 80 million.

³ Source: Ministry of Public Finance

2. Capital and financial account

In 2002, Romania's access to international capital markets increased markedly, with funds from foreign borrowings flowing mainly to official reserves, as direct and portfolio investment ensured full financing of the current account deficit.

Table No. 36. Capital and financial account

	- USD mill. -		Indices (%) 2002/2001	Structure (%)	
	2001	2002		2001	2002
Credit	6,739	8,245	122.3	100.0	100.0
capital transfers	108	100	92.6	1.6	1.2
direct investment	1,303	1,366	104.8	19.3	16.6
portfolio investment	1,155	905	78.4	17.1	11.0
other capital investment	4,150	5,821	140.3	61.7	70.6
in-transit, clearing/barter accounts	23	43	187.0	0.3	0.5
NBR reserve assets	0	10	x	-	0.1
Debit	5,240	5,863	111.9	100.0	100.0
capital transfers	13	7	53.8	0.2	0.1
direct investment	129	238	184.5	2.5	4.1
portfolio investment	580	523	90.2	11.1	8.9
other capital investment	3,025	3,259	107.7	57.7	55.6
in-transit, clearing/barter accounts	9	24	266.7	0.2	0.4
NBR reserve assets	1,484	1,812	122.1	28.3	30.9
Balance	1,499	2,382	158.9		
capital transfers	95	93	97.9		
direct investment	1,174	1,128	96.1		
portfolio investment	575	382	66.4		
other capital investment	1,125	2,562	227.7		
in-transit, clearing/barter accounts	14	19	135.7		
NBR reserve assets	-1,484	-1,802	121.4		

In 2002, capital and financial account components showed the following features:

- the net value of capital transfers remained virtually unchanged from 2001; equipment provided under PHARE programme of non-redeemable technical assistance made up the bulk of capital transfers;
- net direct investment declined year on year against the backdrop of the twofold increase in the volume of loans repaid to the parent company and the expansion of residents' investment abroad;
- net portfolio investment dropped by one third from 2001, as a result of redemption of Eurobonds held by Credit Suisse First Boston and a lower volume of new issues;
- inflows from medium- and long-term loans and credits neared USD 4 billion, reaching the highest level since 1989; in September 2002, two tranches worth USD 109.4 million were released under the IMF Stand-by arrangement concluded a year earlier;

- the NBR’s reserve assets rose by USD 1.8 billion, due to forex purchases, inflows from external borrowings (the World Bank-led PSAL II agreement) and funds raised from the Eurobonds issued by the Ministry of Public Finance.

Financial account balance came to USD 2,289 million, up about two thirds versus 2001, as a result of the improvement in the inflows/outflows ratio.

Table No. 37. Foreign assets and liabilities

	-USD mill.-					
	2001			2002		
	Credit	Debit	Balance	Credit	Debit	Balance
Foreign assets	870	2,389	-1,519	1,190	2,316	-1,126
direct investment	48	31	17	42	58	-16
portfolio investment	20	28	-8	8	8	0
other investment	795	845	-50	1,122	437	685
clearing accounts	7	1	6	8	1	7
NBR reserve assets	0	1,484	-1,484	10	1,812	-1,802
Foreign liabilities	5,761	2,838	2,923	6,955	3,540	3,415
direct investment	1,255	98	1,157	1,324	180	1,144
portfolio investment	1,135	552	583	897	515	382
other investment	3,355	2,180	1,175	4,699	2,822	1,877
float, clearing accounts	16	8	8	35	23	12

Financial account assets illustrate the changes in the residents’ investment abroad, purchases of foreign securities, deposits with banks abroad, loans and official reserves. In 2002, foreign assets increased less than a year before, i.e. USD 1,126 million versus USD 1,519 million following the cut in deposits abroad.

Financial account liabilities reflect investment by non-residents in Romania, deposits of non-residents and borrowings. In 2002, foreign liabilities rose by USD 3,415 million, compared with USD 2,923 million in 2001, due to medium- and long-term loans and credits from the EBRD, Nordic Investment and EDC Canada, IBRD, EIB, and private creditors.

2.1. Direct investment

In 2002, net direct investment⁴ totalled USD 1,128 million, down 3.9 percent from the previous year, amid the rise in residents’ investment abroad and the marginal decline in non-residents’ investment in Romania. Inflows of direct investment by non-residents in Romania amounted to USD 1,324 million, up 5.5 percent from 2001, as a result of increase in share capital and in the volume of intra-company loans channelled to the non-bank sector.

⁴ Non-residents’ investment in Romania and residents’ investment abroad

The main sectors which benefited from foreign direct investment were manufacturing, professional services, trade, transport, construction, tourism and agriculture. Among manufacturing sub-sectors where foreign companies hold a majority interest, the following deserve mention: food industry, products of non-metallic minerals, metallurgy, machinery and equipment, electric, medical, optical apparatus and instruments, transport means.

	- USD mill. -		Indices (%)	Structure (%)	
	2001	2002	2002/2001	2001	2002
Credit	1,303	1,366	104.8	100.0	100.0
- of non-residents in Romania	1,255	1,324	105.5	96.3	96.9
- of residents abroad	48	42	87.5	3.7	3.1
Debit	129	238	184.5	100.0	100.0
- of non-residents in Romania	98	180	183.7	76.0	75.6
- of residents abroad	31	58	187.1	24.0	24.4
Balance	1,174	1,128	96.1		
- of non-residents in Romania	1,157	1,144	98.9		
- of residents abroad	17	-16	x		

The data provided by the Trade Register show that at end-2002, based on the share of capital subscribed in foreign currency, the major foreign investors in Romania were the Netherlands, Germany, USA, France, Austria, Italy, Netherlands Antilles, Cyprus, Turkey, Greece, United Kingdom, Switzerland, South Korea, and Hungary.

2.2. Portfolio investment

Net inflows of portfolio investment worked out at USD 382 million, one third lower than in 2001, due mainly to the redemption of bonds held by Credit Suisse First Boston amid a smaller volume of newly-issued securities.

Portfolio investment inflows stood at USD 905 million, of which a public issue of Eurobonds lead-managed by Credit Deutsche Bank AG worth USD 641 million to cover the budget deficit and Eurobonds issued by SNCFR Marfa S.A. through Deutsche Bank worth USD 121 million. Portfolio investment outflows totalled USD 523 million, of which USD 289 million were accounted for by redemption of maturing Eurobonds held by Credit Suisse First Boston Germany.

Table No. 39. Portfolio investment

	-USD mill.-					
	2001			2002		
	Credit	Debit	Balance	Credit	Debit	Balance
Assets	20	28	-8	8	8	0
Banking sector	18	20	-2	6	6	0
Non-bank sector	2	8	-6	2	2	0
Liabilities	1,135	552	583	897	515	382
Monetary authority	0	275	-275	0	0	0
Nomura Securities	0	250	-250	0	0	0
Merrill Lynch	0	25	-25	0	0	0
Banking sector	1	3	-2	0	3	-3
Government sector	655	0	655	641	289	352
Credit Deutsche Bank AG	0	0	0	641	0	641
CS First Boston	517	0	517	0	289	-289
ING Bank Schroeder Salomon Smith Barney	138	0	138	0	0	0
Other sectors	479	274	205	256	223	33
of which:						
- debt securities	368	171	197	172	160	12
Termoelectrica/Electrica	135	1	134	0	22	-22
Mercur Trading-Merrill Lynch	0	3	-3	0	2	-2
Petrom - BNP Paribas Luxemburg	114	0	114	0	0	0
Astra Vagoane- Trinity INC	9	33	-24	5	2	3
Romtelecom- Goal Trade Financing	0	0	0	17	5	12
SNCFR- Marfa SA - Deutsche Bank	0	0	0	121	0	121
Short-term promissory notes	3	10	-7	6	3	3
Other	107	124	-17	23	126	-103
- equity securities	111	103	8	84	63	21
(National Securities Commission transactions)	111	103	8	84	63	21

2.3. Financing of the current account deficit

In 2002, direct and portfolio investment covered entirely the current account deficit. Net inflows of medium- and long-term borrowings amounted to USD 1,589 million, about 70 percent more than in 2001; the international financial institutions and private creditors supplied funds, which flowed to the public administration and non-bank sectors. Inflows of medium- and long-term loans and credits were 46 percent higher than in 2001 while repayments were by one third higher. Short-term loans and credits resulted in net inflows of USD 331 million, 48.4 percent higher than in 2001.

Table No. 40. Financing of the current account deficit

	- USD mill. -	
	2001	2002
Financing sources	2,223	1,525
a. capital transfers, net	95	93
b. direct investment, net	1,174	1,128
c. portfolio investment, net	575	382
d. other investment:	1,863	1,724
- medium- and long-term borrowings	938	1,589
inflows	2,663	3,887
repayments	1,725	2,298
- medium- and long-term loans, net	-45	19
- short-term loans, net	223	331
- other investment*	747	-215
e. NBR's reserve assets ("-" shows an increase)	-1,484	-1,802

**) Net value of the items cash, cheques, deposits, in-transit documents, clearing and barter accounts, errors and omissions is included.*

B. Romania's international investment position

1. General features

The debit balance of Romania's international investment position worsened further, reaching USD 12.1 billion at end-2002, USD 2.7 billion higher than that recorded at end-2001. The factors behind this development were net external transactions (USD -2,289 million), exchange rate losses (USD -606.7 million), and the increase in the gold price on the international market (USD +239.5 million).

Stabilisation of the main macroeconomic indicators improved the perception of the international rating agencies and foreign creditors regarding the Romanian economic environment contributing to better lending conditions for both public administration and private sector. The more readily available foreign private financing, amid the strengthening of the EUR against the USD, led to the increase in net capital inflows as well as to the more than USD 3 billion expansion of external debt.

The NBR further pursued its policy of strengthening official reserves, which was initiated at mid-1999. At end-2002, international reserves reached a record high of USD 7.3 billion.

The main sources fostering the increase in forex reserves were the NBR's purchases of foreign exchange and the inflows from external borrowings and forex-denominated government securities launched by the Ministry of Public Finance. Moreover, the increase in the price of gold on the precious metal markets led to the rise in the value of NBR's gold stock.

The increase in medium- and long-term external debt entailed the rise in external debt servicing, which reached USD 3.8 billion in 2002, up 26.9 percent against the previous year. Indebtedness

indicators remained within normal limits by international standards against the backdrop of increase in both exports and GDP. External debt service ratio stood at 23.5 percent while external debt service accounted for 8.3 percent of GDP. It is noteworthy the steady tendency to contain the share of short-term external debt in total external debt (3 percent), the short-term external debt service ratio equalling 3.1 percent.

At end-2002, foreign reserve assets hit a record high of USD 8.4 billion, up 31.5 percent from end-December 2001, amid the gradual increase in NBR's foreign exchange reserve and in the value of monetary gold stock.

At end-2002, foreign exchange reserves of the banking system (including the NBR) covered 4.6 months of imports compared with 4 months of imports at end-2001 while official reserves covered 4.7 months of imports, from 3.5 import months at end-2001. The ratio between external debt service and forex reserves was 52.9 percent at end-2002, 2.4 percentage points lower from end-2001.

Table No. 41. Foreign reserve assets

	-USD mill.-				
	31.12.2001	31.03.2002	30.06.2002	30.09.2002	31.12.2002
1. National Bank of Romania	4,861.2	5,099.1	6,098.2	6,687.4	7,305.9
gold	938.7	1,025.0	1,079.5	1,091.3	1,180.2
SDR	6.8	3.5	0.7	6.0	2.3
foreign exchange	3,915.7	4,070.6	5,018.0	5,590.1	6,123.4
2. Banks	1,519.4	1,351.6	1,238.1	1,232.0	1,086.4
foreign exchange	1,519.4	1,351.6	1,238.1	1,232.0	1,086.4
3. Foreign reserve assets	6,380.6	6,450.7	7,336.3	7,919.4	8,392.3
of which:					
3.1. foreign exchange + SDR	5,441.9	5,425.7	6,256.8	6,828.1	7,212.1
4. Foreign liabilities	470.5	534.2	612.4	672.1	490.6
Net international reserves	5,910.1	5,916.5	6,723.9	7,247.3	7,901.7
(item 3-item 4)					
of which:					
Net foreign exchange reserves	4,971.4	4,891.5	5,644.4	6,156.0	6,721.5
(item 3.1-item 4)					

Behind the increase in external debt by more than one fourth to USD 15,621.2 million at end-2002 stood economic growth, external financing of budget deficit, and the strengthening of the EUR against the USD. Medium- and long-term debt accounted for 97 percent while short-term debt made up 3 percent of total external debt.

External debt service was USD 3,816.9 million, of which principal repayments amounted to USD 3,119.6 million and interest and commissions paid ran at USD 697.3 million. Indebtedness indicators remained within normal limits against the backdrop of increase in exports of goods and services and the rise in GDP. Thus, external debt service ratio was 23.5 percent (1.1 percentage points higher than in the previous year) while external debt-to-GDP ratio was 34.1 percent; the ratio of external debt to exports of goods and services reached 96.3 percent. Medium- and long-term external debt equalled USD 15,145.9 million at end-2002, 27.1 percent higher than at end-2001 as a

result of net inflows of USD 2,218.2 million and the unfavourable impact of EUR/USD appreciation, which reached USD 1,093.1 million.

Medium- and long-term external debt by creditor shows that private creditors accounted for 59.2 percent (up 4.2 percentage points from 2001), international financial institutions made up 35.4 percent (down 2.7 percentage points from 2001), and bilateral sources represented 5.4 percent.

Table No. 42. Medium- and long-term external debt by creditor

	- USD mill. -			
	31.12.2001	%	31.12.2002	%
TOTAL	11,914.0	100.0	15,145.9	100.0
International institutions	4,541.1	38.1	5,354.8	35.4
IMF	386.4	3.2	425.6	2.8
IBRD	2,024.3	17.0	2,254.6	14.9
EIB	804.9	6.8	1,248.6	8.2
EBRD	792.9	6.7	859.7	5.7
Bilateral relations	819.1	6.9	814.5	5.4
Canada	162.9	1.4	136.0	0.9
Germany	242.6	2.0	214.9	1.4
Japan	95.3	0.8	89.7	0.6
Portfolio investment	1,685.3	14.1	2,389.5	15.8
CF First Boston Germany	270.7	2.3	0.0	0.0
CF First Boston Switzerland	529.4	4.4	625.4	4.1
Deutsche Bank	132.4	1.1	886.0	5.8
ING Bank Barings	264.7	2.2	312.7	2.1
Private banks	1,962.7	16.5	2,523.4	16.7
Germany	219.4	1.8	285.4	1.9
France	314.3	2.6	298.0	2.0
USA	408.2	3.4	674.8	4.5
UK	244.3	2.1	306.2	2.0
Netherlands	211.4	1.8	311.5	2.1
Supplier credits	314.5	2.6	397.4	2.6
Greece	167.1	1.4	211.0	1.4
Other	2,591.3	21.8	3,666.3	24.1

Medium- and long-term external debt by currency shows that the share of external debt denominated in EUR rose from 40.6 percent at end-2001 to 47.4 percent at end-2002 while the USD-denominated external debt shrank from 52.8 percent to 46.6 percent. It is noteworthy that the matching between the currency structure of foreign assets and that of external debt improved.

Table No. 43. Forex reserves and medium- and long-term external debt by currency

	-USD mill.-							
	Forex reserves				Medium- and long-term external debt			
	31.12.2001	%	31.12.2002	%	31.12.2001	%	31.12.2002	%
TOTAL	5,441.90	100.00	7,212.10	100.00	11,914.00	100.00	15,145.90	100.00
EUR	2,095.25	38.50	3,379.28	46.86	4,841.90	40.64	7,172.60	47.36
USD	3,222.40	59.21	3,777.06	52.37	6,291.50	52.81	7,057.50	46.60
Other	124.25	2.28	55.76	0.77	780.60	6.55	915.80	6.05

Medium- and long-term external debt by debtor points out that public debt accounted for 41.6 percent, private debt represented 36.8 percent and publicly-guaranteed debt made up 21.6 percent.

Table No. 44. Medium- and long-term external debt by debtor

	31.12.2001		31.12.2002	
		%		%
TOTAL	11,914.0	100.0	15,145.9	100.0
Public debt	4,984.3	41.8	6,294.4	41.6
Publicly guaranteed debt	2,751.8	23.1	3,266.3	21.6
Private debt	4,177.9	35.1	5,585.2	36.8

At end-2002, private debt reached USD 5.6 billion, one third higher than in 2001, as a result of net capital inflows worth USD 1,098.5 million and the unfavourable impact arising from the appreciation of the EUR versus the USD (USD 388.2 million).

The rise in private debt reflected the improvement of Romanian debtors' creditworthiness. The positive aspect of the increase in private debt is that these loans are earmarked mainly for the financing of investment projects and development of the private sector. Analysis of the national economy by sector shows the following distribution of private debt: manufacturing (39 percent), post and telecommunications (14.9 percent), transport and warehousing (10.5 percent), trade (9.1 percent). Most external loans were channelled into the following manufacturing sub-sectors: food industry, beverages and tobacco (25.3 percent), furniture (14.2 percent), textiles and products thereof (10.2 percent) and processing of rubber and plastics (9.1 percent).

Table No. 45. Medium- and long-term external debt by maturity

	31.12.2001		31.12.2002	
		%		%
TOTAL	11,914.0	x	15,145.9	x
<i>Public debt</i>	<i>4,984.3</i>	<i>100.0</i>	<i>6,294.4</i>	<i>100.0</i>
1-5 years	744.8	14.9	492.6	7.8
more than 5 years	4,239.5	85.1	5,801.8	92.2
<i>Publicly guaranteed debt</i>	<i>2,751.8</i>	<i>100.0</i>	<i>3,266.3</i>	<i>100.0</i>
1-5 years	867.8	31.5	1,293.2	39.6
more than 5 years	1,884.0	68.5	1,973.1	60.4
<i>Private debt</i>	<i>4,177.9</i>	<i>100.0</i>	<i>5,585.2</i>	<i>100.0</i>
1-5 years	2,103.1	50.3	2,952.6	52.9
more than 5 years	2,074.8	49.7	2,632.6	47.1

Medium- and long-term external debt by maturity at end-2002 shows that long-term debt held the largest share in public and publicly guaranteed debt (92.2 percent and 60.4 percent respectively), whilst medium-term external debt prevailed in private debt (52.9 percent).

Table No. 46. External debt by type of interest

	-USD mill.-			
	31.12.2001	%	31.12.2002	%
TOTAL	11,914.0	100.0	15,145.9	100.0
Floating interest	6,515.5	54.7	7,927.1	52.3
IBRD STANDARD INTEREST	894.0	7.5	911.5	6.0
IMF STANDARD INTEREST	386.4	3.2	425.6	2.8
1-month LIBOR USD	123.3	1.0	111.0	0.7
3-month LIBOR USD	317.4	2.7	663.4	4.4
6-month LIBOR USD	3,215.3	27.0	3,405.7	22.5
12-month LIBOR USD	153.9	1.3	278.9	1.8
3-month EURIBOR	223.1	1.9	375.1	2.5
6-month EURIBOR	605.4	5.1	947.4	6.3
Fixed interest	5,398.5	45.3	7,218.8	47.7
0.0-4.99%	1,454.6	12.2	1,903.7	12.6
5.0-9.99%	2,142.7	18.0	3,057.0	20.2
over 10.0%	1,801.2	15.1	2,258.1	14.9

External debt by type of interest shows the following picture: the largest share (52.3 percent) was held by floating-interest loans, followed by fixed-interest loans (47.7 percent). The share of foreign borrowings with fixed-rate interest ranging between 5 percent and 10 percent moved up, while the share of foreign borrowings with fixed-rate interest of more than 10 percent and the share of those with floating-rate interest went down.

2. Institutional sectors

As regards institutional sector structure, the monetary authority was the only sector posting a credit balance (USD 6,890 million) at end-2002, up 57.1 percent year on year following the consolidation of official reserves and the decrease in short-term liabilities. The banking sector shifted from a net creditor position at the outset of 2002 to a net debtor position at end-2002 (USD 119.1 million) as a result of the drop in foreign reserve assets and the rise in non-residents' forex deposits. Public administration and non-banks further posted net debtor positions worth USD 2,487.7 million (an almost twofold increase from the prior year, on account of the pick-up in medium- and long-term external debt) and USD 16,398.7 million, respectively (up about one fourth, on the back of foreign borrowings and non-residents' direct investment).

2.1. Monetary authority (NBR)

For the third year in a row, the NBR's international investment position witnessed a favourable development in 2002, with foreign assets equalling USD 7,315.6 million and foreign liabilities amounting to USD 425.6 million.

2.1.1. Foreign assets

In the period under consideration, the monetary gold stock remained unchanged (105.2 tonnes), while its value enhanced by USD 241.5 million, due mainly to the sharp rise in the gold price on the

international market of precious metals (from USD 277.6/ounce at end-2001 to USD 348.5/ounce at end-2002).

The favourable performance of the NBR's international investment position was fuelled particularly by the 56.2 percent step-up in forex reserve versus end-2001. Throughout 2002, the NBR kept absorbing the foreign exchange surplus on the forex market, posting a net buyer position. In 2002, net purchases of foreign exchange totalled USD 1,777 million.

Inflows from foreign borrowings (USD 913.7 million) and forex-denominated government securities launched by the Ministry of Public Finance on the domestic market (USD 305.9 million) also contributed to the expansion of official forex reserve in 2002.

In the reviewed period, payments made from the official reserve for foreign debt service amounted to USD 1,551.4 million and redemption of government securities issued by the Ministry of Public Finance on the domestic market added up to USD 426.4 million.

Table No. 47. Official reserve

	-USD mill.-		
	31.12.2001	30.06.2002	31.12.2002
Foreign exchange	3,922.5	5,018.6	6,125.7
cash and cheques	0.1	0.0	0.0
deposits with banks and international financial institutions	687.4	516.3	712.6
Treasury bills	3,235.0	4,502.3	5,413.1
Gold	938.7	1,079.5	1,180.2

As regards NBR's forex reserve by type of investment, the share of government securities went up from 82.5 percent at end-2001 to 88.4 percent at end-2002, while the share of deposits with banks abroad kept declining to 11.6 percent.

Official reserve by currency illustrates the shift to the euro, in view of Romania's joining the EU, and a better correlation with the structure of external debt by currency. Therefore, the share of EUR reserves in total foreign exchange reserve grew from 39 percent at end-2001 to 47.4 percent at end-2002, along with the drop in USD reserves from 59.1 percent to 52.6 percent.

Cover of imports of goods and services improved markedly in 2002, to 4.7 months versus 3.5 months in the prior year.

"Other short-term assets of the NBR" include Romania's subscription quota in the Bank for International Settlements (USD 9.7 million).

2.1.2. Foreign liabilities

The monetary authority's foreign liabilities contracted by 12.5 percent in the year under review, due to the liquidation of the Bank of China's short-term deposit in amount of USD 100 million. Therefore, at end-2002, NBR's foreign liabilities consisted only of borrowings from the IMF. In

September 2002, two cumulative tranches worth SDR 82.7 million were released under the stand-by arrangement concluded with the IMF in 2001.

Table No. 48. Loans under IMF arrangements

Arrangement	Drawings SDR mill.	Repayments SDR mill.	Debt	
			SDR mill.	Equivalent USD mill.
Systemic adjustment facility	188.53	141.39	47.14	63.69
Stand-by 1999	139.75	6.63	133.12	179.91
Stand-by 2001	134.67	0.00	134.67	181.99

2.2. Government sector

Debit balance of the government sector climbed by USD 1,216.3 million from end-2001, as a result of the increase in medium- and long-term external debt amid foreign assets remaining unchanged.

2.2.1. 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, before 1990, still held the largest share in total foreign assets (90.3 percent). Out of total government claims, 42.3 percent were expressed in transferable roubles and stemmed from exports and co-operation activities with former CMEA countries.

Table No. 49. Medium- and long-term government claims as at 31 December 2002

Country	Total claims	-equivalent USD thous.-		
		past due	by maturity not specified maturity	due in 2002
Total	2,042,081	2,017,373	19,423	5,285
Korea, P.D.R.	21,523	21,523	0	0
Guinea	18,191	17,140	471	580
Iraq	1,723,869	1,710,659	13,210	0
Mozambique	129,567	119,120	5,742	4,705
Sudan	122,789	122,789	0	0
Syria	26,142	26,142	0	0

Retrieval of these claims was still a slow and cumbersome process, as past-due claims (including those denominated in transferable roubles) made up 79.3 percent of total government claims. Claims against North Korea, Mozambique, Cuba and Guinea stepped up USD 46 million as a result of accrued interest. Concomitantly, foreign assets increased by USD 2 million following the works and services delivered to the Krivoi Rog plant in Ukraine.

**Table No. 50. Medium- and long-term government claims (transferable roubles)
as at 31 December 2002**

Country	Total claims	by maturity		
		past due	not specified maturity	due in 2002
Total	1,708,110	899,085	772,142	36,883
of which:				
Cuba	984,653	879,238	71,487	33,928
Mongolia	3,050	1,504	1,546	0
Korea, P.D.R.	8,204	8,204	0	0
Russia	590,670	0	590,670	0
Ukraine	121,533	10,139	108,439	2,955

Another component of medium-term assets consists in Romania's subscription quota in international financial institutions. In 2002, the fifth instalment worth EUR 1.4 million of Romania's membership quota in the share capital of the EBRD was paid via a promissory note worth EUR 810 thousand issued by the Ministry of Public Finance and a EUR 540 thousand cash payment.

Short-term assets of public administration included the balances on clearing accounts in convertible currencies and transferable roubles. Syria and Cuba further ranked among the main debtor countries, Russia being the only country that reduced its debt to the Romanian government.

Deposits abroad of Romanian diplomatic missions ran at USD 5.3 million at end-2002.

2.2.2. Foreign liabilities

The same as in the prior year, at end-2002, foreign liabilities of the government sector consisted almost entirely of medium- and long-term external debt (99.4 percent). The rise in external debt occurred along with the change in its structure, in that the share of borrowings contracted directly by the government and government agencies stepped down from 76.1 percent at end-2001 to 71.4 percent at end-2002 while the share of bond issues launched by the Ministry of Public Finance on capital markets jumped from 23.9 percent to 28.6 percent.

Over the past few years, the Romanian government resorted to external sources both to cover budget deficits and finance investment projects for infrastructure development. In 2002, external debt of the government sector expanded by 27 percent on the back of net capital inflows worth USD 907 million and the unfavourable impact of exchange rate movements in amount of USD 447.1 million. The ongoing reform and the economic rebound had a positive impact on the international financial community and rating agencies. This made possible the launch, in May, of a fresh Eurobond issue worth EUR 700 million in co-operation with the International Investment Fund, Credit Deutsche Bank, ING Barings and J.P. Morgan. The issue, which contributed to the balancing of budget financing sources, was deemed to be a success as lending terms were by far better than

the prior ones; the maturity of the loan was longer than 10 years and the interest rate was below the 10 percent threshold.

Table No. 51. Government external debt, by creditor

	- USD mill. -	
	2001	2002
TOTAL	5,017.6	6,371.7
International financial institutions	3,117.1	3,692.7
EBRD	282.3	280.0
IBRD	1,916.0	2,119.7
EU	198.5	177.2
EIB	670.0	973.5
FIDA	2.6	2.6
EC SDF	44.2	114.3
OECF	3.5	25.5
Bilateral relations	223.4	195.4
Sweden	3.0	3.0
Canada	4.1	3.1
Austria	4.8	0.0
Japan	78.8	77.3
USA	29.6	27.9
Germany	102.0	84.2
Netherlands	1.2	0.0
Portfolio investment	1,197.2	1,824.1
Private banks	433.7	580.9
Germany	138.3	134.1
France	6.6	6.6
Netherlands	63.2	61.7
USA	108.2	105.6
Switzerland	30.8	30.1
Israel	52.6	52.6
Other	34.0	190.2
Supplier credit	34.4	32.5
Other	11.7	46.0

Source: Ministry of Public Finance

Moreover, in November, the government of Romania redeemed the USD 288.5 million bond issue launched in co-operation with Credit Suisse First Boston Germany in 1997.

By debtor, at end-2002, public debt made up 89.6 percent of the government external debt and publicly guaranteed debt accounted for the remaining 10.4 percent.

By creditor, international financial institutions were further the main credit providers for the Romanian government (58 percent), followed by portfolio investment (28.6 percent) and private banks (9.1 percent). As compared to end-2001, government external debt by creditor illustrates the 4.1 percentage point decrease in the share held by international financial institutions, along with the rise in the share of portfolio investment and private banks (by 4.7 percentage points and 0.5 percentage points respectively).

Among the international financial institutions, the World Bank remained the leading credit provider for the government of Romania, with loans accounting for 57.4 percent of total government external debt at end-2002. In the considered period, drawings came in at USD 299.6 million, of which USD 48.6 million for education, USD 44.7 million for extraction and processing of oil and natural gas, and USD 16.7 million to health and social security. The Romanian government also received EUR 170 million under PSAL II. Repayments on IBRD loans ran at USD 112.4 million, of which USD 30.1 million principal repayments under the SAL loan (structural adjustment), USD 15.4 million for “critical imports”, USD 13.3 million for agriculture and related services, USD 11.5 million for road building and USD 10.9 million for health care and social security. Until end-2002, commitments with the World Bank equalled USD 3,004.7 million, of which drawings stood at USD 2,582 million and they were destined to finance investment projects, to support reform of the health sector and education, adjustment of private sector and agriculture, employment and social protection, to develop and streamline the Romanian infrastructure and to support the balance of payments.

The European Investment Bank strengthened its position as lender to the Romanian government, with loans accounting for 15.3 percent of total government external debt at end-2002. In the period under consideration, inflows totalled USD 300.6 million, of which: USD 104.8 million for road and motorway building and rehabilitation, USD 101.3 million for transport modernisation and restructuring, USD 72.6 million for removal of flood after-effects and USD 21.8 million for energy sector modernisation. The European Investment Bank granted, by end-2002, USD 2,128.2 million in loans, of which USD 1,100.4 million were drawn mainly for infrastructure modernisation.

At end-2002, loans contracted with the European Bank for Reconstruction and Development amounted to USD 519.5 million, of which USD 397.7 million were drawn.

The share of funding from bilateral sources dipped from 4.4 percent at end-2001 to 3.1 percent at end-2002. Repayments were made on loans extended by the German and Japanese governments and Romania’s debt to the government of Austria was fully settled.

In 2002 H1, an old debt of the Romanian state to the government of Sweden established at USD 120 million was paid off following the last three instalments worth USD 30 million each.

2.3. Banking sector

In 2002, international investment position of the banking sector reversed from the previous year, the credit balance displayed at end-2001 shifting to debit balance at end-2002. This reversal was attributable to the mitigation of foreign reserve assets of the banking system, the rise in medium- and long-term external debt and the pick-up in non-residents’ deposits in Romania.

2.3.1. Foreign assets

Short-term foreign assets of the banking sector diminished by 28.5 percent in 2002 on the back of banks’ shift to lending to the domestic private sector. The rebound of the Romanian economy over the past several years was the key element accountable for the banking sector’s change in focus

towards domestic corporate lending. Therefore, forex loans granted to companies with majority or wholly private capital expanded by 48.6 percent in 2002.

Table No. 52. Banks' foreign reserve assets

	-USD mill.-	
	31.12.2001	31.12.2002
a) short-term	1,519.4	1,086.4
cash and cheques	149.2	130.9
deposits abroad	1,335.7	910.8
- demand deposits	95.5	101.8
- time deposits	1,206.1	785.6
- collateral	34.1	23.4
payment orders, claims, bank operations	15.6	19.8
foreign securities	0.3	1.0
other	18.6	23.9
b) long-term	92.5	104.1
equity stakes in foreign banks	92.5	104.1

At end-2002, deposits with banks abroad accounted for the largest share of foreign assets (83.8 percent), followed by cash and cheques (12 percent) and payment orders, claims and banking operations (1.8 percent).

Structure of banks' assets by currency shows the further rise of EUR-denominated assets (from 37.1 percent at end-2001 to 43.9 percent at end-2002) to the detriment of USD-denominated assets (from 59.4 percent to 51.3 percent) due to the prevalence of trade with EU countries.

Distribution of foreign assets by bank at end-2002 painted the following picture: Banca Comerciala Româna held 22.9 percent of total foreign assets of the banking system, followed by HVB Bank (20.4 percent), Citibank (13.8 percent) and ABN AMRO Bank (9.1 percent).

At end-2002, long-term assets held 8.7 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.

2.3.2. Foreign liabilities

Foreign liabilities of the banking system expanded by 36.1 percent in 2002 following the rise in external debt of this sector and non-residents' deposits with banks in Romania.

At end-2002, short-term foreign liabilities accounted for the largest share of foreign liabilities of the banking sector (37.2 percent) amid the 34.8 percent increase in bank and non-bank deposits opened by non-residents with banks in Romania. Distribution of short-term foreign liabilities by bank illustrates the following: Alpha Bank held 16.7 percent, followed by Piraeus Bank (10.6 percent), Banca Comerciala Româna (9.1 percent), ING Barings Bank (8.7 percent) and United Garanti Bank International NV (8.2 percent).

Table No. 53. Short-term external debt of the banking system

	-USD mill.-	
	31.12.2001	31.12.2002
TOTAL	370.5	490.7
borrowings	20.8	19.2
bank deposits	200.8	279.8
non-bank deposits	148.9	191.7

Medium- and long-term external debt of the banking sector at end-2002 represented 23.4 percent of total foreign liabilities of this sector and derived mainly (98.4 percent) from private loans. External debt of the banking sector by creditor shows that, at end-2002, the share of borrowings from the international financial institutions was larger than that of borrowings from private banks. At end-2001, the banking system was financed mainly by private banks (45 percent), followed by international financial institutions (44.4 percent) and bilateral sources (7.8 percent) whereas, at end-2002, international financial institutions made up 56.5 percent of total, private banks and bilateral resources accounting for 35.4 percent and 5.2 percent respectively. The European Investment Bank stood out among multilateral sources as the main creditor. Its share as a lender to the banking system rose by 14.1 percentage points, from 35 percent to 49.1 percent, in the reviewed period, followed by the European Bank for Reconstruction and Development (35.2 percent). The main banks that received loans from the international financial institutions were: Banca Româna pentru Dezvoltare (39.3 percent), Banc Post (18.1 percent), HVB Bank (12 percent), Banca Comerciala Româna (9.8 percent) and Citibank (6 percent).

At end-2002, the balance on credit lines stood at USD 77.8 million (Banca Comerciala Româna held 81.4 percent), down 19.8 percent from end-2001.

Table No. 54. Medium- and long-term external debt of the banking sector

	-USD mill.-	
	31.12.2001	31.12.2002
TOTAL	225.19	308.44
private debt	223.41	303.58
publicly guaranteed debt	1.78	4.86
Of total		
borrowings from banks and international financial institutions	223.45	308.44
credit lines	97.00	77.80
portfolio investment	1.74	0.00

At end-2002, medium- and long-term deposits of foreign banks in Romania totalled USD 193 million and were made chiefly with Alpha Bank, Volksbank, ING Barings Bank and Banca Italo-Romena.

The amounts under direct investment made by non-residents in the Romanian banking system equalled USD 328.5 million at end-2002, up 4.5 percent year on year.

2.4. Non-bank sector

The net debit position of the non-bank sector continued to worsen, reaching USD 16,398.7 million at end-2002, amid the build-up of medium- and long-term external debt as well as the rise in direct investment by non-residents, with a heavy impact on the debit balance of Romania's international investment position.

2.4.1. Foreign assets

Foreign assets of the non-bank sector diminished by 17.2 percent in the period under review following the decline in commercial claims.

Long-term foreign assets consisted in commercial claims from Romanian exports made before 1989 to countries in Africa and the Middle East. Retrieval of commercial claims was very slow as they were all past due at end-2002. In the considered period, the volume of retrieved claims amounted to USD 49 million, foreign trade companies managing to recover Libya's debt to Romania. Therefore, the amount under medium- and long-term commercial claims contracted by 33 percent in 2002.

Table No. 55. Non-bank commercial claims as at 31 December 2002

Country	Total claims	-equivalent USD thou.-
		Past due
Total	89,334	89,334
Angola	17,662	17,662
Congo	1,444	1,444
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	335	335
Other	553	553

2.4.2. Foreign liabilities

At end-2002, the balance on foreign liabilities of the non-bank sector ran at USD 17,250.9 million, up 20.8 percent year on year. In 2002, the balance on foreign liabilities of non-banks stepped up roughly USD 3 billion following net capital inflows (USD 2,366 million) and the unfavourable impact of euro appreciation against the US dollar (USD 608.6 million).

Out of the USD 2,778.9 million medium- and long-term borrowings from foreign companies, USD 574.5 million were loans granted by parent companies to subsidiaries.

Moreover, out of foreign loans granted to the private sector, USD 68 million were converted, on a contractual basis, into equity capital in some Romanian debtor companies and USD 11 million were cancelled.

The rebound of the Romanian economy and the measures taken by the NBR for the phased liberalisation of capital operations had a positive impact on lending terms and access to private sources of external financing. Under these conditions, external debt of the non-bank sector grew by 27.9 percent over end-2001, to USD 8,040.2 million due to substantial net capital inflows (USD 1,302.4 million) and the unfavourable impact of euro appreciation to the US dollar (USD 532.2 million).

External debt by debtor shows that 65.4 percent came from private loans and 32.4 percent from publicly guaranteed loans. At end-2002, the non-bank sector held 94.2 percent of the external private debt and 79.7 percent of publicly guaranteed external debt.

External debt of the non-bank sector by creditor at end-2002 illustrates that the Romanian economy was financed mainly from private capital sources (79.3 percent), the remainder coming from international financial institutions (13.2 percent) and government agencies (7.5 percent).

Table No. 56. Medium- and long-term external debt of the non-bank sector

	-USD mill.-	
	31 December	
	2001	2002
Total	6,284.88	8,040.15
public debt	80.73	178.46
publicly guaranteed debt	2,249.65	2,603.02
private debt	3,954.50	5,258.67
Of total		
International institutions	937.68	1,062.27
EBRD	463.58	518.48
IBRD	108.28	134.93
EIB	99.93	189.47
CFI	222.12	172.45
CECO	3.90	0.00
Black Sea Trade and Development Bank	0.00	2.00
Nordic Investment Bank	39.87	44.95
Portfolio investment	486.35	565.32
Bilateral relations	577.97	603.17
Private banks	1,427.73	1,833.16
Leasing	625.18	832.52
Supplier credits	280.14	364.85
Other (non-resident natural and legal persons)	1,949.83	2,778.86

Source: Ministry of Public Finance and National Bank of Romania

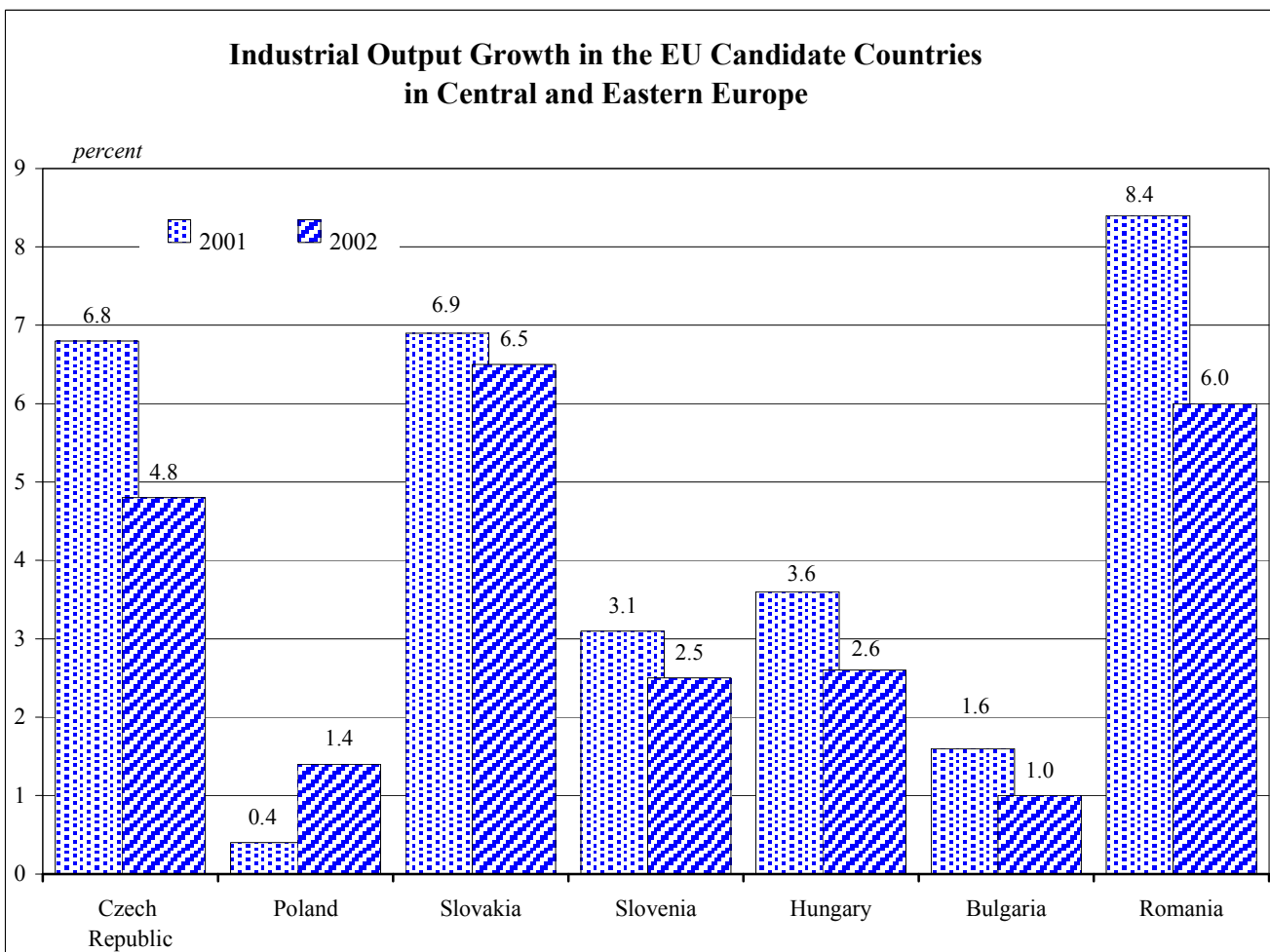
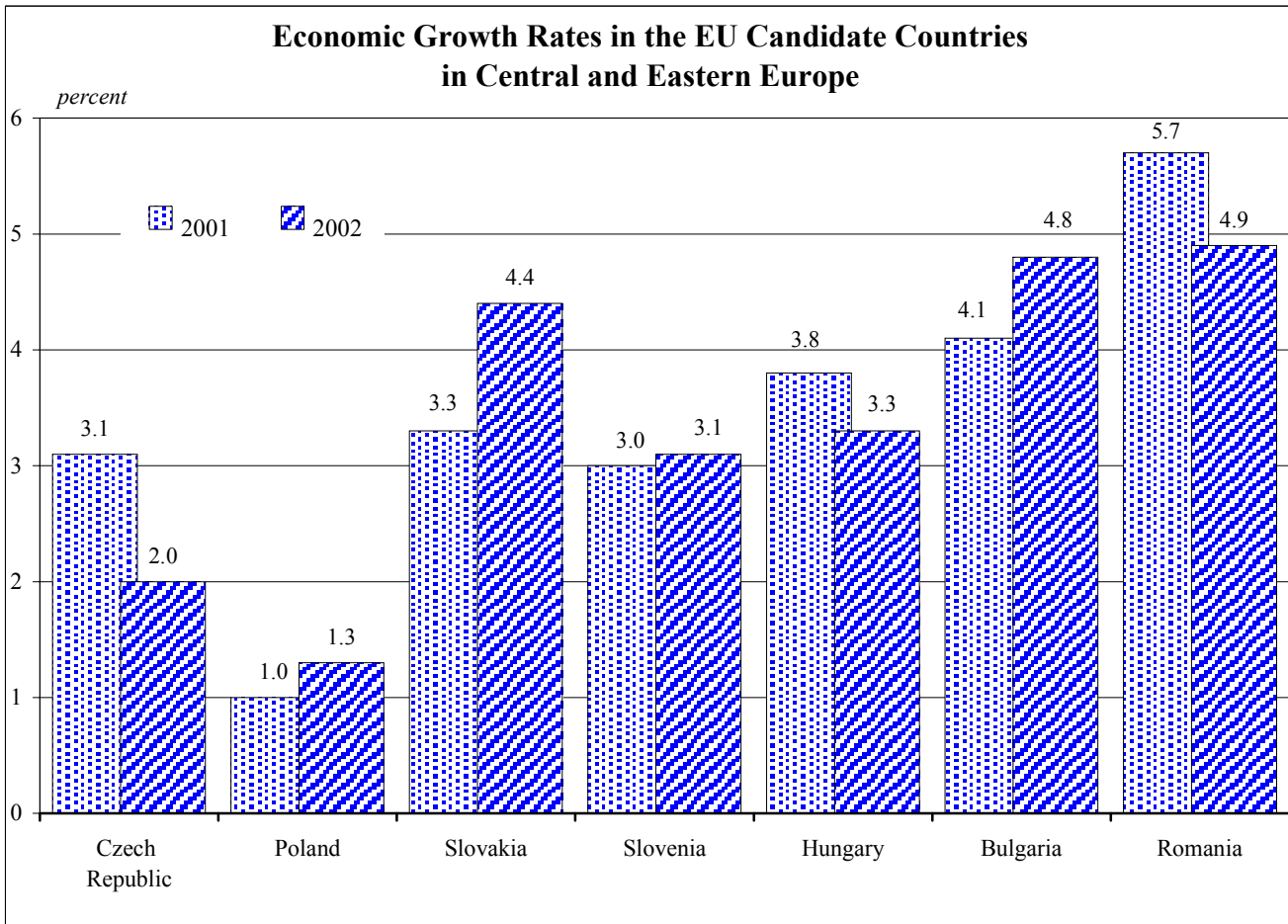
The share of portfolio investment in total private sources fell by 1.3 percentage points and that of loans from foreign banks dropped by 1.2 percentage points. In 2002, SNCFR Marfa and Romtelecom issued bonds worth EUR 120 million and USD 17.2 million respectively, while Termoelectrica and Electrica redeemed bonds worth USD 21.5 million. Financial leasing experienced a buoyant increase during 1998-2000, but in the two subsequent years its share in external private debt levelled off at roughly 13 percent. Supplier credit accounted for 5.7 percent of total loans from private sources and were destined mainly for equipment purchase by Romtelecom.

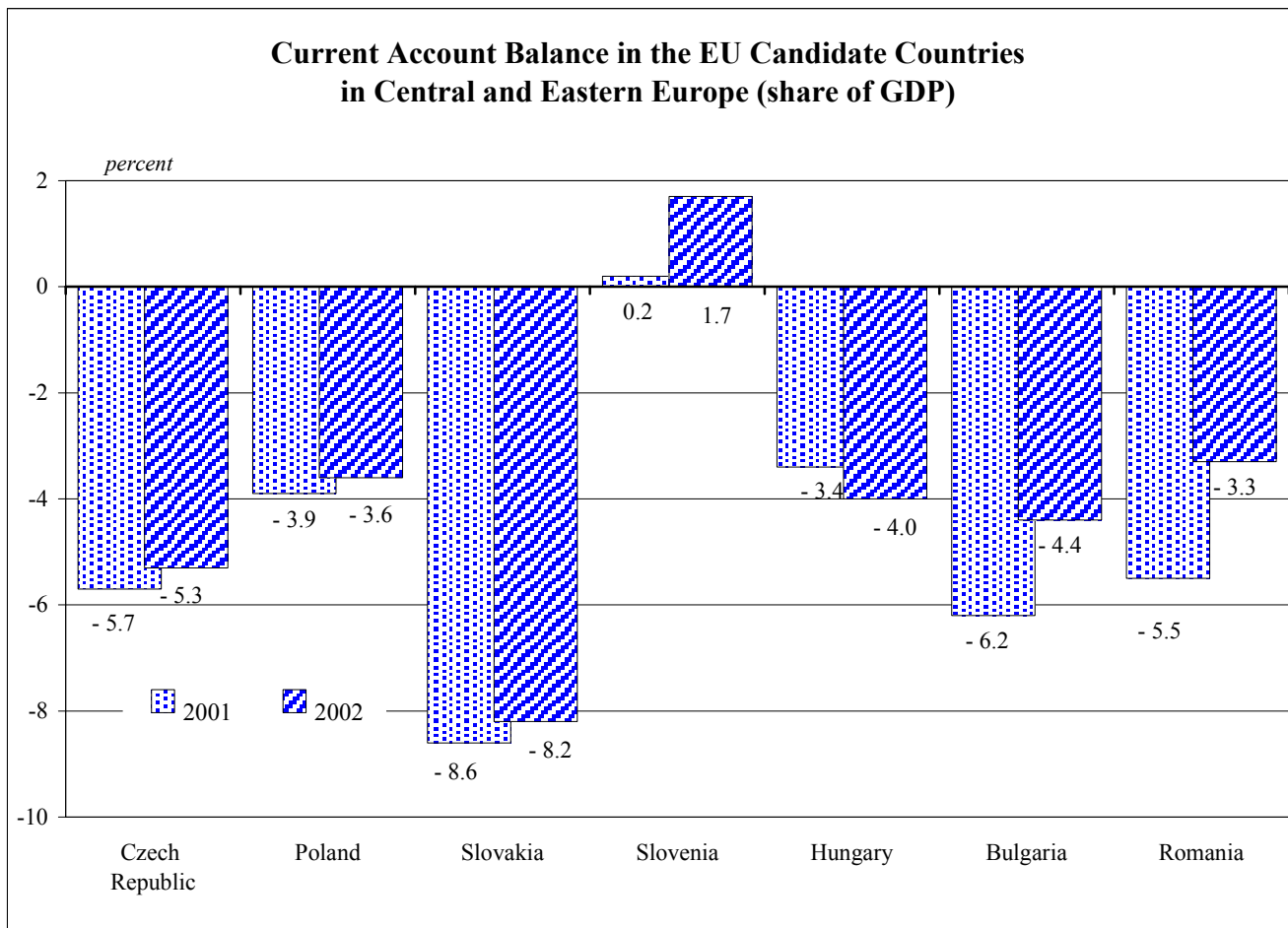
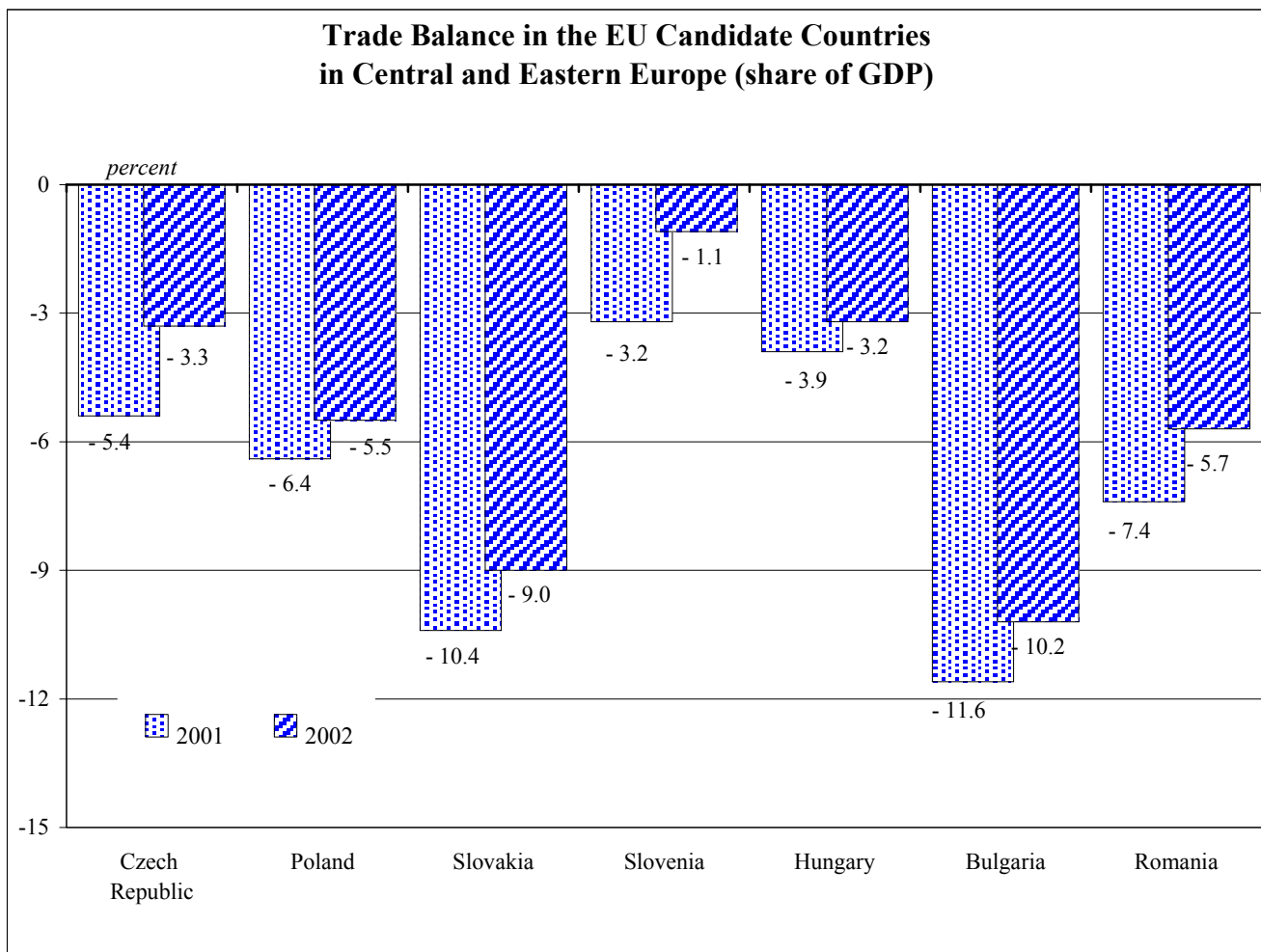
At end-2002, almost half of foreign liabilities of the non-bank sector consisted in direct investment made by non-residents (USD 8,467.1 million), up 15.6 percent year on year.

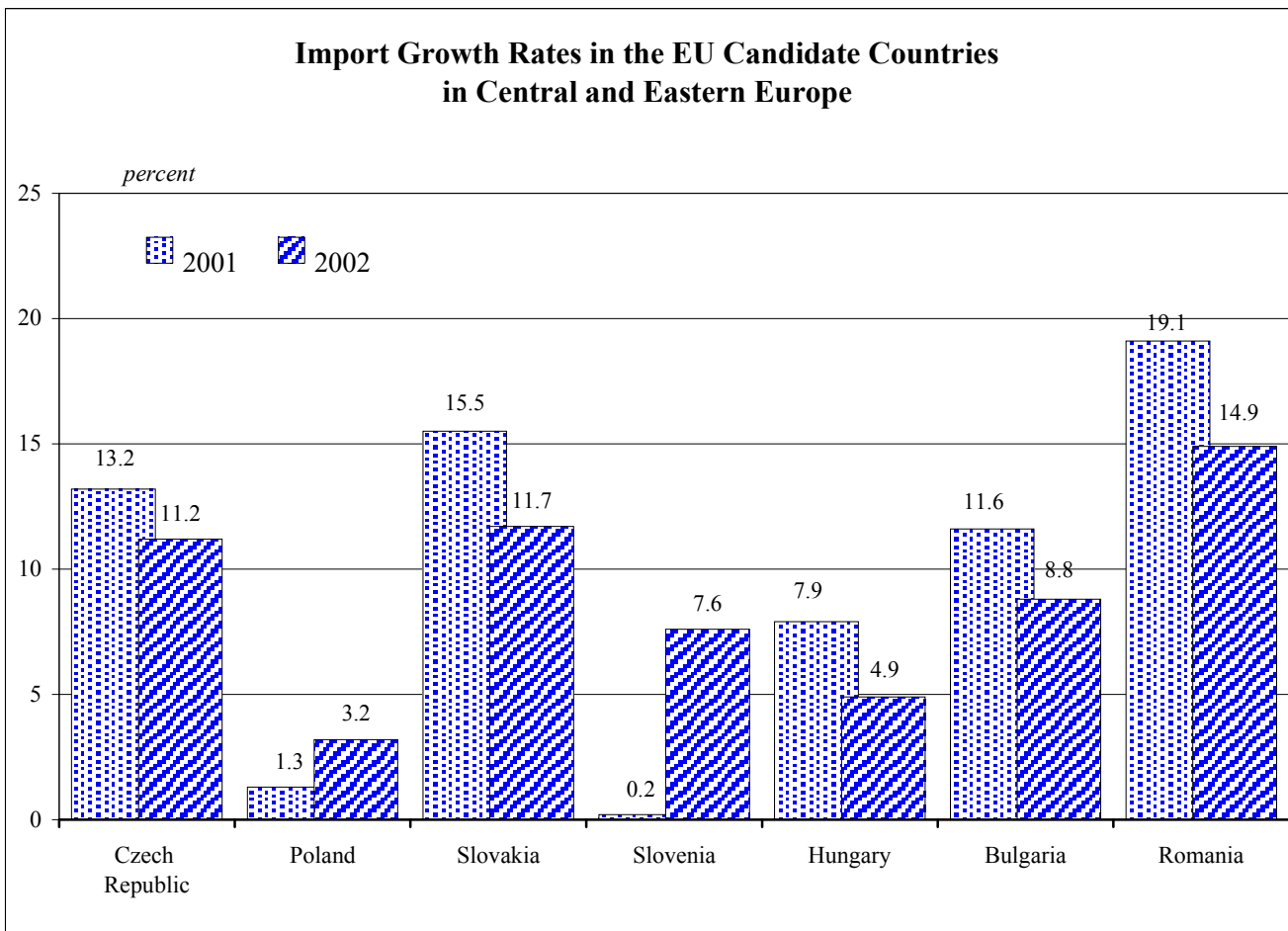
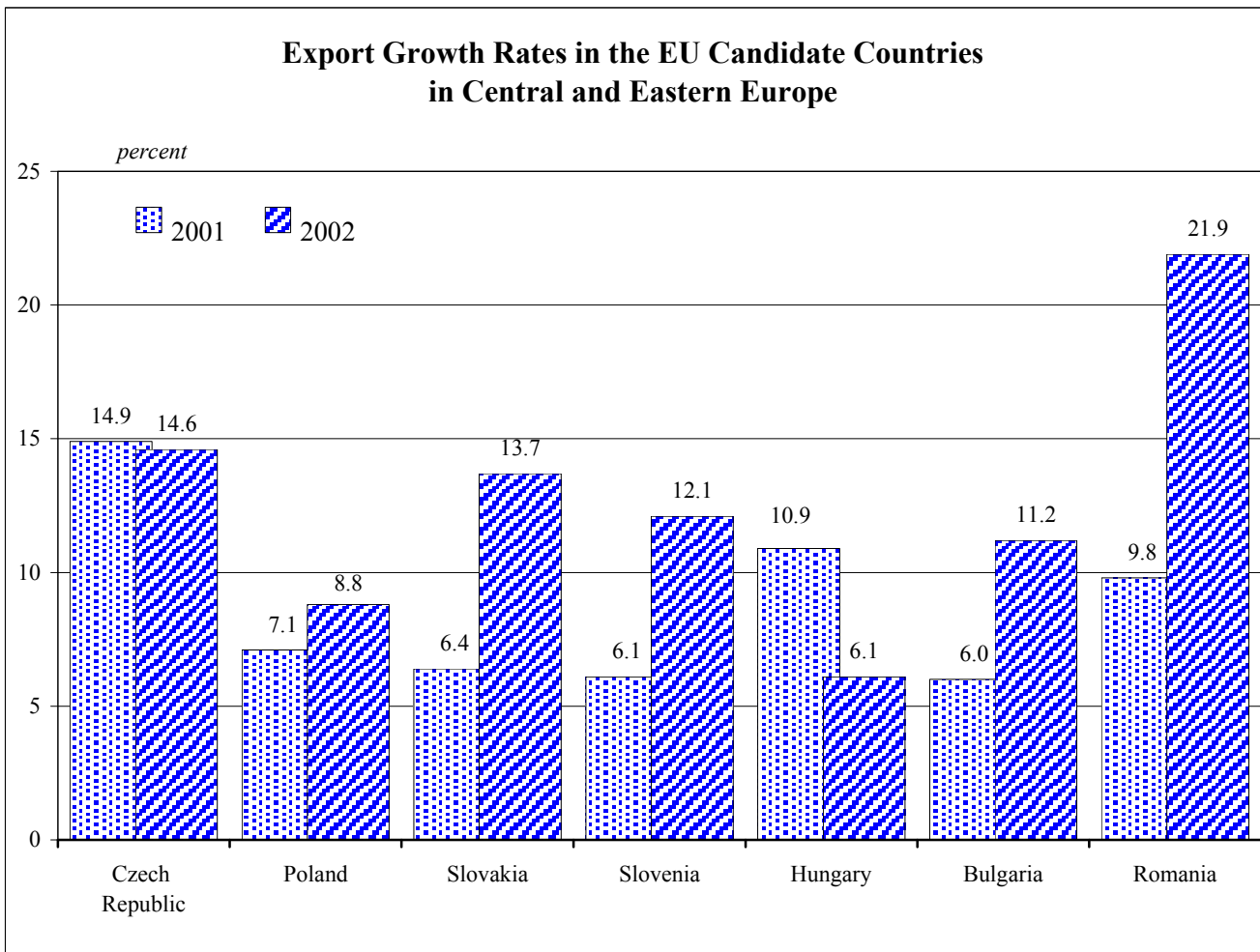
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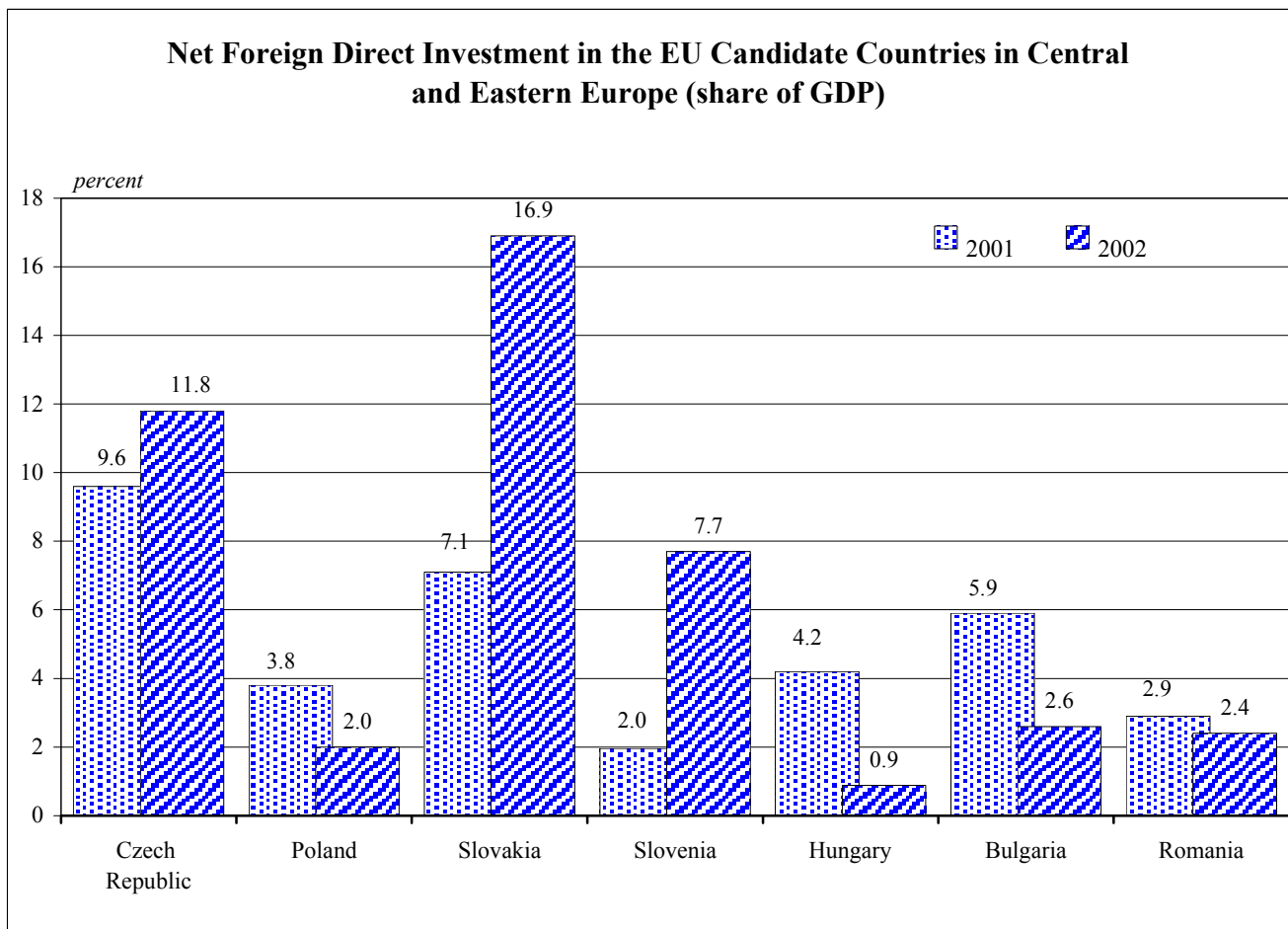
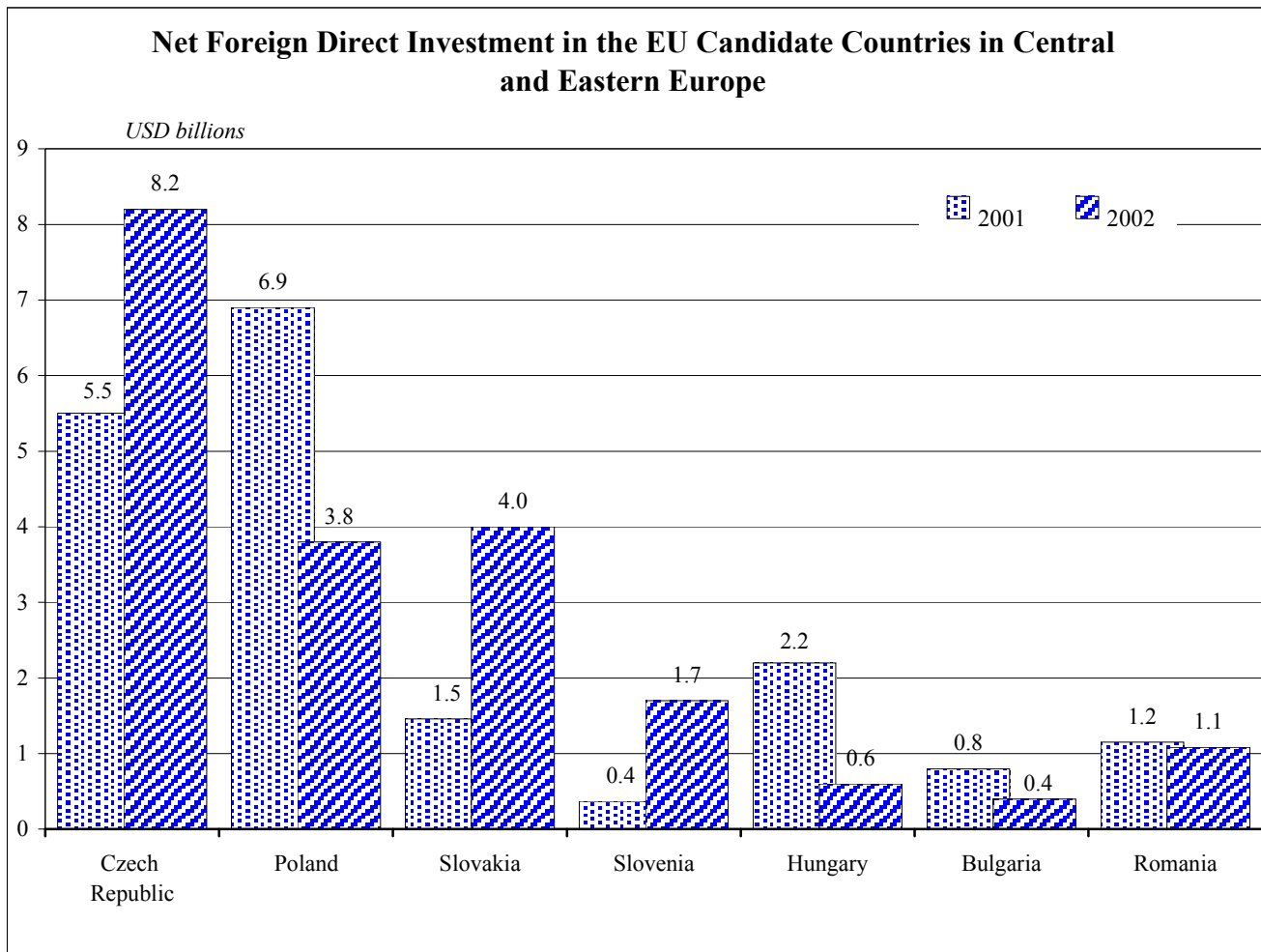
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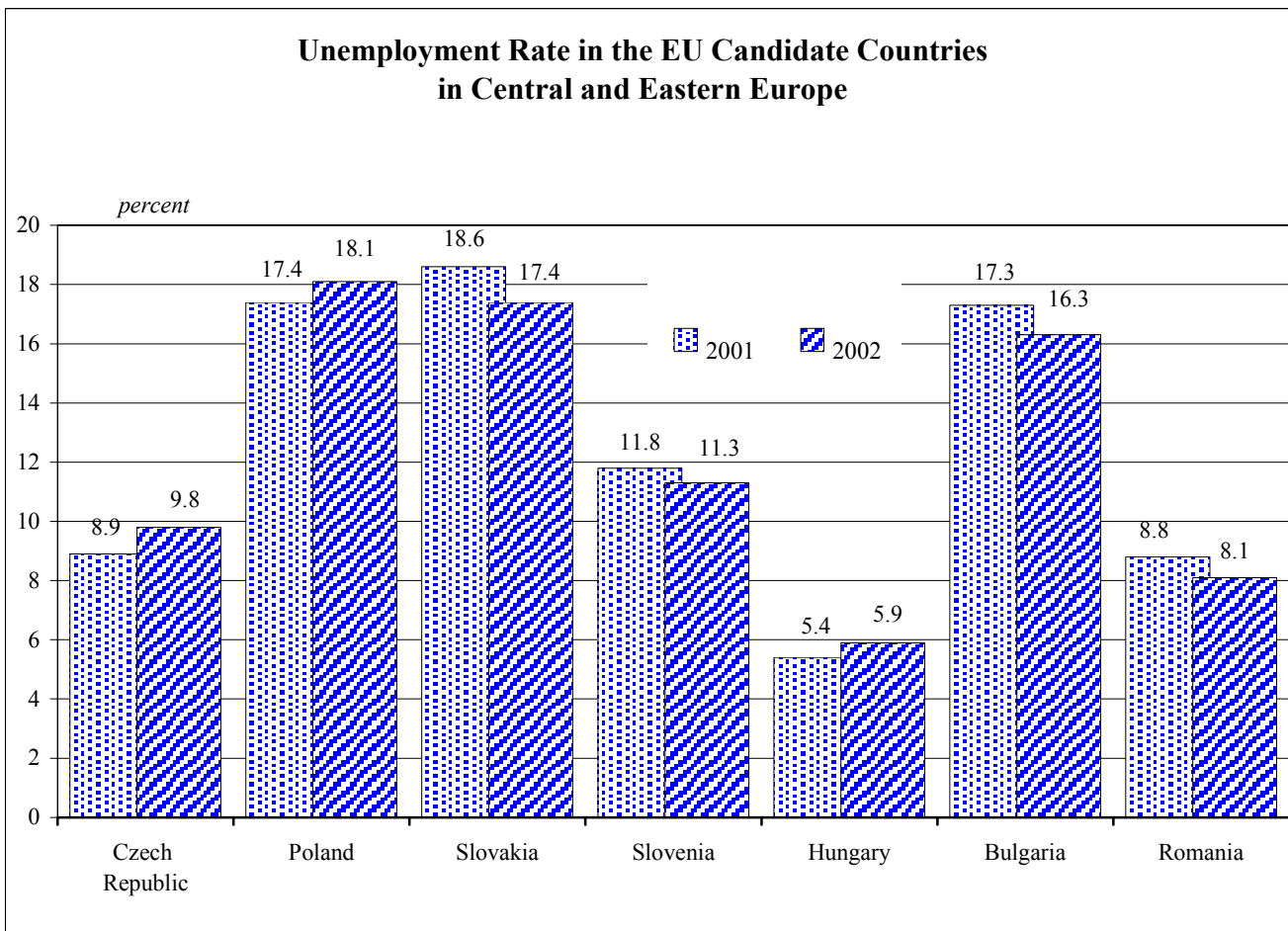
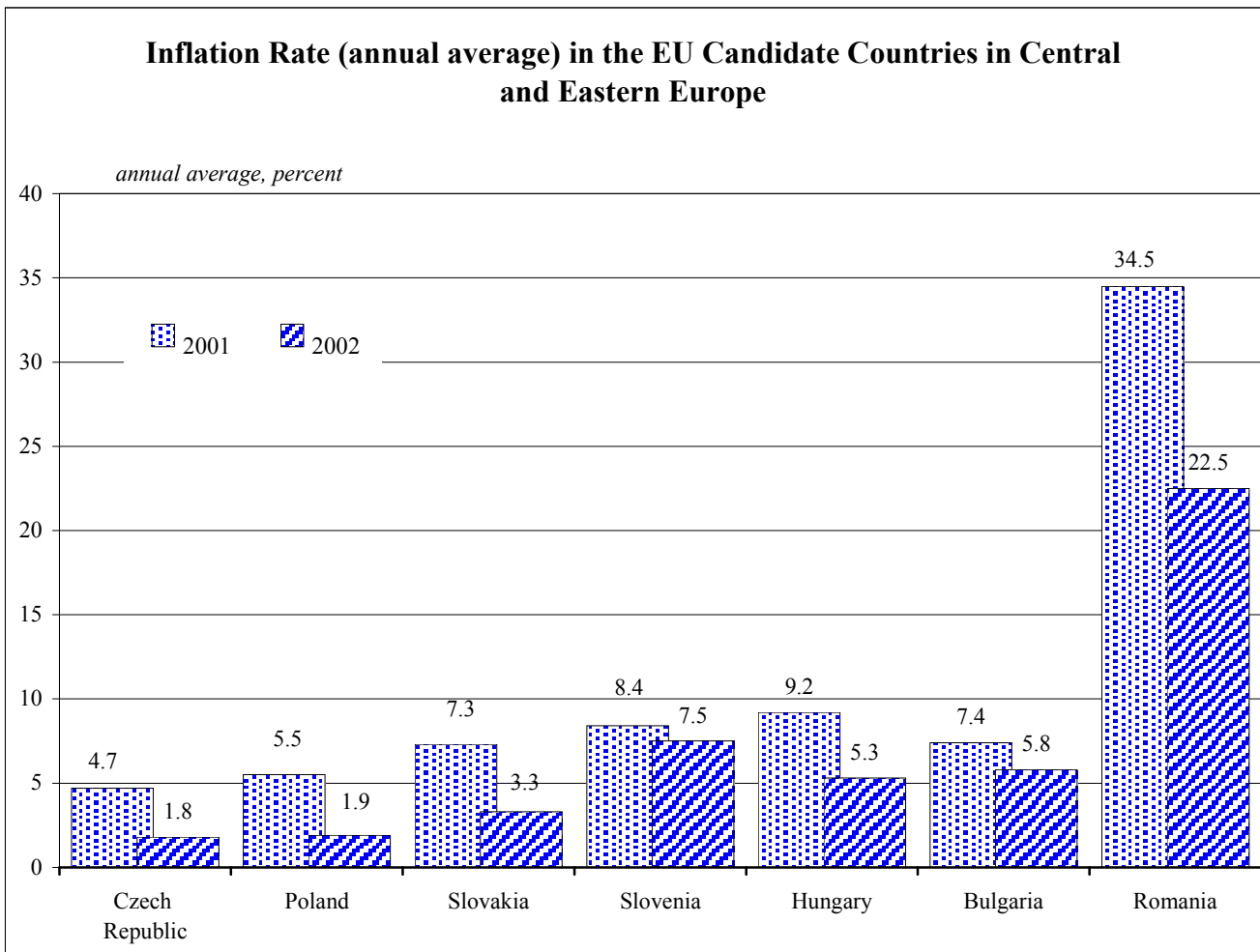
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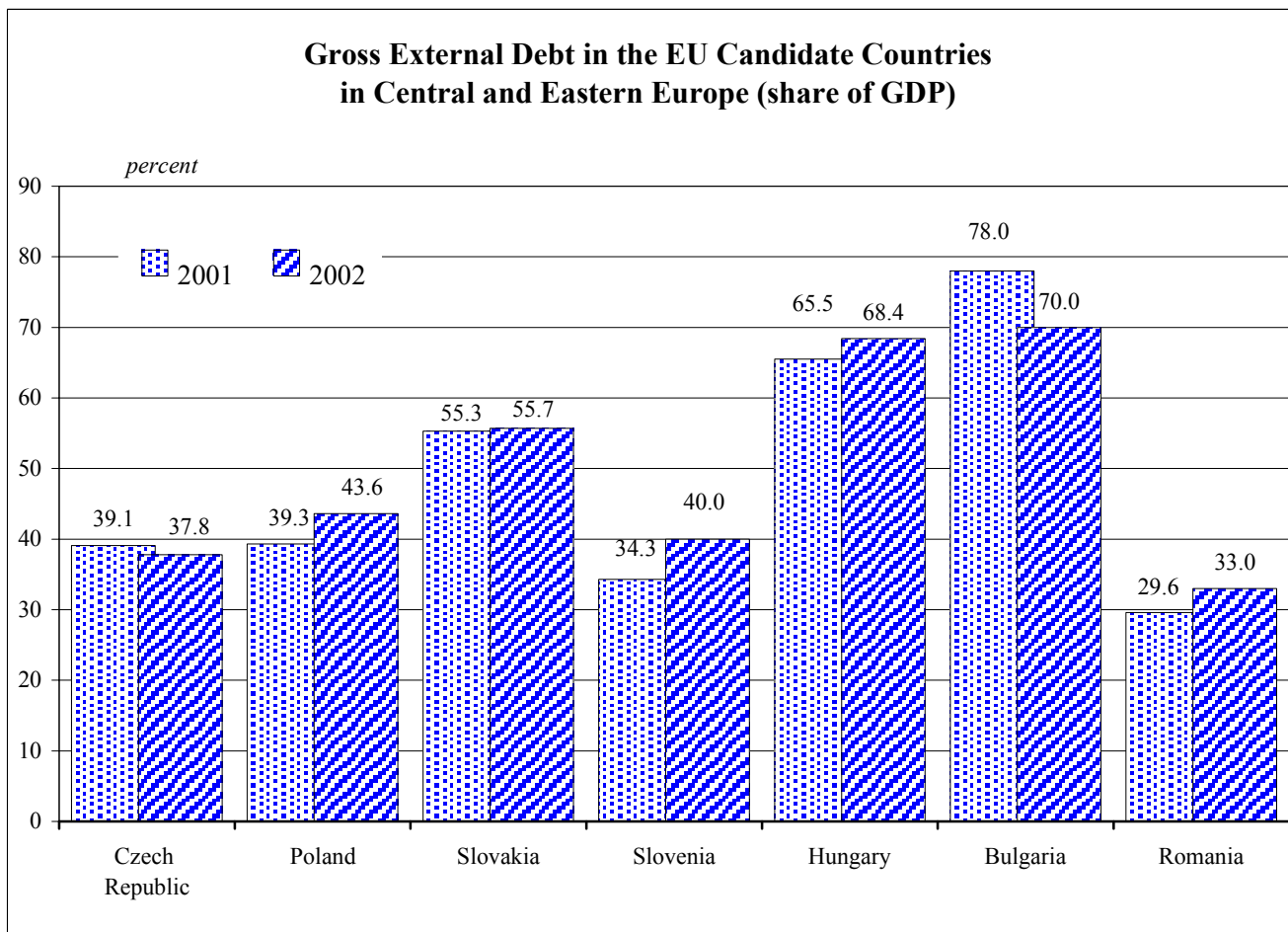
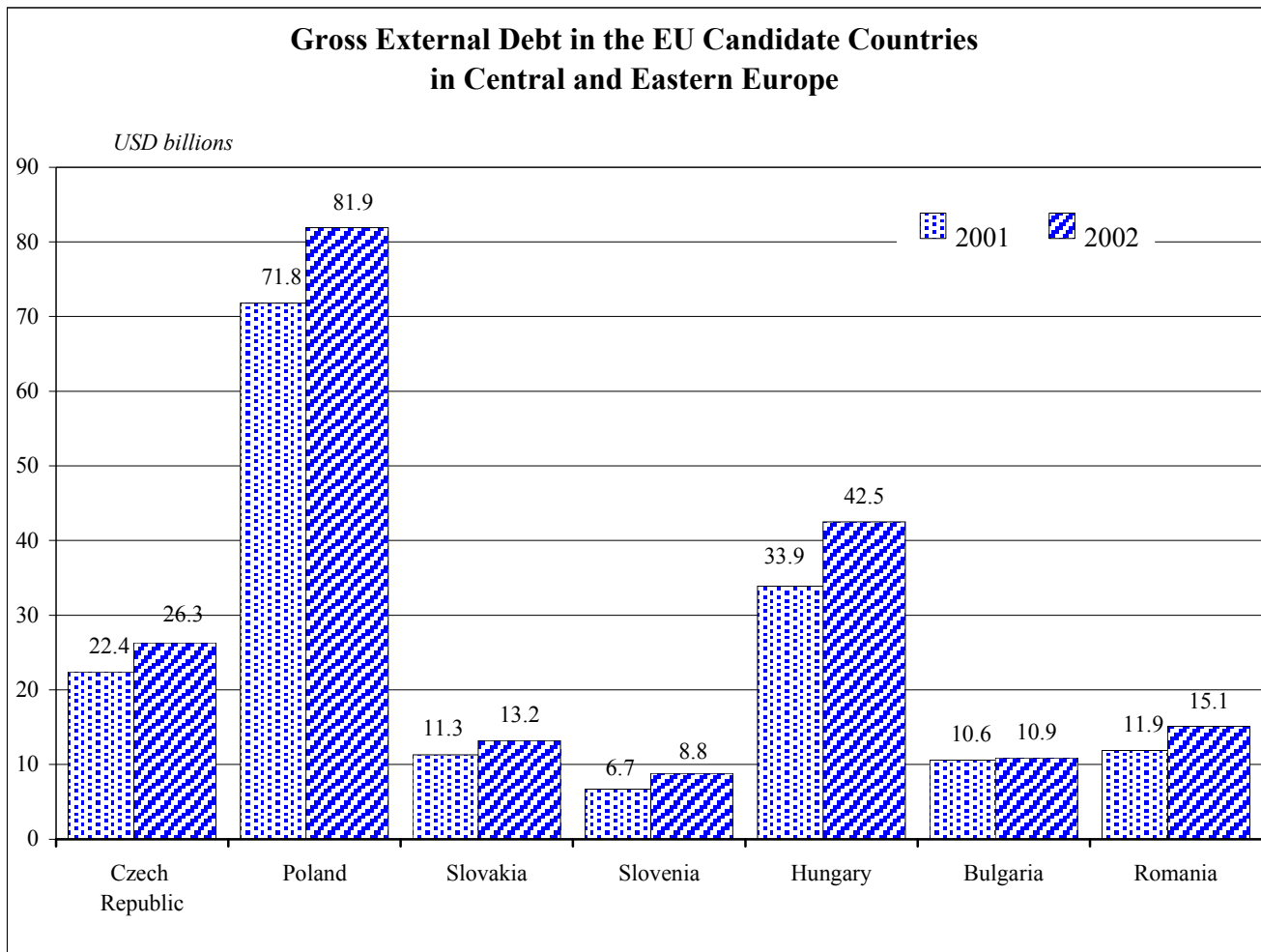




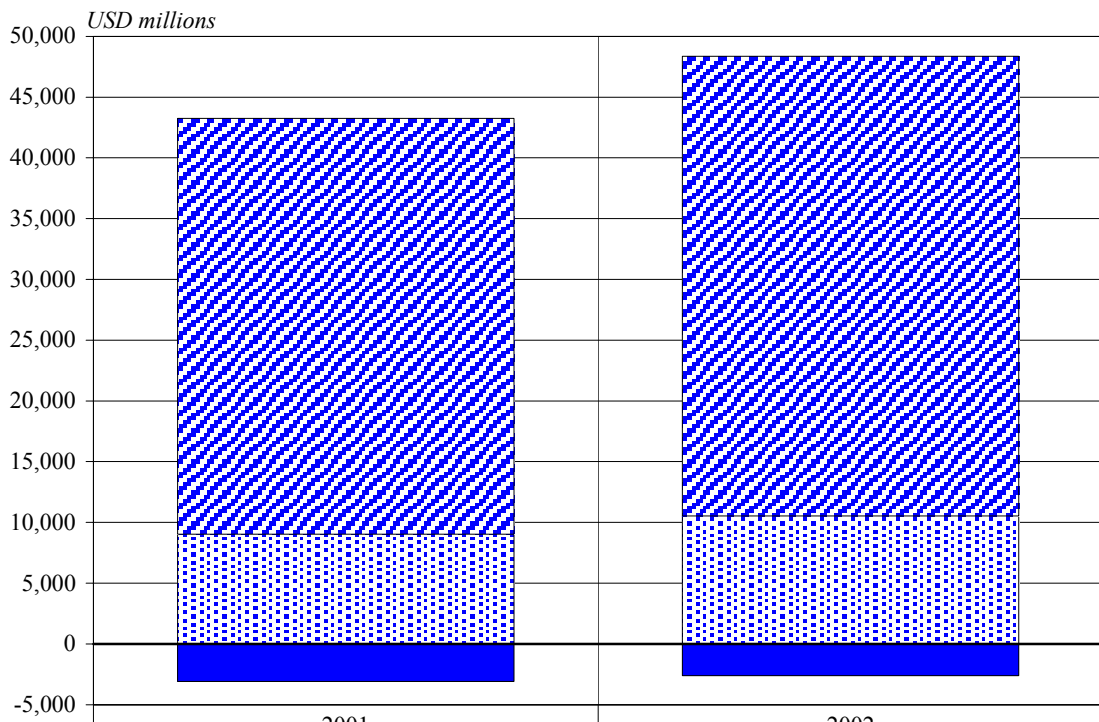






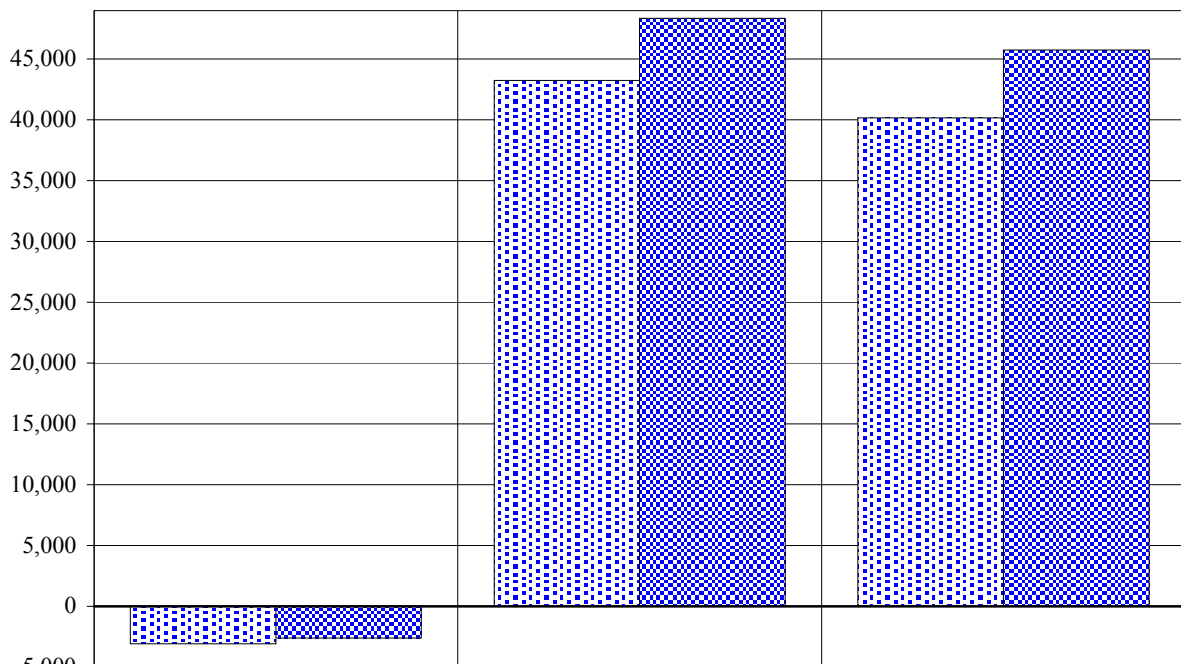


GDP Components

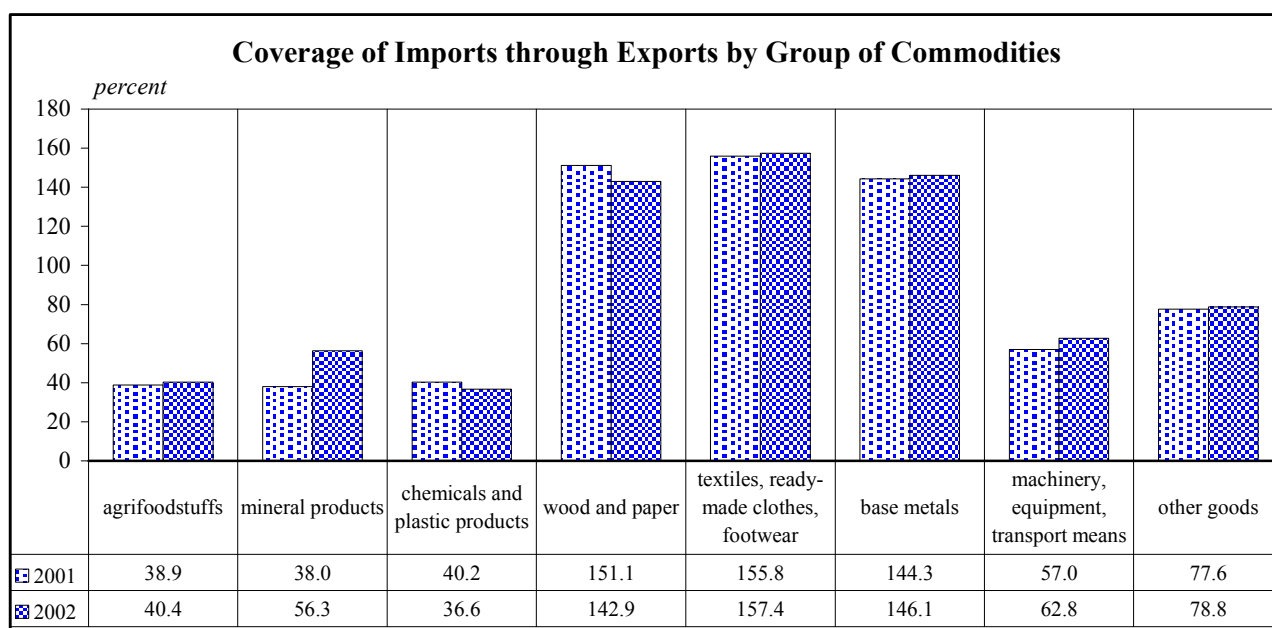
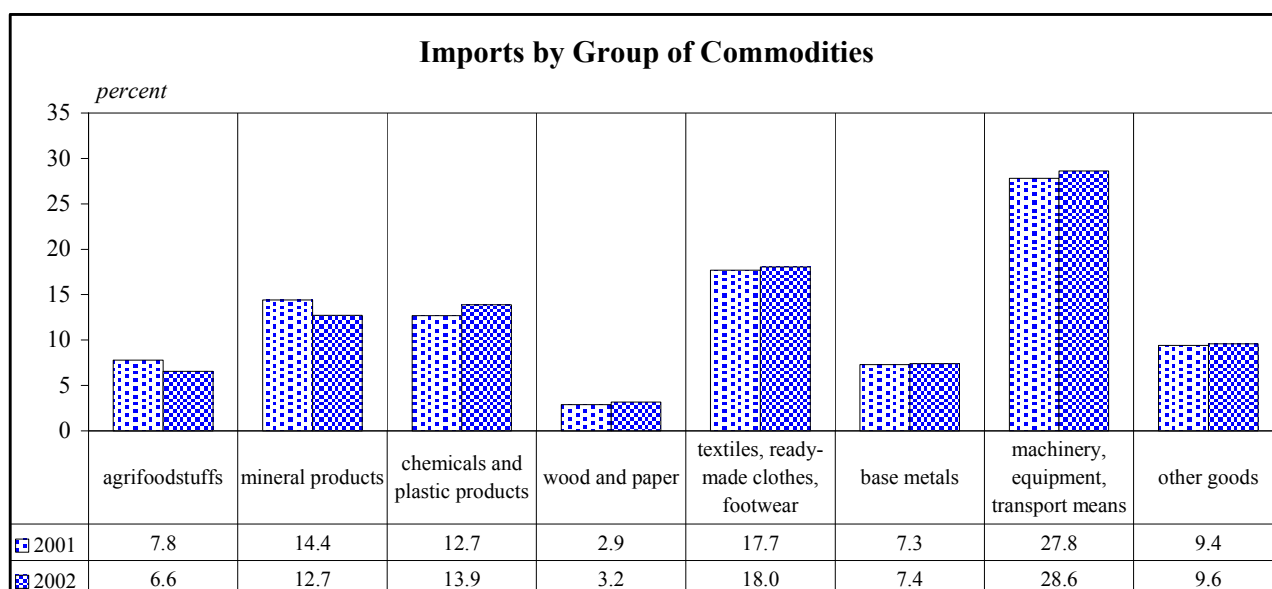
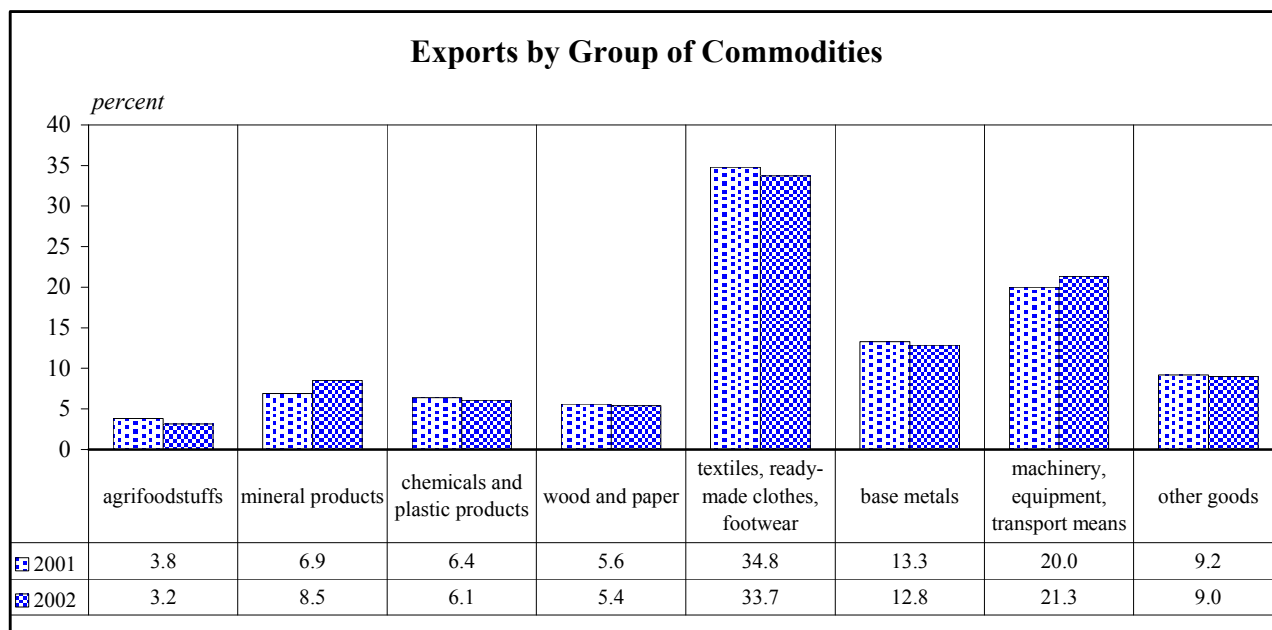


final consumption	34,211	37,825
investment	9,038	10,526
net exports	-3,084	-2,602

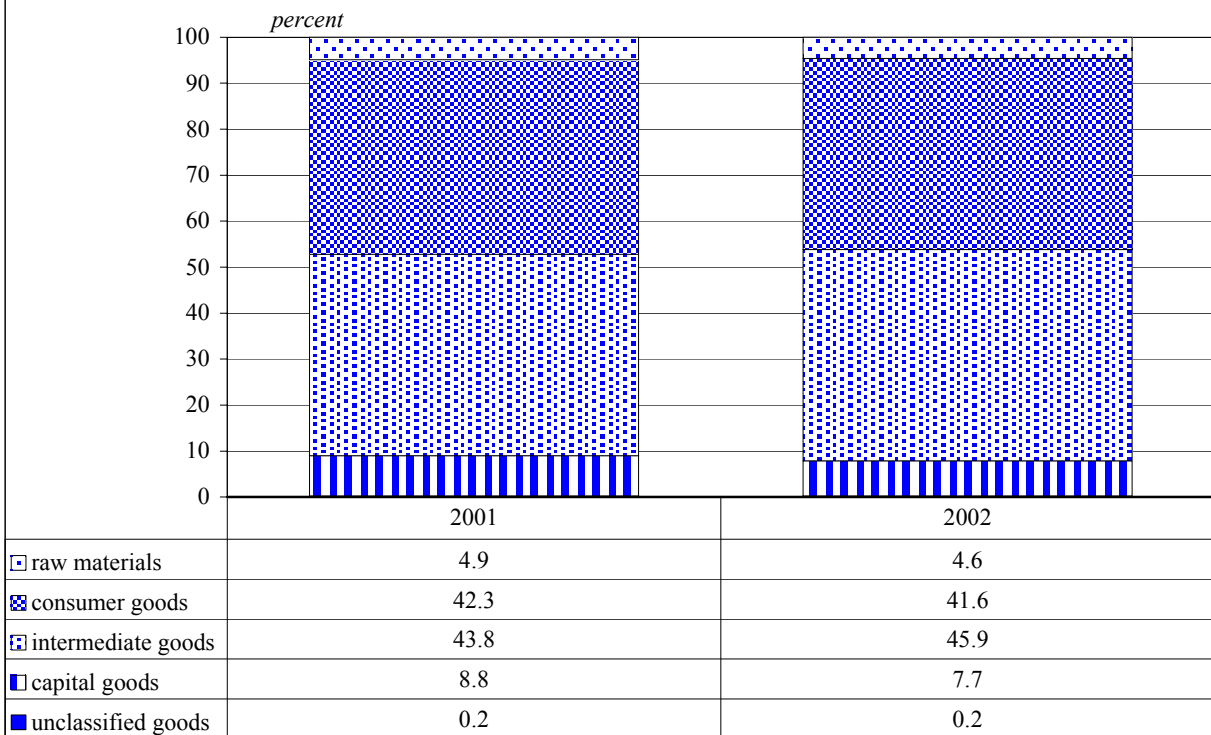
USD millions



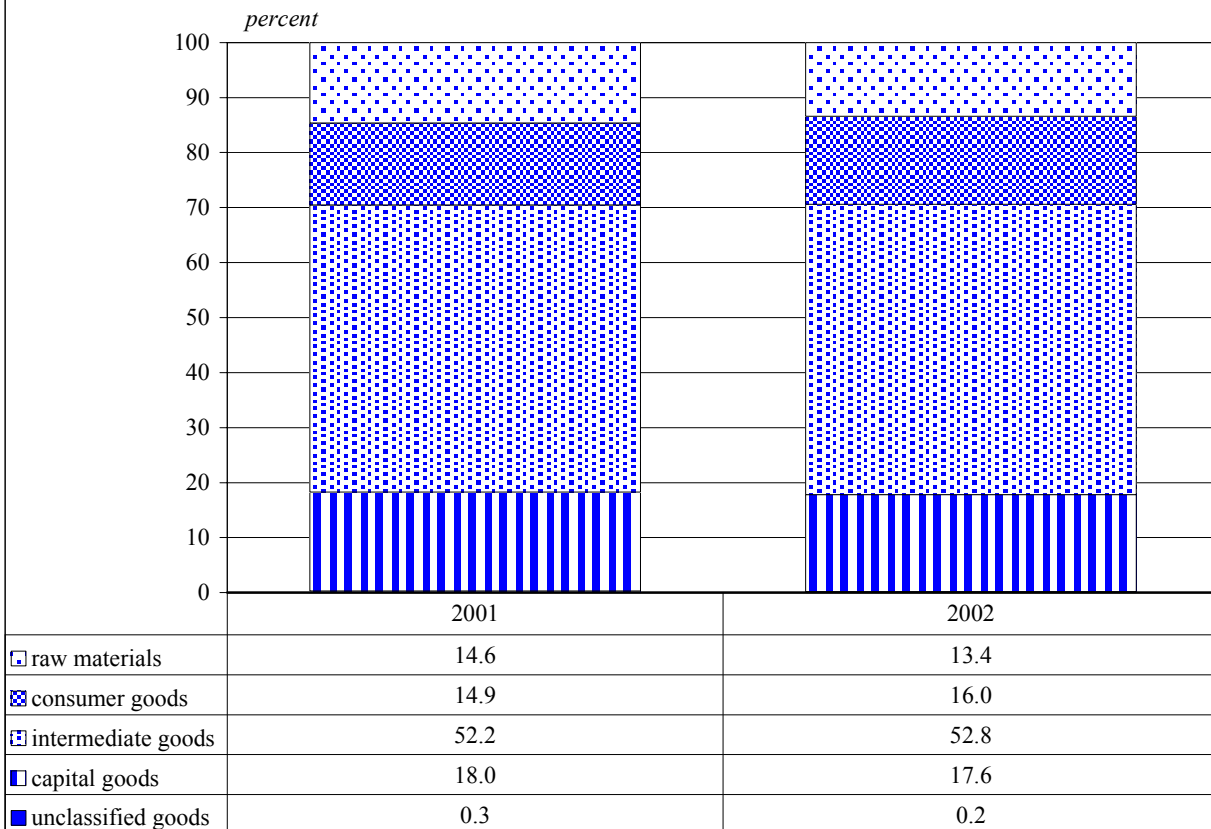
	net exports	absorption	GDP
2001	-3,084	43,249	40,165
2002	-2,602	48,351	45,749



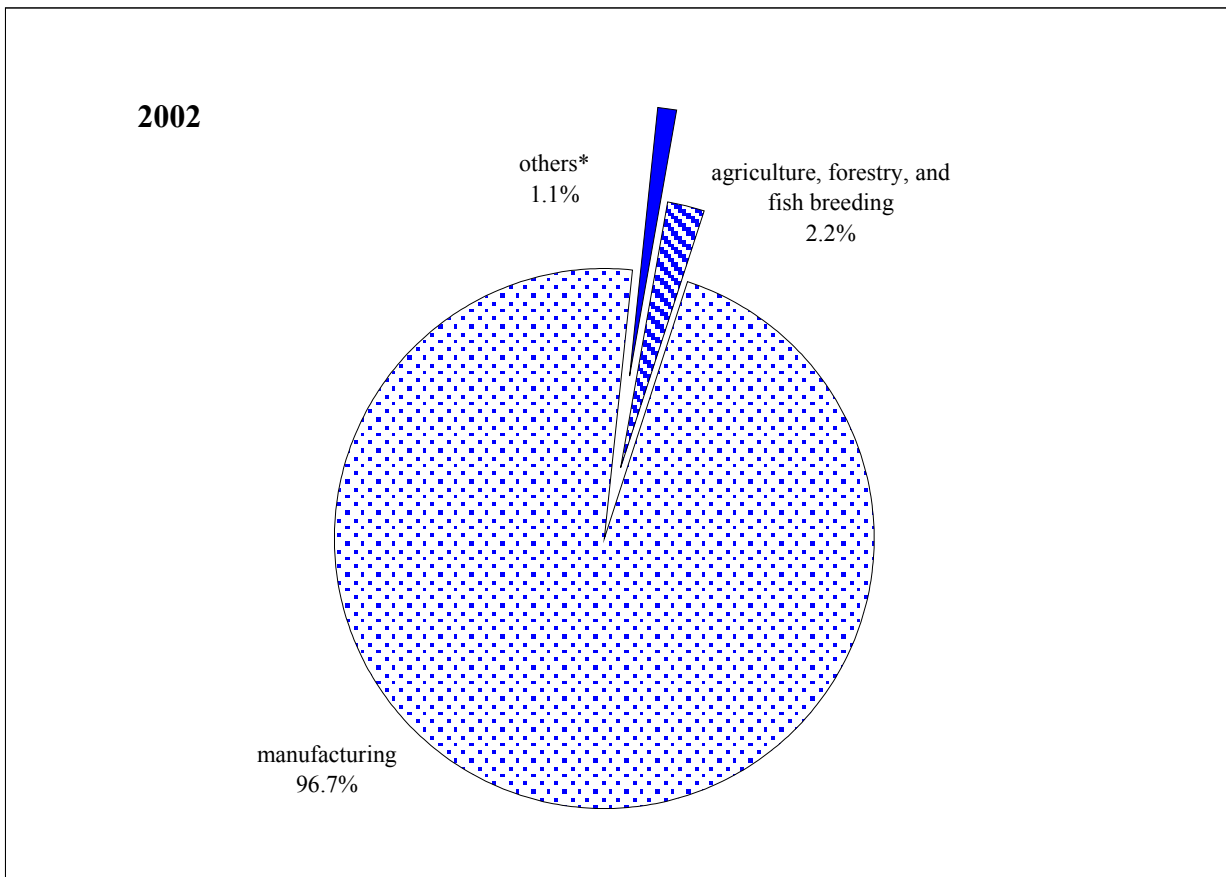
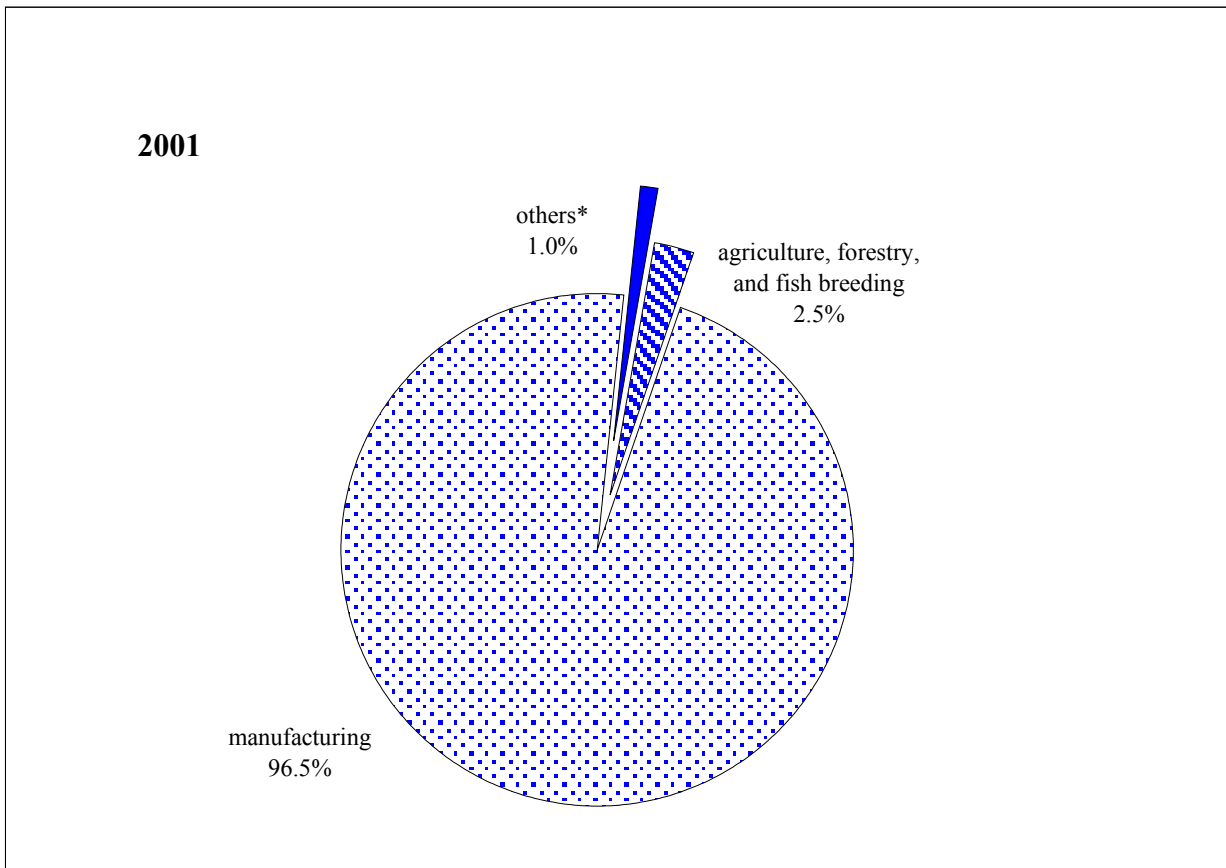
Exports by Production Stage



Imports by Production Stage

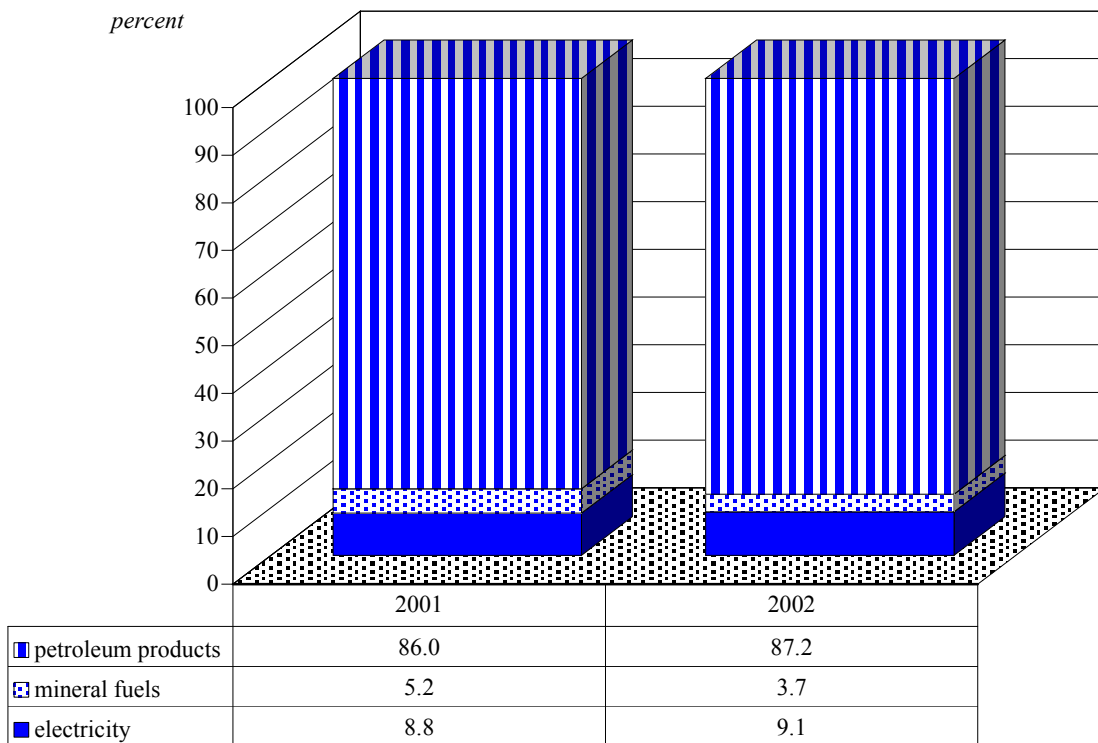


Exports by Economic Sector

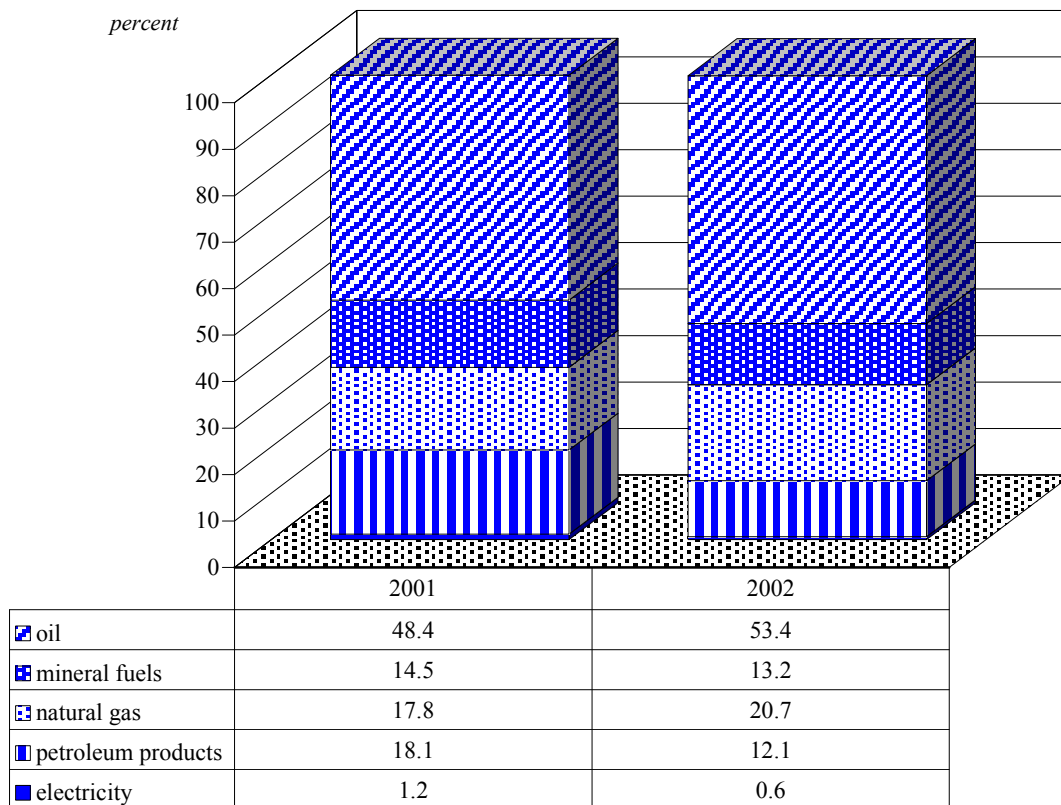


*) including mining, electricity and unclassified activities

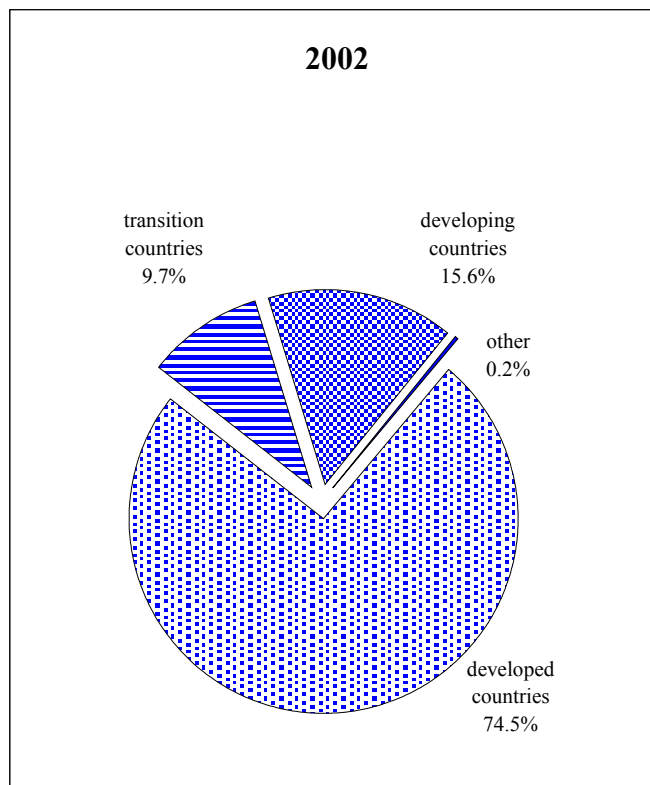
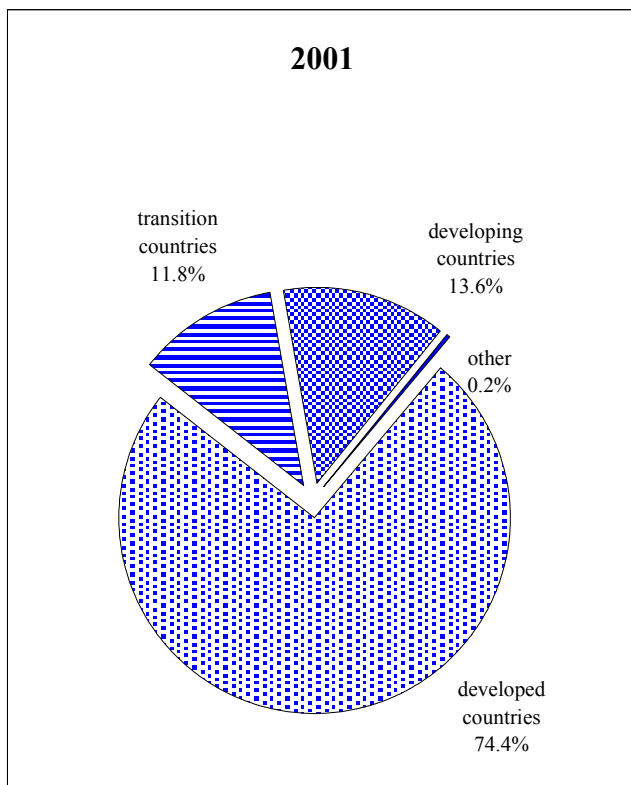
Export Value of Energy Products



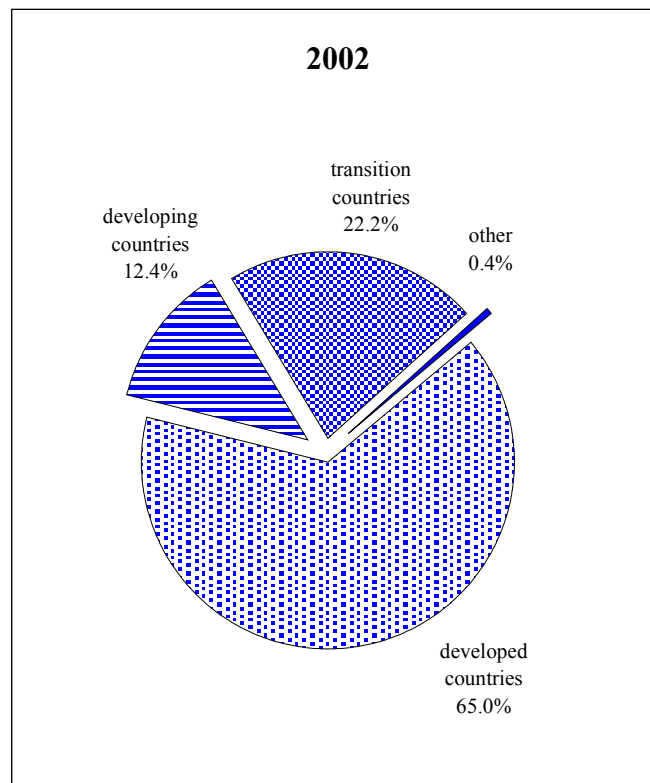
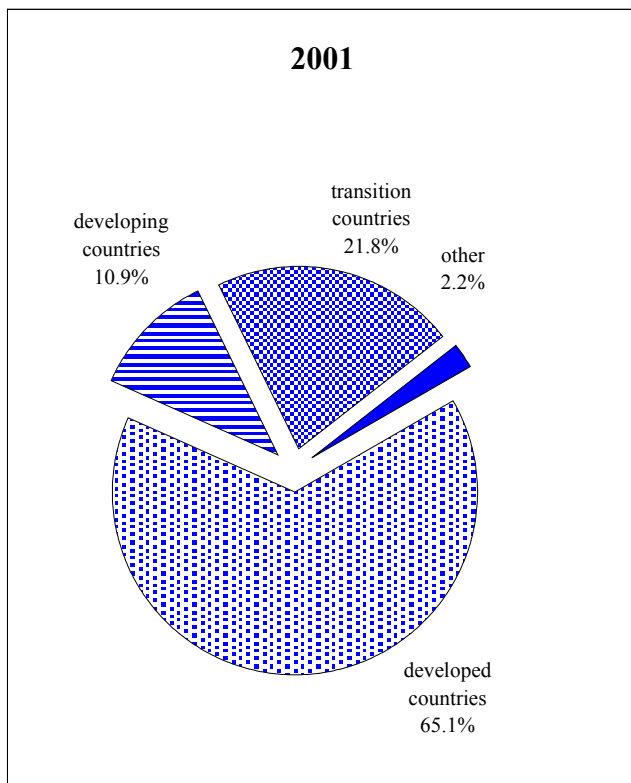
Import Value of Energy Products



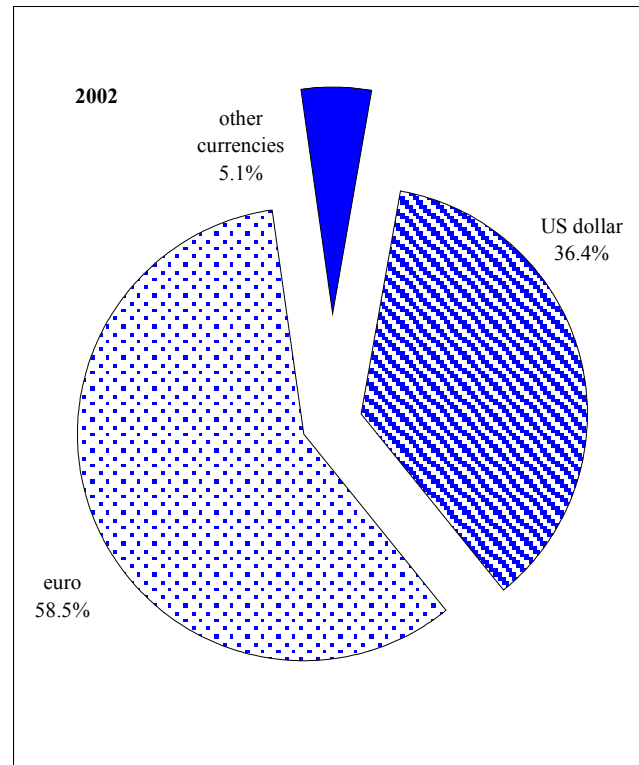
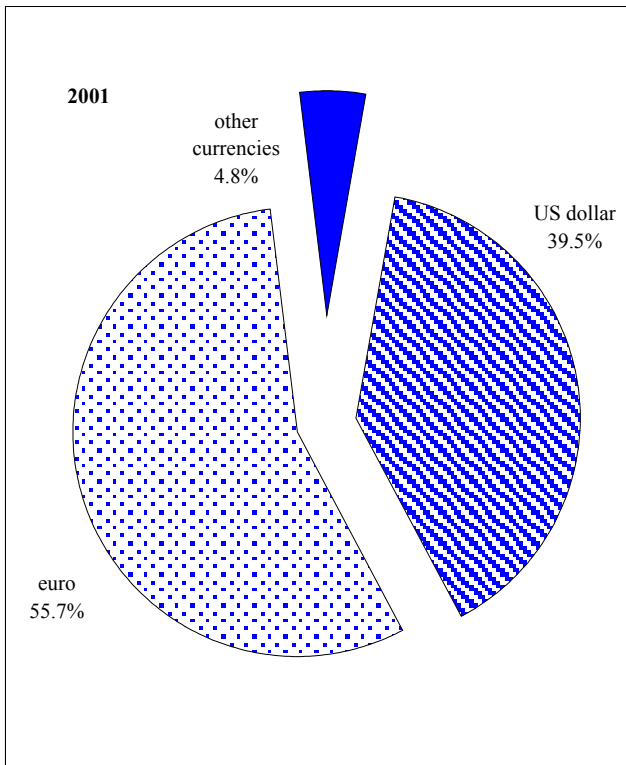
Geographical Distribution of Exports



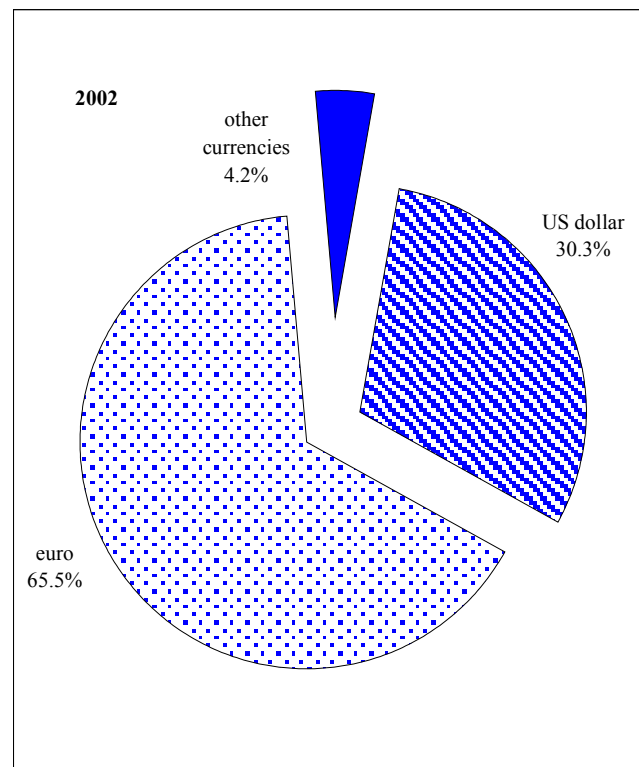
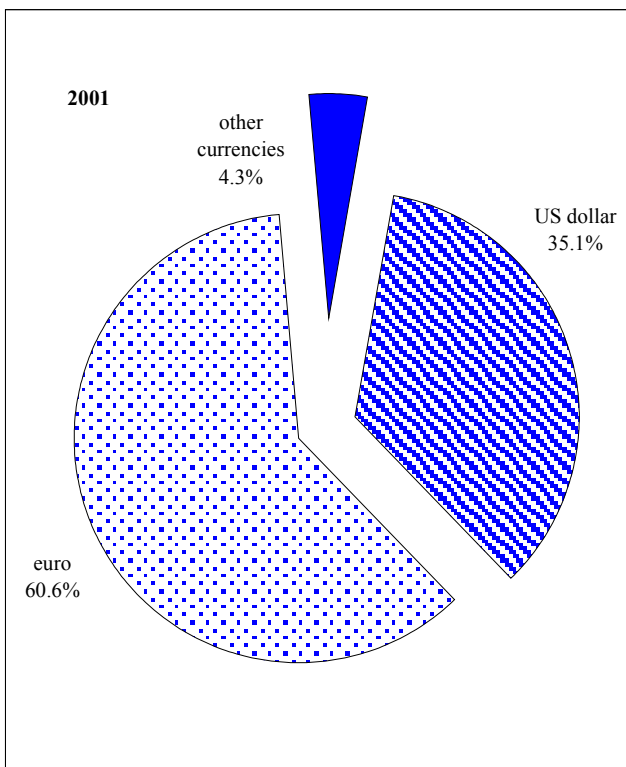
Geographical Distribution of Imports



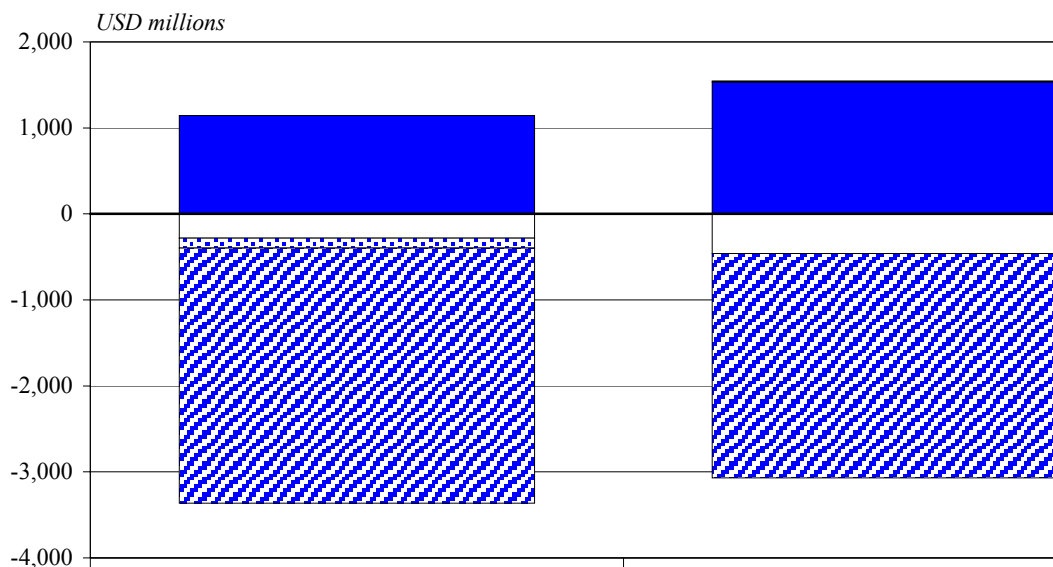
Exports by Currency



Imports by Currency

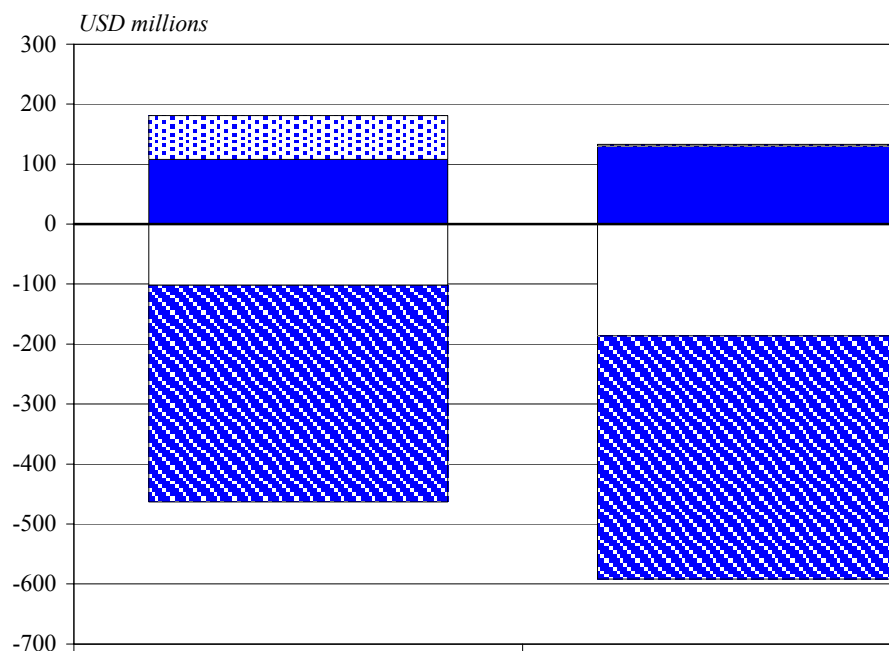


Current Account Components

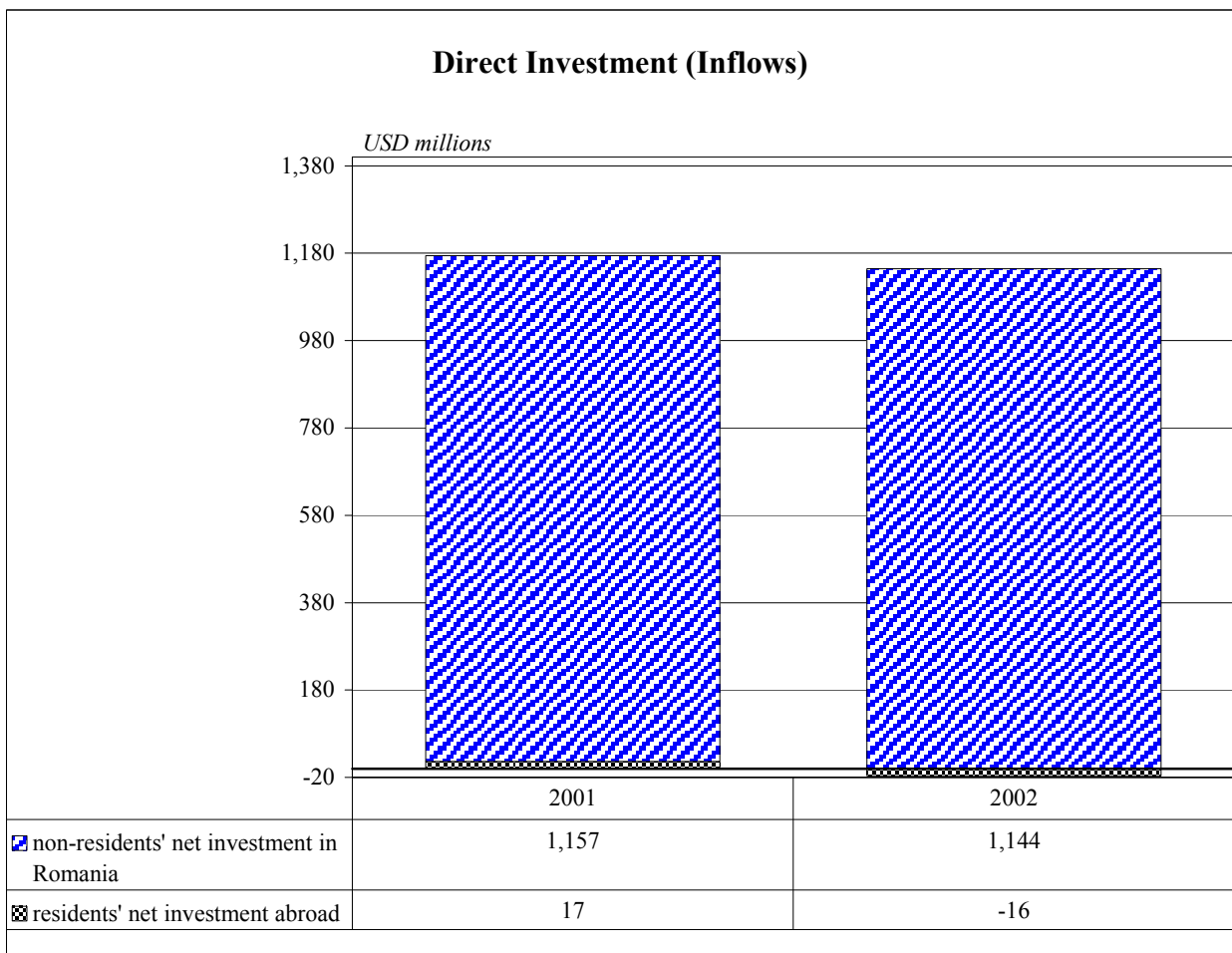
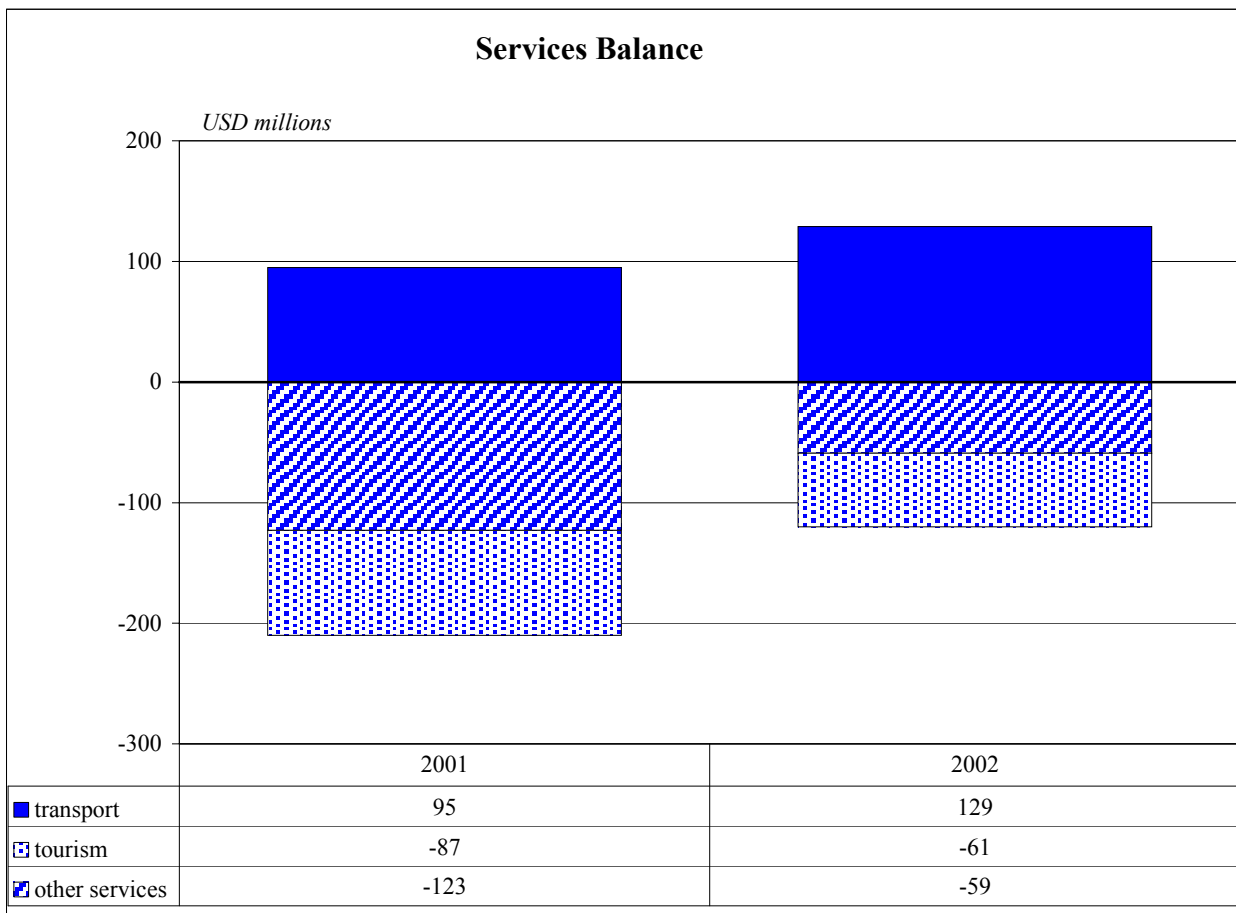


	2001	2002
goods	-2,969	-2,611
services	-115	9
incomes	-282	-459
current transfers	1,143	1,536

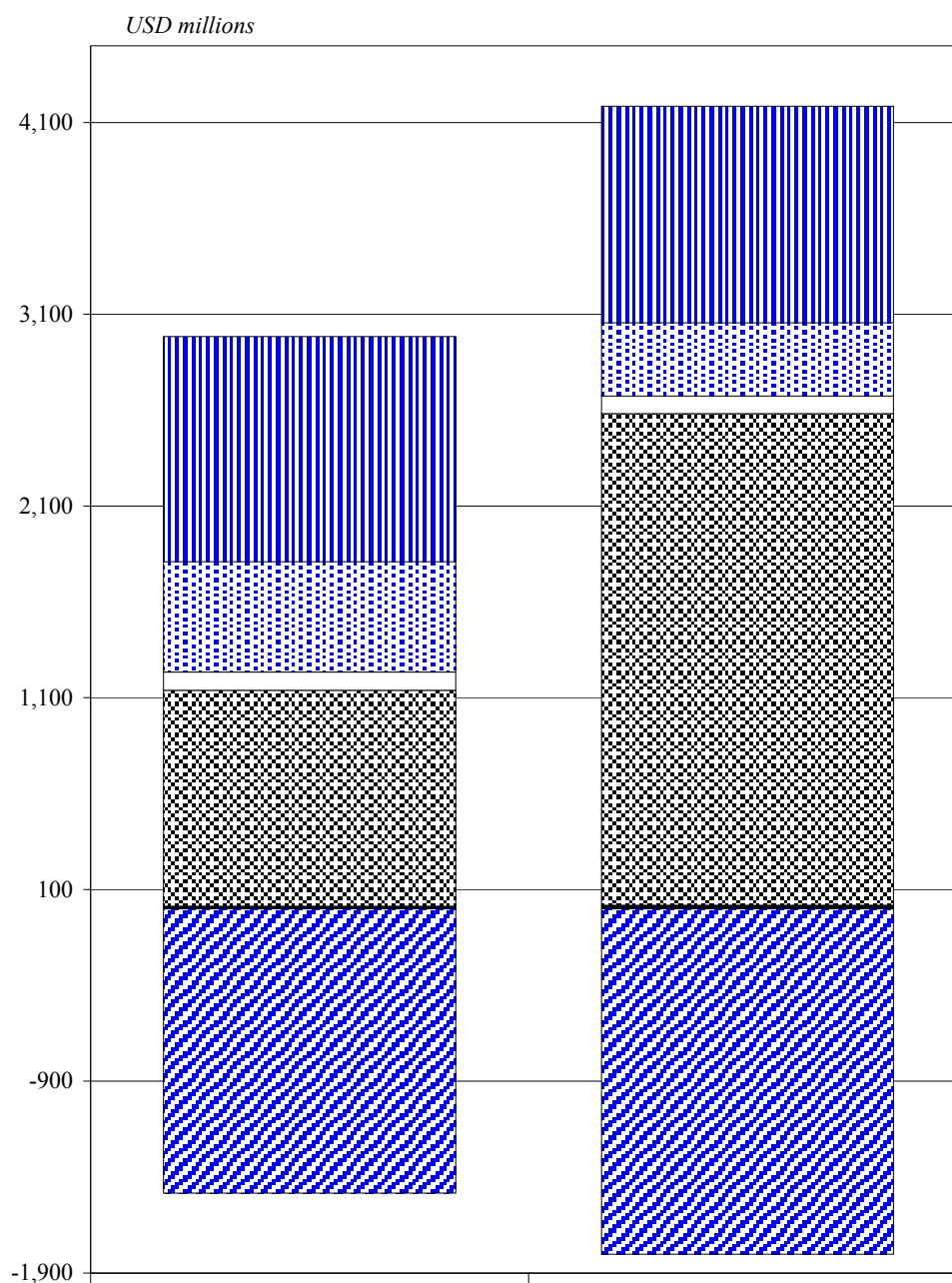
Incomes Balance



	2001	2002
other capital investment (interest)	-361	-406
portfolio investment income	73	3
direct investment income	-102	-186
workers' remittances	108	130



Capital and Financial Account Components



	2001	2002
direct investment	1,174	1,128
portfolio investments	575	382
capital transfers	95	93
other capital investments	1,125	2,562
float and clearing accounts	14	19
reserve assets	-1,484	-1,802

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BALANCE OF PAYMENTS, 2001 - 2002

USD millions

Item	2001			2002			Item
	credit	debit	balance	credit	debit	balance	
1. Current account	15,290	17,513	-2,223	18,444	19,969	-1,525	1. Current account
<i>A. Goods and services</i>	13,418	16,502	-3,084	16,223	18,825	-2,602	<i>A. Goods and services</i>
a. Goods	11,385	14,354	-2,969	13,876	16,487	-2,611	a. Goods
b. Services	2,033	2,148	-115	2,347	2,338	9	b. Services
- transport	828	733	95	964	835	129	- transport
- travel	362	449	-87	335	396	-61	- travel
- other	843	966	-123	1,048	1,107	-59	- other
<i>B. Incomes</i>	455	737	-282	413	872	-459	<i>B. Incomes</i>
- compensation of employees	112	4	108	136	6	130	- compensation of employees
- direct investment	15	117	-102	11	197	-186	- direct investment
- portfolio investment	178	105	73	184	181	3	- portfolio investment
- other investment	150	511	-361	82	488	-406	- other investment
<i>C. Current transfers</i>	1,417	274	1,143	1,808	272	1,536	<i>C. Current transfers</i>
- general government	252	31	221	298	17	281	- general government
- other sectors	1,165	243	922	1,510	255	1,255	- other sectors
2. Capital and financial account	6,739	5,240	1,499	8,245	5,863	2,382	2. Capital and financial account
<i>A. Capital account</i>	108	13	95	100	7	93	<i>A. Capital account</i>
a. Capital transfers	108	13	95	100	7	93	a. Capital transfers
- general government	95	11	84	80	0	80	- general government
- other sectors	13	2	11	20	7	13	- other sectors
b. Acquisitions/sales of nonproduced nonfinancial assets	0	0	0	0	0	0	b. Acquisitions/sales of nonproduced nonfinancial assets
<i>B. Financial account</i>	6,631	5,227	1,404	8,145	5,856	2,289	<i>B. Financial account</i>
a. Direct investment	1,303	129	1,174	1,366	238	1,128	a. Direct investment
- of residents abroad	48	31	17	42	58	-16	- of residents abroad
- of non-residents in Romania	1,255	98	1,157	1,324	180	1,144	- of non-residents in Romania
b. Portfolio investment	1,155	580	575	905	523	382	b. Portfolio investment
- assets	20	28	-8	8	8	0	- assets
- liabilities	1,135	552	583	897	515	382	- liabilities
c. Other investment	4,150	3,025	1,125	5,821	3,259	2,562	c. Other investment
1. assets:	795	845	-50	1,122	437	685	1. assets:
- medium- and long-term loans and credits	67	114	-47	83	66	17	- medium- and long-term loans and credits
- medium- and short-term loans and credits	22	26	-4	20	8	12	- medium- and short-term loans and credits
- long-term trade credits	79	77	2	20	18	2	- long-term trade credits
- short-term trade credits	248	150	98	286	120	166	- short-term trade credits
- cash and cheques	1	113	-112	50	29	21	- cash and cheques
- resident bank deposits abroad	338	360	-22	647	167	480	- resident bank deposits abroad
- other	40	5	35	16	29	-13	- other
- long-term	0	0	0	0	0	0	- long-term
- short-term	40	5	35	16	29	-13	- short-term
2. liabilities:	3,355	2,180	1,175	4,699	2,822	1,877	2. liabilities:
- use of IMF loans and credits	67	117	-50	110	98	12	- use of IMF loans and credits
- long- and medium-term loans and credits	2,449	1,451	998	3,612	2,072	1,540	- long- and medium-term loans and credits
- medium- and short-term loans and credits	289	228	61	433	333	100	- medium- and short-term loans and credits
- long-term trade credits	87	85	2	32	38	-6	- long-term trade credits
- short-term trade credits	233	200	33	206	140	66	- short-term trade credits
- cash and cheques	0	0	0	0	0	0	- cash and cheques
- non-resident bank deposits in Romania	169	26	143	173	51	122	- non-resident bank deposits in Romania
- other	61	73	-12	133	90	43	- other
- long-term	60	72	-12	133	90	43	- long-term
- short-term	1	1	0	0	0	0	- short-term
d. In-transit accounts	16	8	8	35	23	12	d. In-transit accounts
e. Barter/clearing accounts	7	1	6	8	1	7	e. Barter/clearing accounts
f. Reserve assets (NBR):	0	1,484	-1,484	10	1,812	-1,802	f. Reserve assets (NBR):
- monetary gold	0	5	-5	0	2	-2	- monetary gold
- SDRs	0	6	-6	10	5	5	- SDRs
- reserve position in the IMF	0	0	0	0	0	0	- reserve position in the IMF
- foreign exchange	0	1,473	-1,473	0	1,805	-1,805	- foreign exchange
- other	0	0	0	0	0	0	- other
3. Errors and omissions	724	0	724	0	857	-857	3. Errors and omissions

QUARTERLY BALANCE OF PAYMENTS, 2002

USD millions

Item	Q 1			Q 2		
	credit	debit	balance	credit	debit	balance
1. Current account	3,755	4,001	-246	4,298	4,935	-637
<i>A. Goods and services</i>	3,339	3,814	-475	3,856	4,563	-707
a. Goods	2,897	3,365	-468	3,317	3,986	-669
b. Services	442	449	-7	539	577	-38
- transport	196	167	29	188	202	-14
- travel	60	73	-13	75	90	-15
- other	186	209	-23	276	285	-9
<i>B. Income</i>	81	151	-70	87	312	-225
- compensation of employees	39	1	38	32	2	30
- direct investment	0	42	-42	10	89	-79
- portfolio investment	32	3	29	32	86	-54
- other capital investment	10	105	-95	13	135	-122
<i>C. Current transfers</i>	335	36	299	355	60	295
- general government	36	2	34	25	6	19
- other sectors	299	34	265	330	54	276
2. Capital and financial account	1,372	852	520	2,435	1,999	436
<i>A. Capital account</i>	11	1	10	9	0	9
a. Capital transfers	11	1	10	9	0	9
- general government	10	0	10	5	0	5
- other sectors	1	1	0	4	0	4
b. Acquisitions/sales of nonproduced nonfinancial assets	0	0	0	0	0	0
<i>B. Financial account</i>	1,361	851	510	2,426	1,999	427
a. Direct investment	325	63	262	346	86	260
- of residents abroad	2	16	-14	3	15	-12
- of non-residents in Romania	323	47	276	343	71	272
b. Portfolio investment	36	70	-34	669	340	329
- assets	1	3	-2	2	2	0
- liabilities	35	67	-32	667	338	329
c. Other investment	972	541	431	1,404	899	505
1. assets:	215	122	93	382	128	254
- medium- and long-term loans and credits	12	8	4	17	4	13
- medium- and short-term loans and credits	3	4	-1	0	1	-1
- long-term trade credits	12	12	0	1	1	0
- short-term trade credits	22	5	17	161	56	105
- cash and cheques	43	0	43	0	18	-18
- resident bank deposits abroad	123	89	34	203	38	165
- other	0	4	-4	0	10	-10
- long-term	0	0	0	0	0	0
- short-term	0	4	-4	0	10	-10
2. liabilities:	757	419	338	1,022	771	251
- use of IMF loans and credits	0	19	-19	0	39	-39
- long- and medium-term loans and credits	564	317	247	748	495	253
- medium- and short-term loans and credits	78	43	35	106	94	12
- long-term trade credits	11	12	-1	1	5	-4
- short-term trade credits	49	28	21	52	48	4
- cash and cheques	0	0	0	0	0	0
- non-resident bank deposits in Romania	55	0	55	85	0	85
- other	0	0	0	30	90	-60
- long-term	0	0	0	30	90	-60
- short-term	0	0	0	0	0	0
d. In-transit accounts	24	0	24	0	6	-6
e. Barter/clearing accounts	1	0	1	4	0	4
f. Reserve assets (NBR):	3	177	-174	3	668	-665
- monetary gold	0	1	-1	0	0	0
- SDRs	3	0	3	3	0	3
- reserve position in the IMF	0	0	0	0	0	0
- foreign exchange	0	176	-176	0	668	-668
- other	0	0	0	0	0	0
3. Errors and omissions	0	274	-274	201	0	201

QUARTERLY BALANCE OF PAYMENTS, 2002

USD millions

Q 3			Q 4			Item
credit	debit	balance	credit	debit	balance	
5,168	5,212	-44	5,223	5,821	-598	1. Current account
4,459	4,962	-503	4,569	5,486	-917	A. Goods and services
3,765	4,356	-591	3,897	4,780	-883	a. Goods
694	606	88	672	706	-34	b. Services
303	227	76	277	239	38	- transport
108	117	-9	92	116	-24	- travel
283	262	21	303	351	-48	- other
109	189	-80	136	220	-84	B. Income
32	1	31	33	2	31	- compensation of employees
1	49	-48	0	17	-17	- direct investment
66	1	65	54	91	-37	- portfolio investment
10	138	-128	49	110	-61	- other investment
600	61	539	518	115	403	C. Current transfers
165	8	157	72	1	71	- general government
435	53	382	446	114	332	- other sectors
1,761	1,529	232	2,677	1,483	1,194	2. Capital and financial account
60	0	60	20	6	14	A. Capital account
60	0	60	20	6	14	a. Capital transfers
56	0	56	9	0	9	- general government
4	0	4	11	6	5	- other sectors
0	0	0	0	0	0	b. Acquisitions/sales of nonproduced nonfinancial assets
1,701	1,529	172	2,657	1,477	1,180	B. Financial account
316	32	284	379	57	322	a. Direct investment
37	3	34	0	24	-24	- of residents abroad
279	29	250	379	33	346	- of non-residents in Romania
32	61	-29	168	52	116	b. Portfolio investment
2	3	-1	3	0	3	- assets
30	58	-28	165	52	113	- liabilities
1,341	840	501	2,104	979	1,125	c. Other investment
62	95	-33	463	92	371	1. assets:
5	5	0	49	49	0	- medium- and long-term loans and credits
5	2	3	12	1	11	- medium- and short-term loans and credits
5	1	4	2	4	-2	- long-term trade credits
29	32	-3	74	27	47	- short-term trade credits
7	0	7	0	11	-11	- cash and cheques
11	40	-29	310	0	310	- resident bank deposits abroad
0	15	-15	16	0	16	- other
0	0	0	0	0	0	- long-term
0	15	-15	16	0	16	- short-term
1,279	745	534	1,641	887	754	2. liabilities:
110	10	100	0	30	-30	- use of IMF credit
931	649	282	1,369	611	758	- long- and medium-term loans and credits
175	41	134	74	155	-81	- medium- and short-term loans and credits
9	9	0	11	12	-1	- long-term trade credits
20	36	-16	85	28	57	- short-term trade credits
0	0	0	0	0	0	- cash and cheques
33	0	33	0	51	-51	- non-resident bank deposits in Romania
1	0	1	102	0	102	- other
1	0	1	102	0	102	- long-term
0	0	0	0	0	0	- short-term
11	0	11	0	17	-17	d. In-transit accounts
1	0	1	2	1	1	e. Barter/clearing accounts
0	596	-596	4	371	-367	f. Reserve assets (NBR):
0	0	0	0	1	-1	- monetary gold
0	5	-5	4	0	4	- SDRs
0	0	0	0	0	0	- reserve position in the IMF
0	591	-591	0	370	-370	- foreign exchange
0	0	0	0	0	0	- other
0	188	-188	0	596	-596	3. Errors and omissions

BALANCE OF SERVICES

USD millions

Item	2001			2002		
	credit	debit	balance	credit	debit	balance
TOTAL	2,033	2,148	-115	2,347	2,338	9
TRANSPORT	828	733	95	964	835	129
Freight	567	649	-82	683	707	-24
- sea	37	136	-99	42	137	-95
- river	5	2	3	2	4	-2
- air	4	29	-25	3	30	-27
- railway	55	86	-31	51	80	-29
- road	463	346	117	582	393	189
- other	3	50	-47	3	63	-60
Passenger transport	57	26	31	65	52	13
Other	204	58	146	216	76	140
TRAVEL	362	449	-87	335	396	-61
Business	59	245	-186	23	215	-192
Personal	301	203	98	304	180	124
Other	2	1	1	8	1	7
OTHER SERVICES	843	966	-123	1,048	1,107	-59
Communications services	135	91	44	167	59	108
Construction services	59	24	35	65	15	50
Insurance services	37	49	-12	20	79	-59
Financial services	94	76	18	83	83	0
Computer and information services	50	34	16	78	27	51
Licensing, merchanting, leasing fees, audio-visual and related services	48	112	-64	37	153	-116
Other leisure and cultural services	61	69	-8	79	66	13
Government services n.s.e.	25	40	-15	21	34	-13
Other	334	471	-137	498	591	-93

BALANCE OF CURRENT TRANSFERS

USD millions

Item	2001			2002		
	credit	debit	balance	credit	debit	balance
TOTAL	1,417	274	1,143	1,808	272	1,536
General government, <i>of which</i> :	252	31	221	298	17	281
Subsidies granted/received*	158	3	155	249	7	242
Collection of taxes, charges, fines	94	0	94	49	0	49
Private transfers, <i>of which</i> :	1,165	243	922	1,510	255	1,255
Grants and aids, subsidies, etc.	191	3	188	196	5	191
Other current transfers	907	222	685	1,228	227	1,001

*) Non-redeemable technical assistance included

FINANCIAL ACCOUNT

USD millions

Item	2001			2002		
	credit	debit	balance	credit	debit	balance
TOTAL	6,631	5,227	1,404	8,145	5,856	2,289
1. Monetary authority	167	1,976	-1,809	120	2,010	-1,890
Assets	0	1,484	-1,484	10	1,812	-1,802
- Deposits abroad	0	1,473	-1,473	0	1,805	-1,805
- SDRs	0	6	-6	10	5	5
- Monetary gold	0	5	-5	0	2	-2
Liabilities	167	492	-325	110	198	-88
- Portfolio investment	0	275	-275	0	0	0
- Long-term loans and credits:	67	117	-50	110	98	12
- IMF loans and credits	67	117	-50	110	98	12
- Short-term loans and credits	100	100	0	0	100	-100
2. General government	1,479	549	930	1,652	876	776
Assets	43	88	-45	8	49	-41
- Portfolio investment:	0	1	-1	0	0	0
- bonds	0	1	-1	0	0	0
- Long-term loans and credits	36	86	-50	0	48	-48
- Other:	7	1	6	8	1	7
- short-term assets	7	1	6	8	1	7
Liabilities	1,436	461	975	1,644	827	817
- Portfolio investment:	655	0	655	641	289	352
- bonds	655	0	655	641	289	352
- Long-term loans and credits	781	431	350	1,003	448	555
- Other:	0	30	-30	0	90	-90
- long-term liabilities	0	30	-30	0	90	-90
3. Banks	881	745	136	1,096	242	854
Assets	448	553	-105	609	75	534
- Portfolio investment:	18	20	-2	6	6	0
- bonds	18	20	-2	6	6	0
- Direct investment:	6	7	-1	0	0	0
- of residents abroad	6	7	-1	0	0	0
- equity holdings	6	7	-1	0	0	0
- Long-term loans and credits	23	22	1	21	5	16
- Short-term loans and credits	22	26	-4	12	6	6
- Cash and cheques	1	113	-112	50	29	21
- Resident bank deposits abroad	338	360	-22	504	0	504
- Other:	40	5	35	16	29	-13
- short-term assets	40	5	35	16	29	-13
Liabilities	433	192	241	487	167	320
- Portfolio investment:	1	3	-2	0	3	-3
- bonds	1	3	-2	0	3	-3
- Direct investment:	84	0	84	24	10	14
- Non-residents' capital investment in Romania:	84	0	84	24	10	14
- equity holdings	51	0	51	19	10	9
- other	33	0	33	5	0	5
- Long-term loans and credits	76	81	-5	122	66	56
- Short-term loans and credits	43	40	3	35	37	-2
- Non-residents' deposits in Romania	169	26	143	173	51	122
- Other:	60	42	18	133	0	133
- long-term liabilities	60	42	18	133	0	133
4. Other sectors	4,104	1,957	2,147	5,273	2,728	2,549
Assets	379	264	115	563	380	183
- Portfolio investment:	2	7	-5	2	2	0
- bonds	2	7	-5	2	2	0
- shares	0	0	0	0	0	0
- Direct investment:	42	24	18	42	58	-16
- Non-residents' capital investment in Romania:	42	24	18	42	58	-16
- equity holdings	42	24	18	42	58	-16
- other	0	0	0	0	0	0
- Long-term loans and credits	8	6	2	62	13	49
- Short-term loans and credits	0	0	0	8	2	6
- Long-term trade credits	79	77	2	20	18	2
- Short-term trade credits	248	150	98	286	120	166
- Deposits abroad	0	0	0	143	167	-24
- Other:	0	0	0	0	0	0
- short-term assets	0	0	0	0	0	0
Liabilities	3,725	1,693	2,032	4,714	2,348	2,366
- Direct investment:	1,171	98	1,073	1,300	170	1,130
- Non-residents' capital investment in Romania:	1,171	98	1,073	1,300	170	1,130
- equity holdings	1,001	29	972	965	43	922
- other	170	69	101	335	127	208
- Portfolio investment:	479	274	205	256	223	33
- bonds	368	171	197	172	160	12
- shares	111	103	8	84	63	21
- Long-term loans and credits	1,592	939	653	2,487	1,558	929
- Short-term loans and credits	146	88	58	398	196	202
- Long-term trade credits	87	85	2	32	38	-6
- Short-term trade credits	233	200	33	206	140	66
- Other:	17	9	8	35	23	12
- short-term liabilities	17	9	8	35	23	12

ROMANIA: GROSS INTERNATIONAL RESERVES, 1997-2002

(stocks; end of period)

USD millions

	1997	1998	1999	2000	2001	2002
<i>National Bank of Romania</i>	3,061.0	2,299.1	2,492.9	3,389.7	4,861.2	7,305.9
-Gold	867.5	924.3	966.6	920.0	938.7	1,180.2
(tonnes)	93.9	100.3	103.4	105.0	105.2	105.3
- SDRs	103.9	1.2	10.1	1.0	6.8	2.3
- foreign exchange	2,089.6	1,373.6	1,516.2	2,468.7	3,915.7	6,123.4
<i>Commercial banks</i>	1,609.9	1,492.6	1,160.7	1,452.5	1,519.4	1,086.4
- foreign exchange	1,609.9	1,492.6	1,160.7	1,452.5	1,519.4	1,086.4
Gross international reserves	4,670.9	3,791.7	3,653.6	4,842.2	6,380.6	8,392.3
<i>of which :</i>						
Gross foreign exchange reserves	3,803.4	2,867.4	2,687.0	3,922.2	5,441.9	7,212.1

ROMANIA: INTERNATIONAL INVESTMENT POSITION, 1997-2002

USD millions

Institutional sector	1997	1998	1999	2000	2001	2002
I. Monetary authority	1,306	734	1,612	2,560	4,384	6,890
- assets	3,071	2,309	2,502	3,399	4,871	7,316
- liabilities	1,765	1,575	890	839	487	426
II. Government sector	-328	-301	462	-506	-1,271	-2,488
- assets	2,924	3,057	3,728	3,807	3,873	3,921
- liabilities	3,252	3,358	3,266	4,313	5,144	6,409
III. Banking sector	616	664	410	842	675	-119
- assets	1,726	1,581	1,272	1,582	1,645	1,202
- liabilities	1,110	917	862	740	970	1,321
IV. Non-bank sector	-5,395	-7,829	-9,627	-11,359	-13,247	-16,399
- assets	1,324	1,418	715	706	1,029	852
- liabilities	6,719	9,247	10,342	12,065	14,276	17,251
Net position	-3,801	-6,732	-7,143	-8,463	-9,459	-12,116
- assets	9,045	8,365	8,217	9,494	11,418	13,291
- liabilities	12,846	15,097	15,360	17,957	20,877	25,407

ROMANIA: MEDIUM- AND LONG-TERM EXTERNAL CLAIMS, 1997-2002
(by country; end of period)

Country	1997	1998	1999	2000	2001	2002
Foreign currencies						
(USD thousands equivalent)	2,007,512	2,167,604	2,129,549	2,136,265	2,161,890	2,131,415
Angola	17,661	17,661	17,662	17,662	17,662	17,662
Saudi Arabia	250	250	0	0	0	0
Argentina	224	224	0	0	0	0
Bangladesh	882	253	0	0	0	0
Bulgaria	9,645	9,645	0	0	0	0
Korea, PDR	0	0	0	0	17,976	21,523
Congo	1,444	1,444	1,444	1,444	1,444	1,444
China	14,744	12,446	11,036	11,076	0	0
Guinea	15,015	15,567	15,770	17,082	17,620	18,191
Iraq	1,542,144	1,689,300	1,689,300	1,689,300	1,723,869	1,723,869
Libya	43,768	43,768	45,500	43,768	43,768	0
Mozambique	98,427	105,253	109,094	120,739	129,381	138,692
Nigeria	3,181	1,700	1,700	1,523	1,523	1,523
Peru	12,783	12,783	0	0	0	0
Central African Republic	7,692	7,693	7,703	7,703	7,703	7,703
Sri Lanka	3,150	1,663	0	0	0	0
Syria	48,619	48,616	51,646	51,646	26,747	26,477
Somalia	1,654	1,654	2,509	2,509	2,509	2,509
Sudan	170,025	170,019	170,619	171,171	171,135	171,269
Vietnam	0	11,625	5,020	0	0	0
Zair	522	522	546	546	0	0
Zambia	15,574	15,467	0	0	0	0
Other	108	51	0	96	553	553
Transferable roubles (thousands)	1,523,285	1,532,025	1,538,994	1,621,046	1,671,128	1,708,110
Mongolia	3,050	3,050	3,050	3,050	3,050	3,050
Cuba	771,404	840,181	840,181	916,839	950,725	984,653
Korea, PDR	8,204	8,204	8,204	8,204	8,204	8,204
Vietnam	69,944	0	0	0	0	0
Russian Federation	563,283	573,190	580,159	580,158	590,572	590,670
Ukraine	107,400	107,400	107,400	112,795	118,577	121,533

ROMANIA: MEDIUM- AND LONG-TERM EXTERNAL CLAIMS, 1997-2002

(stocks; end of period)

USD millions

	1997	1998	1999	2000	2001	2002
Foreign currencies (USD millions equivalent)	2,008	2,168	2,130	2,136	2,162	2,131
- government credits	1,849	2,012	1,993	2,000	2,029	2,042
- commercial credits	159	156	137	136	133	89
Transferable roubles (millions)	1,523	1,532	1,539	1,621	1,671	1,708
- government credits	856	789	1,539	1,621	1,671	1,708
- commercial credits	667	743	0	0	0	0
(transferable roubles/USD)	0.877	0.877	0.877	0.877	0.877	0.877
Total lending (USD millions equivalent)	3,344	3,512	3,480	3,558	3,627	3,629
- government credits	2,600	2,704	3,343	3,422	3,494	3,540
- commercial credits	744	808	137	136	133	89

ROMANIA: SHORT-TERM EXTERNAL CLAIMS AND LIABILITIES, 1997-2002

(stocks; end of period)

USD millions

	1997	1998	1999	2000	2001	2002
Export bills (payment against documents)	185.8	187.0	173.7	172.6	161.0	13.5
Export letters of credit	226.2	179.3	219.4	218.5	122.9	148.7
Received guarantees	59.7	92.1	80.9	63.8	74.8	31.2
Total claims	471.7	458.4	474.0	454.9	358.7	193.4
Import bills (payment against documents)	471.3	231.5	159.9	147.7	160.5	170.1
Import letters of credit	258.3	150.6	128.1	161.4	148.1	206.2
Extended guarantees	151.4	178.9	61.2	48.9	81.8	79.8
Total liabilities	881.0	561.0	349.2	358.0	390.4	456.1

ROMANIA: CLEARING ACCOUNTS IN TRANSFERABLE ROUBLES

1997-2002

(stocks; end of period)

transferable roubles millions

	1997	1998	1999	2000	2001	2002
Bulgaria	19.5	19.5	19.5	0.0	0.0	0.0
Cuba	96.1	96.1	96.1	96.1	96.1	96.1
Mongolia	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Russian Federation	-2.0	-2.0	-2.0	0.0	0.0	0.0
Czech Republic & Slovakia	-6.4	-6.4	-6.1	0.0	0.0	0.0
Albania	10.3	12.3	12.3	12.9	12.9	12.9
Korea, PDR	15.6	16.5	17.0	17.5	17.9	17.9
TOTAL	133.0	135.9	136.7	126.4	126.8	126.8
assets	141.5	144.4	144.9	126.5	126.9	126.9
liabilities	-8.5	-8.5	-8.2	-0.1	-0.1	-0.1

**ROMANIA: CLEARING ACCOUNTS IN CONVERTIBLE CURRENCIES,
1997-2002**
(stocks; end of period)

USD millions

Country	1997	1998	1999	2000	2001	2002
Iran	3.6	4.7	5.2	2.4	2.3	0.0
India	0.1	0.1	0.1	0.0	0.0	0.0
Egypt	0.3	0.3	0.3	0.3	0.3	0.4
Greece	0.2	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	2.4	0.2	0.2	0.2	0.0	0.0
Republic of Moldova	4.3	4.3	4.3	4.3	4.3	4.3
Bangladesh	-3.8	-4.8	3.3	2.0	1.4	0.6
Mozambique	5.8	5.8	5.8	5.8	5.8	5.8
Pakistan	-0.2	-0.2	-0.2	0.0	0.0	0.0
Sudan	0.9	0.9	0.9	0.9	0.8	0.8
CIS	6.1	6.1	0.0	0.0	0.0	0.0
Bulgaria	-1.5	-1.5	-1.5	0.0	0.0	0.0
Poland	-1.8	-1.4	-0.5	-0.2	-0.1	0.0
Iraq	0.1	0.1	0.1	0.1	0.1	0.1
Russian Federation	0.0	0.0	0.0	21.7	15.8	11.5
Syria	101.3	102.9	102.9	102.9	102.9	102.9
TOTAL	119.0	118.9	122.3	141.8	135.0	127.8
- assets	126.7	127.2	124.9	142.4	135.5	128.2
- liabilities	-7.7	-8.3	-2.6	-0.6	-0.5	-0.4

ROMANIA: CLEARING ACCOUNTS, 1997-2002
(stocks; end of period)

(USD millions equivalent)

	1997	1998	1999	2000	2001	2002
TOTAL CLEARING (1+2)	235.6	238.0	242.2	252.6	246.2	239.0
- assets	250.8	253.8	252.0	253.3	246.8	239.5
- liabilities	-15.2	-15.8	-9.8	-0.7	-0.6	-0.5
1. Clearing roubles*	116.6	119.1	119.9	110.8	111.2	111.2
- assets	124.1	126.6	127.1	110.9	111.3	111.3
- liabilities	-7.5	-7.5	-7.2	-0.1	-0.1	-0.1
2. Clearing other currencies	119.0	118.9	122.3	141.8	135.0	127.8
- assets	126.7	127.2	124.9	142.4	135.5	128.2
- liabilities	-7.7	-8.3	-2.6	-0.6	-0.5	-0.4

*) Conversion rate Rouble/USD: 0.877

ROMANIA: EXTERNAL DEBT INDICATORS, 1997-2002

	1997	1998	1999	2000	2001	2002
External debt (ED) - USD millions	9,503	9,899	9,156	10,649	12,325	15,621
- medium- and long-term (MLT)	8,584	9,323	8,771	10,273	11,914	15,146
- short-term (ST)	919	576	385	376	411	475
GDP - current prices						
- ROL billions	252,926	373,798	545,730	803,773	1,167,243	1,512,257
- USD millions*	35,286	42,116	35,592	37,053	40,165	45,749
Exports of goods and services (EXP) - USD millions	9,954	9,528	9,854	12,113	13,418	16,223
Imports of goods and services (IMP)	12,315	12,756	11,506	14,043	16,502	18,825
External debt service (EDS) - USD millions	2,582	3,551	3,548	2,424	3,009	3,817
- principal repayment	2,080	2,997	3,040	1,867	2,376	3,120
- interest payment (INT)	502	554	508	557	633	697
Foreign exchange reserves of the banking system including SDR (FRBS) - USD millions	3,803	2,867	2,687	3,922	5,442	7,212
Indicator						
ED/GDP (%)	26.9	23.5	25.7	28.7	30.7	34.1
MLT/GDP (%)	24.3	22.1	24.6	27.7	29.7	33.1
ED/EXP (%)	95.5	103.9	92.9	87.9	91.9	96.3
MLT/EXP (%)	86.2	97.8	89.0	84.8	88.8	93.4
EDS/EXP (%)	25.9	37.3	36.0	20.0	22.4	23.5
EDS/GDP (%)	7.3	8.4	10.0	6.5	7.5	8.3
EDS/FRBS (%)	67.9	123.9	132.0	61.8	55.3	52.9
INT/EXP (%)	5.0	5.8	5.2	4.6	4.7	4.3
FRBS/IMP (months)	3.7	2.7	2.8	3.4	4.0	4.6
ST/ED (%)	9.7	5.8	4.2	3.5	3.3	3.0
Multilateral debt/ED (%)	34.5	37.3	42.3	40.8	36.8	34.3

^{*)} Based on the ROL/USD annual average rate

ROMANIA'S SUBSCRIPTION QUOTA TO INTERNATIONAL FINANCIAL INSTITUTIONS, 1997-2002

	USD millions					
International institution	1997	1998	1999	2000	2001	2002
IBRD	30.5	30.5	30.5	30.5	30.5	30.5
MIGA	1.2	1.2	1.2	1.6	2.0	2.0
IFC	2.6	2.6	2.6	2.6	2.6	2.6
EBRD	16.8	18.4	19.5	20.6	21.6	23.8
IBEC	10.1	10.7	9.2	8.5	8.1	9.6
IIB	13.9	14.7	12.7	11.7	11.1	13.1
Black Sea Trade and Development Bank	18.2	57	55.1	52.7	50.8	54.7
Total	93.3	135.1	130.8	128.2	126.7	136.3

MEDIUM- AND LONG-TERM EXTERNAL CLAIMS AS OF 31.12.2002

(foreign currencies)

USD thou

Country	Total	by maturity			by institutional sector	
		overdue	not specified maturity	due in 2002	gov't credit	commercial credit
Total	2,131,415	2,106,707	19,423	5,285	2,042,081	89,334
<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.	21,523	21,523	0	0	21,523	
Guinea	18,191	17,140	471	580	18,191	0
Iraq	1,723,869	1,710,659	13,210	0	1,723,869	0
Mozambique	138,692	128,245	5,742	4,705	129,567	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	26,477	26,477	0	0	26,142	335
Somalia	2,509	2,509	0	0	0	2,509
Sudan	171,269	171,269	0	0	122,789	48,480
Other	553	553	0	0	0	553

MEDIUM- AND LONG-TERM EXTERNAL CLAIMS AS OF 31.12.2002

(transferable roubles)

TR thou

Country	Total	by maturity			by institutional sector	
		overdue	not specified maturity	due in 2002	gov't credit	commercial credit
TOTAL	1,708,110	899,085	772,142	36,883	1,708,110	0
<i>of which :</i>						
Cuba	984,653	879,238	71,487	33,928	984,653	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	590,670	0	590,670	0	590,670	0
Ukraine	121,533	10,139	108,439	2,955	121,533	0

ROMANIA'S INTERNATIONAL INVESTMENT POSITION AS OF 31.12.2002

USD millions

Item	Outstanding at start of period	Transactions	Adjustments due to price changes	Adjustments due to exchange rate changes	Other adjustments	Outstanding at end-2002
NET POSITION	-9,459.3	-2,289.0	239.5	-606.7	0.0	-12,115.5
Assets	11,417.9	1,126.0	239.5	507.2	0.0	13,290.6
Liabilities	20,877.2	3,415.0	0.0	1,113.9	0.0	25,406.1
<i>of which :</i>						
MONETARY AUTHORITY	4,384.4	1,890.0	239.5	376.1	0.0	6,890.0
Assets	4,870.8	1,802.0	239.5	403.3	0.0	7,315.6
Liabilities	486.4	-88.0	0.0	27.2	0.0	425.6
GOVERNMENT SECTOR	-1,271.4	-776.0	0.0	-440.3	0.0	-2,487.7
Assets	3,873.0	41.0	0.0	7.3	0.0	3,921.3
Liabilities	5,144.4	817.0	0.0	447.6	0.0	6,409.0
BANKING SECTOR	674.7	-854.0	0.0	60.2	0.0	-119.1
Assets	1,644.8	-534.0	0.0	90.7	0.0	1,201.5
Liabilities	970.1	320.0	0.0	30.5	0.0	1,320.6
NON-BANK SECTOR	-13,247.0	-2,549.0	0.0	-602.7	0.0	-16,398.7
Assets	1,029.3	-183.0	0.0	5.9	0.0	852.2
Liabilities	14,276.3	2,366.0	0.0	608.6	0.0	17,250.9

Item	Outstanding at start of period	Transactions	Adjustments due to price changes	Adjustments due to exchange rate changes	Other adjustments	Outstanding at end-2002
Monetary Authority	4,384.4	1,890.0	239.5	376.1	0.0	6,890.0
Assets	4,870.8	1,802.0	239.5	403.3	0.0	7,315.6
- Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- 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	3,915.6	1,805.0	0.0	402.8	0.0	6,123.4
- Other	9.7	0.0	0.0	0.0	0.0	9.7
- medium- and long-term assets	0.0	0.0	0.0	0.0	0.0	0.0
- short-term assets	9.7	0.0	0.0	0.0	0.0	9.7
- SDRs	6.8	-5.0	0.0	0.5	0.0	2.3
- Monetary gold	938.7	2.0	239.5	0.0	0.0	1,180.2
Liabilities	486.4	-88.0	0.0	27.2	0.0	425.6
- Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	0.0	0.0	0.0	0.0	0.0	0.0
- Medium- and long-term loans and credits	386.4	12.0	0.0	27.2	0.0	425.6
<i>of which:</i>						
- IMF loans	386.4	12.0	0.0	27.2	0.0	425.6
- 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	-100.0	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 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
Government Sector	-1,271.4	-776.0	0.0	-440.3	0.0	-2,487.7
Assets	3,873.0	41.0	0.0	7.3	0.0	3,921.3
- Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	0.0	0.0	0.0	0.0	0.0	0.0
- Medium- and long-term loans and credits	3,494.2	48.0	0.0	-2.1	0.0	3,540.1
- Short-term loans and credits	0.0	0.0	0.0	0.0	0.0	0.0
- Medium- and long-term trade credits	0.0	0.0	0.0	0.0	0.0	0.0
- Short-term trade 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	5.3	0.0	0.0	0.0	0.0	5.3
- Other	373.5	-7.0	0.0	9.4	0.0	375.9
- medium- and long-term assets	0.0	0.0	0.0	0.0	0.0	0.0
- short-term assets	373.5	-7.0	0.0	9.4	0.0	375.9
Liabilities	5,144.4	817.0	0.0	447.6	0.0	6,409.0
- Portfolio investment	1,197.2	352.0	0.0	274.9	0.0	1,824.1
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	1,197.2	352.0	0.0	274.9	0.0	1,824.1
- Medium- and long-term loans and credits	3,820.4	555.0	0.0	172.2	0.0	4,547.6
- Short-term loans and credits	0.0	0.0	0.0	0.0	0.0	0.0
- Medium- and long-term trade credits	0.0	0.0	0.0	0.0	0.0	0.0
- Short-term trade 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	126.8	-90.0	0.0	0.5	0.0	37.3
- medium- and long-term liabilities	90.0	-90.0	0.0	0.0	0.0	0.0
- short-term liabilities	36.8	0.0	0.0	0.5	0.0	37.3

(continue)

Item	Outstanding at start of period	Transactions	Adjustments due to price changes	Adjustments due to exchange rate changes	Other adjustments	Outstanding at end-2002
Banking sector	674.7	-854.0	0.0	60.2	0.0	-119.1
Assets	1,644.8	-534.0	0.0	90.7	0.0	1,201.5
- Portfolio investment	0.3	0.0	0.0	0.7	0.0	1.0
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	0.3	0.0	0.0	0.7	0.0	1.0
- Direct investment abroad	92.5	0.0	0.0	11.6	0.0	104.1
- equity holdings	92.5	0.0	0.0	11.6	0.0	104.1
- reinvested earnings	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	27.0	-16.0	0.0	0.0	0.0	11.0
- Short-term loans and credits	6.0	-6.0	0.0	0.0	0.0	0.0
- Cash and cheques	149.2	-21.0	0.0	2.7	0.0	130.9
- Deposits abroad	1,335.6	-504.0	0.0	79.2	0.0	910.8
- Other	34.2	13.0	0.0	-3.5	0.0	43.7
- medium- and long-term assets	0.0	0.0	0.0	0.0	0.0	0.0
- short-term assets	34.2	13.0	0.0	-3.5	0.0	43.7
Liabilities	970.1	320.0	0.0	30.5	0.0	1,320.6
- Portfolio investment	1.7	-3.0	0.0	1.3	0.0	0.0
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	1.7	-3.0	0.0	1.3	0.0	0.0
- Foreign direct investment	314.5	14.0	0.0	0.0	0.0	328.5
- equity holdings	281.5	9.0	0.0	0.0	0.0	290.5
- reinvested earnings	0.0	0.0	0.0	0.0	0.0	0.0
- other	33.0	5.0	0.0	0.0	0.0	38.0
- Medium- and long-term loans and credits	223.5	56.0	0.0	28.9	0.0	308.4
- Short-term loans and credits	20.8	-2.0	0.0	0.4	0.0	19.2
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Deposits abroad	349.7	122.0	0.0	-0.2	0.0	471.5
- Other	59.9	133.0	0.0	0.1	0.0	193.0
- medium- and long-term liabilities	59.9	133.0	0.0	0.1	0.0	193.0
- short-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Non-bank sector	-13,247.0	-2,549.0	0.0	-602.7	0.0	-16,398.7
Assets	1,029.3	-183.0	0.0	5.9	0.0	852.2
- Portfolio investment	10.4	0.0	0.0	0.0	0.0	10.4
- Shares	0.0	0.0	0.0	0.0	0.0	0.0
- Bonds	10.4	0.0	0.0	0.0	0.0	10.4
- Direct investment abroad	24.0	16.0	0.0	0.0	0.0	40.0
- equity holdings	24.0	16.0	0.0	0.0	0.0	40.0
- reinvested earnings	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	133.2	-49.0	0.0	5.1	0.0	89.3
- Short-term loans and credits	8.0	-6.0	0.0	0.0	0.0	2.0
- Medium- and long-term trade credits*	39.0	-2.0	0.0	0.0	0.0	37.0
- Short-term trade credits	358.7	-166.0	0.0	0.8	0.0	193.5
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Deposits abroad	456.0	24.0	0.0	0.0	0.0	480.0
Liabilities	14,276.3	2,366.0	0.0	608.6	0.0	17,250.9
Portfolio investment	988.0	33.0	0.0	69.7	0.0	1,090.7
- Shares	495.0	21.0	0.0	0.0	0.0	516.0
- Bonds	493.0	12.0	0.0	69.7	0.0	574.7
- Foreign direct investment	7,323.5	1,130.0	0.0	13.6	0.0	8,467.1
- equity holdings	6,970.6	922.0	0.0	0.0	0.0	7,892.6
- reinvested earnings	0.0	0.0	0.0	0.0	0.0	0.0
- other	352.9	208.0	0.0	13.6	0.0	574.5
- Medium- and long-term loans and credits	5,445.7	929.0	0.0	525.7	0.0	6,900.4
- Short-term loans and credits	74.0	202.0	0.0	0.0	0.0	276.0
- Medium- and long-term trade credits*	17.0	-6.0	0.0	0.0	0.0	11.0
- Short-term trade credits	390.4	66.0	0.0	-0.3	0.0	456.1
- Cash and cheques	0.0	0.0	0.0	0.0	0.0	0.0
- Other	37.7	12.0	0.0	-0.1	0.0	49.6
- medium- and long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
- short-term liabilities	37.7	12.0	0.0	-0.1	0.0	49.6

* Estimates by cumulating balance of payments flows