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**Romania's Balance of Payments
and International Investment Position**

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MAIN DEVELOPMENTS IN 2009

I. External environment¹

In 2009, global economic activity remained weak after the severe contraction seen in 2008 Q4. World economy was adversely affected by the adjustment of corporate balance sheets and household incomes, the wealth effect and the drop in confidence that prevailed despite the government and central bank measures aimed at containing systemic risks and ensuring financial stabilisation. Emerging economies were in turn affected by the slowdown in advanced economies, as global trade declined following the contraction of global demand, across manufacturing in particular. Global activity returned to positive territory during 2009 Q2, fuelled by the fiscal and monetary policy measures put in place in many countries in an attempt at stabilising the financial sector. The economic recovery, driven originally by manufacturing and subsequently by services, unfolded at a faster pace in the emerging economies, which had limited direct exposure to the crisis. World output stood 0.6 percent lower in 2009, after having climbed 3.0 percent in 2008.

The spillover from the financial crisis on the real sector also echoed in the evolution of global trade, which went down 11.3 percent in 2009, compared to a 4.4 percent increase a year earlier. Brent oil price stabilised in 2009 Q1, but then it began to grow, reaching USD 77.8 per barrel at year-end following OPEC's decision to cut back on output and the improving sentiment on the economic outlook. On the year as a whole, the average oil price stood at USD 62.5 per barrel, i.e. 36.4 percent lower than the year-earlier average.

Commodity prices² (expressed in USD) decreased on average by 18.7 percent year on year, with the exception of metal prices that went up, owing largely to the steps taken by China to develop its infrastructure. Global inflation stood in negative territory during early 2009 due to the strong downward correction in international commodity prices, as well as rising spare capacity, as a result of the global drop in economic activity. Thereafter, the rebound in commodity prices on world markets pushed the inflation rate up to 1.9 percent³ in December 2009 (against 3.6 percent at year-end 2008).

Euro area⁴ economy posted a decline of 4.1 percent in 2009, after having expanded by 0.6 percent in 2008 amid the contraction in private capital expenditures and international trade. Gross fixed capital formation dropped by 10.9 percent, largely across the corporate sector, following the subdued demand, in construction in particular, against the background of falling housing prices. Private consumption was down 1.2 percent, under the impact of the contraction in households' real disposable income as a result of lower employment and tighter lending conditions. By contrast, general government consumption

¹ Sources: ECB, Annual Report 2009, Statistics Pocket Book – August 2010; IMF, World Economic Outlook – July 2010.

² Excluding energy.

³ It covers the countries that joined the Organisation for Economic Co-operation and Development (OECD).

⁴ The countries referred to herein are the 16 EU Member States making up the currency union at end-2009: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Spain, Slovakia and Slovenia.

increased by 2.4 percent, driven by countercyclical fiscal measures, thereby containing the economic decline in the euro area.

In 2009, euro-area exports of goods and services fell 13.3 percent and imports of goods and services contracted by 12.0 percent, after having posted slight increases a year earlier (by 0.9 percent and 0.7 percent respectively). The decline in exports was attributed to the developments in external demand and the substantial strengthening of the euro. The contraction of exports entailed in turn a decrease in imports of intermediate and capital goods.

From a sectoral perspective, the decline in economic activity was manifest in all sectors, most notably across manufacturing, following the retreat in external demand, the quick reduction in the order portfolio and the depressed activity in the construction sector and car industry. The decline in construction was driven by the deterioration in the residential sector, especially in the countries where its share in GDP widened during the pre-crisis period. Services activity slackened, particularly in transportation, car rentals, advertising and consulting services, as the contraction in private consumption and production activities took its toll.

Against the backdrop of subdued inflationary pressures, the average annual inflation rate, as measured by the Harmonised Index of Consumer Prices, dropped from 3.3 percent in 2008 to 0.3 percent in 2009, a record low after the changeover to the euro. This development was ascribable to the decline in world prices of commodities, energy in particular.

Labour market conditions worsened in the euro area during 2009 for the second year in a row. The ILO⁵ unemployment rate rose to 9.4 percent in 2009, from 7.6 percent in 2008. Marked increases in unemployment rate were recorded in Ireland and Spain, while in Germany and Italy this rate posted a slower upward move.

The budget deficit of the euro zone widened to 6.2 percent of GDP in 2009, from 2.0 percent of GDP in the previous year. This is the largest deterioration witnessed since the inception of the Economic and Monetary Union against the background of the financial crisis, the substantial economic downturn and the countercyclical fiscal measures. In 2009, most euro area countries reported public deficits in excess of the 3 percent-of-GDP reference value and therefore they were subject to the excessive deficit procedure by the European Commission, with deadlines for correcting the excessive deficit situation being set for the 2012-2014 period. Three of these countries had deficit-to-GDP ratios higher than 10 percent, namely Ireland (14.3 percent of GDP), Greece (13.6 percent of GDP) and Spain (11.2 percent of GDP). The lowest deficit-to-GDP ratios were displayed by Luxembourg and Finland: 0.7 percent of GDP and 2.2 percent of GDP respectively.

In 2009, the euro area public debt ratio added 9.4 percentage points year over year to 78.7 percent of GDP as a result of the economic contraction, the wider budget deficits and government measures aimed at financial sector stabilisation. All euro area countries recorded higher debt-to-GDP ratios and ten countries overstepped the 60 percent reference value, with the highest levels being exhibited by Italy (115.8 percent), Greece (115.1 percent), Belgium (96.7 percent), France (77.6 percent), Portugal (76.8 percent) and Germany (73.2 percent).

⁵ International Labour Organization.

The aggregate current account of the euro area ended 2009 on a deficit of EUR 67.6 billion (0.6 percent of GDP), as against EUR 161.6 billion a year earlier, largely as a result of the trade deficit turning to a surplus and of the income shortfall being cut by half. The euro zone trade balance rang up a surplus of EUR 38.4 billion, from a EUR 18.3 billion deficit in 2008, given the sharper decrease in imports compared to that of exports. As for exports, their stabilisation and subsequent revival was underpinned by the recovery of external demand, whose beneficial effect was however contained by the weakening euro area competitiveness owing to the stronger euro.

Direct and portfolio investments posted net inflows amounting to EUR 229.8 billion, from EUR 145.4 billion in 2008. Behind the expansion stood the larger net inflows of portfolio investments in the nature of equity participations and lower net outflows of direct investment. These developments were partly contained by the reduction in net inflows in the nature of debt.

Non-euro area Member States⁶ reported an economic decline of 4.6 percent in 2009 versus an increase of 1.3 percent in 2008. The downtrend was manifest in almost all of the countries in the region, but the magnitude of the decline varied across individual countries, depending on the country's initial position within the business cycle, the degree of openness of the economy, the foreign trade composition and the external financing needs. The Baltic States experienced the most pronounced declines in economic activity that ranged from -18.0 percent to -14.1 percent, reflecting the correction of significant macroeconomic imbalances that had built up prior to the outbreak of the financial crisis. In the other countries, the decline in economic activity was driven by the collapse in foreign demand and tighter external financing conditions. Poland was the only country to record positive economic growth (of 1.8 percent in 2009 versus 5.1 percent in 2008) on the back of a robust financial sector, the lower degree of openness of the economy and the absence of large macroeconomic imbalances.

In 2009, average annual inflation decreased in all non-euro area EU Member States, but the cross-country variation in annual rates remained significant. In the non-euro area countries, the annual inflation rate stood, on average, at 2.7 percent, as against 4.7 percent in the previous year. The highest average inflation rates were recorded in Romania and Lithuania, with 5.6 percent and 4.2 percent respectively, followed by Hungary, Poland and Latvia, where average annual inflation ranged from 4.0 percent to 3.3 percent, and Bulgaria, the United Kingdom, Sweden, Denmark and the Czech Republic, where inflation was between 2.5 percent and 0.6 percent. Estonia experienced the lowest annual inflation rate: 0.2 percent. Most of the factors behind the disinflation were common to all non-euro area Member States and related to lower commodity prices and subdued domestic demand.

The fiscal situation deteriorated markedly in the majority of the non-euro area Member States during 2009 as a result of the worsening of macroeconomic conditions. Overall, the deficit-to-GDP ratio equalled 9.2 percent as against 3.2 percent a year earlier. The 3.0 percent of GDP reference value was exceeded in eight of the eleven countries (except Denmark, Estonia and Sweden), which were subject to the excessive deficit procedures initiated by the EU Council at the end of 2009.

Budgetary developments reflected the differentiated fiscal response of governments in the face of the economic crisis. Such measures ranged from restrictive measures under the financial stabilisation

⁶ The countries referred to herein are the 11 Member States outside the euro area at end-2009: Bulgaria, the Czech Republic, Denmark, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Sweden and the United Kingdom.

programmes assumed by the countries that had signed agreements with the IMF, the World Bank and the European Commission (Latvia, Hungary and Romania) and fiscal consolidation measures (Bulgaria, Estonia and Lithuania) to non-intervention and allowing automatic stabilisers to operate (the Czech Republic and Poland) or the introduction of fiscal stimulus packages (Denmark, Sweden and the United Kingdom).

Government debt accounted for 60.8 percent of GDP, compared to 45.5 percent of GDP in 2008, but exceeded the 60.0 percent of GDP reference value only in Hungary and the United Kingdom.

The combined current and capital account balance improved year on year in non-euro area Member States, reaching 0.8 percent of GDP in 2009 as against -0.9 percent in the previous year. The trend was supported by the four countries that recorded strong corrections of the external balance and turned the combined current and capital accounts from deficits into surpluses, namely Latvia, Lithuania, Estonia and Hungary. This development was attributed to contracting domestic demand and lower capital inflows as a result of the intensification of the global financial crisis. The adjustment was particularly pronounced in the countries that recorded large deficits when the crisis broke out. Subsequently, these deficits either shifted to a surplus position (in the four countries mentioned above) or narrowed substantially (in Romania and Bulgaria).

These adjustments in external deficits were accompanied by a tightening of financing conditions and some major changes in financing patterns. Foreign direct investment inflows plunged from 2008 in the eight countries that joined the EU in 2004 or later, as reflected by the share of net foreign direct investment inflows in GDP narrowing to 1.7 percent in 2009 from 3.6 percent in 2008. Denmark and the United Kingdom continued to be net exporters of foreign direct investment. Developments in portfolio investments were heterogeneous: Denmark, Sweden and the United Kingdom received substantial inflows, while Bulgaria, Estonia and Hungary recorded net outflows. In the eight countries that joined the EU in 2004 or later, net "other investment" inflows dwindled to 1.9 percent in 2009 from 7.4 percent in the prior year. Net inflows turned into net outflows in the Czech Republic, Bulgaria, Latvia and Lithuania, and declined in Estonia, Hungary, Poland and Romania. In Hungary, Latvia and Romania, the reduction in private credit flows was partly offset by international financial assistance programmes.

In the **United States of America**, the gross domestic product contracted at a rate of 2.6 percent in 2009, after staying flat in the year before. Private consumption was adversely affected in the first half of 2009 by the deterioration in labour market conditions and the households' attempt at restoring their net wealth and reducing the debts that had built up from previous years. Subsequently, economic growth returned to positive territory amid a stabilisation in financial market conditions, the fiscal and monetary stimuli and the upturn in the inventory cycle. Net exports of goods and services had a positive contribution to GDP dynamics, as the decline in imports was steeper than that of exports. The share of the current account deficit in GDP fell to 2.7 percent in 2009, from 4.7 percent in 2008, largely due to the contracting domestic demand and the receding oil price. The average annual inflation rate for 2009 came in at -0.4 percent⁷ as a result of lower commodity prices. The federal budget deficit widened to 11.1 percent of GDP, compared with 6.5 percent in the 2008 fiscal year. Revenues plummeted owing to lower tax receipts and the increase in spending as a result of the fiscal measures aimed at underpinning the financial system and the economy as a whole.

⁷ From 3.8 percent a year earlier.

Japan's economy remained on a downward trend, after posting a negative dynamics of 1.2 percent in 2008, reaching -5.2 percent in 2009. In the latter half of the reported year, the economic decline saw a slower pace against the background of a smaller decrease in industrial production and a rebound in exports. The average annual inflation rate, as measured by the consumer price index, stood at -1.4 percent from +1.4 percent in 2008. The unemployment rate rose from 4.0 percent in 2008 to 5.1 percent in 2009, after peaking at 5.7 percent in July.

Emerging Asia succeeded in countering the global recession by implementing fiscal stimulus measures and expansionary monetary policies; as a result, the region's economic growth came in at 5.7 percent in 2009. In China, economic growth slackened somewhat to 8.7 percent in 2009 against 9.6 percent in 2008. The fiscal stimulus measures combined with expansionary monetary policy helped achieve a doubling of investment in infrastructure and fostered private consumption. The average annual inflation rate stayed in negative territory in February – October 2009. The trade surplus declined about one third, owing to temporary factors. Due to the restrictions imposed on portfolio investments, banks' balance sheets were hedged against the crisis and capital outflows were contained. Starting with the second quarter of 2009, capital inflows reverted to pre-crisis levels and the foreign currency reserve added USD 500 billion to USD 2,400 billion at the end of 2009.

Latin America⁸ reported a 1.9 percent fall in GDP in 2009 (compared to a 4.2 percent increase in the prior year), the strongest decline since 1983, amid negative expectations of economic agents that made hefty cutbacks in their spending. The uncertainties surrounding the outlook for the labour market and the reduction in workers' remittances from abroad depressed household consumption. Gross fixed capital formation in turn dropped, especially in the machinery and equipment sub-sector.

However, in the latter part of the year the region's economy entered an upward path, driven by the economic stimulus measures, interest rate cuts, the gradual normalisation of the financial system and the improvement of expectations on the world economy. Urban unemployment rate climbed to 8.2 percent from 7.3 percent in the year before. The average annual inflation rate dropped from 8.2 percent in 2008 to 4.7 percent in 2009 against the backdrop of lower food and fuel prices on world markets and the contracting domestic demand, a trend manifest in the majority of the countries in the region, except Argentina and the Dominican Republic.

The aggregate current deficit of Latin America narrowed slightly in relative terms (to 0.4 percent of GDP, from 0.6 percent of GDP in 2008) thanks to a wider trade surplus, given that the rate of decline of imports was faster than that of exports. Most of the countries reporting external deficits saw an improvement in their external position, while oil-exporting countries recorded lower current account surpluses.

A positive contribution to the improvement in the region's current account deficits had the narrowing of the income deficit as a result of the reduction in interest rates and corporate profits. Inflows of current transfers edged lower, on the back of the 10.0 percent decline in workers' remittances (particularly from the USA and Spain) all across the region. The capital and financial account of Latin America reflected the favourable impact of improved access to financial markets, higher foreign direct investment and stronger foreign currency reserves.

⁸ Additional source: Economic Commission's Report for Latin America and the Caribbean (July 2010).

II. Romania's balance of payments and international investment position

A. Balance of payments

In 2009, Romania's current account deficit narrowed sharply on the back of the worsening external environment, which caused the steep decline in exports. Furthermore, imports decreased at a faster pace than exports, thereby reflecting the contraction of domestic demand.

1. Current account

In 2009, Romania's balance-of-payments current account deficit amounted to EUR 4,913 million, the lowest figure reported in the past six years. In year-on-year comparison, current account deficit went down 69.6 percent, while its share in GDP dropped 7.4 percentage points to 4.2 percent.

Table No. 1. Balance of payments

	2008			2009		
	Credit	Debit	Net	Credit	Debit	Net
1. CURRENT ACCOUNT	53,582	69,739	-16,157	44,055	48,968	-4,913
Goods and services	42,479	60,929	-18,450	36,147	43,312	-7,165
- goods	33,725	52,834	-19,109	29,084	35,955	-6,871
- services	8,754	8,095	659	7,063	7,357	-294
Incomes	2,268	5,951	-3,683	1,188	3,090	-1,902
Current transfers	8,835	2,859	5,976	6,720	2,566	4,154
2. CAPITAL AND FINANCIAL ACCOUNT	80,024	62,194	17,830	76,672	70,789	5,883
Capital transfers	879	264	615	791	278	513
Purchase-sale of non-produced/ non-financial assets	112	107	5	201	68	133
Direct investment	18,728	9,420	9,308	13,435	9,885	3,550
Portfolio investment	2,550	3,114	-564	1,715	1,198	517
Financial derivatives	600	890	-290	379	430	-51
Other capital investment	57,117	48,399	8,718	60,151	57,806	2,345
Reserve assets ("-" increase, "+" decrease)	38	-	38	-	1,124	-1,124
3. ERRORS AND OMISSIONS (NET)	-	1,673	-1,673	-	970	-970

The sharp narrowing of the current account deficit in 2009 was generated by the lower deficits under "Goods" and "Incomes"; their favourable impact on current account balance was limited by the decline in current transfers and the turning into deficit of the surplus under "Services".

1.1. Trade balance (goods and services)

In 2009, goods and services balance posted a deficit of EUR 7,165 million, down 61.2 percent year on year, exclusively on account of the goods balance.

1.1.1. Goods

Trade deficit came in at EUR 6,871 million⁹ in 2009, down 64.0 percent year on year, amid the stronger decline in imports than in exports. In year-on-year comparison, exports and imports fell by 13.8 percent and 31.9 percent respectively, whereas the share of trade deficit in GDP decreased by 7.8 percentage points to 5.9 percent.

Table No. 2. Trade balance (goods)

	2008	2009	Difference (+/-)
	- EUR millions -		
Exports (FOB)	33,725	29,084	-4,641
Imports (FOB)	52,834	35,955	-16,879
Trade balance (FOB/FOB)	-19,109	-6,871	12,238
	- percent -		- percentage points -
Share of exports in GDP	24.1	25.1	1.0
Share of imports in GDP	37.8	31.0	-6.8
Share of trade balance in GDP	-13.7	-5.9	7.8
Share of trade balance in current account balance	118.3	139.9	21.6
Coverage of imports through exports (FOB/FOB)	63.8	80.9	17.1
Economy openness: (exports+imports)/GDP	61.9	56.1	-5.8

Source: National Institute of Statistics

The highest monthly trade deficit, i.e. EUR 0.9 billion, was recorded in September 2009. During the period under review, the monthly average of the trade deficit stood at EUR 0.6 billion, down EUR 1 billion as against 2008.

Trade balance developments by the eight groups of goods point to surpluses under textiles, wearing apparel and footwear (EUR 989 million), machinery, equipment and transport means (EUR 158 million) and to deficits under chemicals and plastic products (EUR 3,809 million), mineral products (EUR 1,800 million), agrifoodstuffs (EUR 1,286 million), base metals (EUR 580 million), wood and paper products and other commodities (EUR 543 million).

The analysis by major output stage reveals the deficits posted by intermediate goods (EUR 4,268 million), raw materials (EUR 1,844 million), capital goods (EUR 401 million) and consumer goods (EUR 358 million).

The **geographical spread** shows that the deficit stemmed primarily from intra-EU trade (68.1 percent, of which trade with the euro area accounted for 33.6 percent), ahead of trade with countries outside the EU (31.9 percent). More than 90.0 percent of the 2009 trade deficit was generated by trade relations with Hungary (25.2 percent), the People's Republic of China (22.5 percent), Kazakhstan (17.8 percent), Austria (15.0 percent) and the Russian Federation (12.7 percent). The coverage of imports through exports rose by 17.1 percentage points to 80.9 percent, whereas the economy openness dropped 5.8 percentage points to 56.1 percent.

⁹ More than half of the trade deficit was built up in Q2 and Q4.

Exports of goods amounted to EUR 29,084 million¹⁰, down 13.8 percent from 2008, as a result of the expansion of the global financial crisis that affected international trade. About 81.0 percent of the decrease in export value (EUR 4,641 million) resulted from the lower volume (machinery, electrical machinery and apparatus; boilers, turbines, engines, apparatus and mechanical devices; metal products; petroleum products; wearing apparel and clothing accessories; footwear; plastic and plastic products), with the remaining 19.0 percent representing the contribution of lower external prices (products made of pig iron, iron, steel; petroleum products; grains; seeds, fruit and industrial technical plants; fertilisers; aluminium and products thereof; mineral fuels).

July saw the highest level of monthly exports in 2009, i.e. EUR 2.8 billion, while the monthly average of exports stood at EUR 2.4 billion, down EUR 0.4 billion from a year earlier. The products holding significant shares in exports are listed in Table No. 3:

Table No. 3. Goods with significant shares in total exports in 2009

	Share of goods in total exports %	- EUR millions -	Increase/decrease against 2008 %
Machinery, mechanic devices, electrical apparatus and equipment	26.4	7,671	-4.8
Transport means and materials	16.8	4,882	18.0
Chemicals, plastics, rubber and products thereof	8.6	2,506	-20.2
Cast, laminated metal products made of iron, steel, pig iron, aluminium and copper (excluding scrap metal)	8.3	2,403	-43.6
Wearing apparel, knitted and crocheted clothing	8.2	2,379	-20.0
Petroleum products	5.0	1,446	-44.9
Footwear and leather goods	3.9	1,122	-17.6
Furniture (including components)	3.5	1,032	-8.5
Wood and wood items	3.2	918	-3.3

Source: National Institute of Statistics

The products whose share in total exports widened were: machinery, mechanical devices, electrical apparatus and equipment (26.4 percent in 2009 from 23.9 percent in 2008), transport means and materials (16.8 percent in 2009 from 12.3 percent in 2008). The share of footwear and leatherwear, furniture, wood and products thereof remained broadly unchanged at 3.9 percent, 3.5 percent and 3.2 percent respectively. The share of the following groups in total exports witnessed a decline: chemical, plastic and rubber products (8.6 percent in 2009 from 9.3 percent a year earlier), cast, laminated metal products made of iron, steel, pig iron, aluminium, copper¹¹ (8.3 percent in 2009 against 12.6 percent in 2008), wearing apparel, knitted and crocheted clothing (8.2 percent in 2009 from 8.8 percent a year earlier) and petroleum products (5.0 percent in 2009 versus 7.8 percent in 2008).

Imports of goods amounted to EUR 35,955 million¹², down 31.9 percent versus 2008. Some 88.0 percent of the decrease in import value (EUR 16,879 million) were ascribed to the lower volume (motorcars, tractors; boilers, turbines, engines, mechanical devices; pig iron, iron, steel and products thereof;

¹⁰ The share of exports of goods in GDP moved ahead from 24.1 percent in 2008 to 25.1 percent in 2009.

¹¹ Excluding scrap metal.

¹² The share of imports of goods in GDP narrowed to 31.0 percent in 2009 from 37.8 percent a year earlier.

electrical machinery, apparatus and equipment; crude oil; furniture and lighting appliances; natural gas; mineral fuels), with the remaining 12.0 percent being accounted for by lower external prices (crude oil; motorcars, tractors; plastic and products thereof; iron pig, iron and steel; petroleum products; natural gas; grains). During 2009, monthly imports peaked at EUR 3.5 billion in September, while their monthly average was EUR 3.0 billion, down EUR 1.4 billion from a year earlier. The goods holding significant shares in total imports are depicted in Table No. 4:

Table No. 4. Goods with significant shares in total imports in 2009

	Share of goods in total imports %	- EUR millions -	Increase/decrease against 2008 %
Electrical machinery, appliances and equipment, apparatus for recording and reproducing sound and image	14.8	5,326	-9.8
Machinery, engines, apparatus and mechanical devices (including components)	12.2	4,402	-34.8
Energy products (crude oil, natural gas, petroleum products, coal, coke)	9.3	3,354	-48.7
Products made of pig iron, iron, steel and non-ferrous metals	8.9	3,194	-43.2
Motorcars, tractors and other road vehicles	6.3	2,259	-60.6
Fabrics made of wool, cotton and man-made fibres, man-made fibres, textile products	5.0	1,809	-20.9
Plastics and plastic products	4.8	1,719	-24.2
Pharmaceuticals	4.8	1,711	2.6
Food, beverages and tobacco	3.3	1,188	-6.4
Wearing apparel and footwear	2.7	988	-20.2
Vegetal products	2.3	839	-21.2

Source: National Institute of Statistics

The products whose share in total imports moved ahead were: electrical machinery, apparatus and equipment, sound and image recorders and reproducers (14.8 percent in 2009 from 11.2 percent in 2008); fabrics made of wool, cotton and man-made fibres (5.0 percent in 2009 from 4.3 percent in 2008), pharmaceuticals (4.8 percent in 2009 versus 3.2 percent a year earlier), food, beverages and tobacco (3.3 percent in 2009 from 2.4 percent in 2008). The share of the following groups of goods in total imports remained virtually unchanged: plastic and plastic products (4.8 percent), wearing apparel and footwear (2.7 percent) and vegetal products (2.3 percent). The share of the following groups in total imports witnessed a fall: machinery, engines, apparatus and mechanical devices, including components (12.2 percent in 2009 from 12.8 percent in 2008), energy products (9.3 percent in 2009 from 12.4 percent in 2008), motor vehicles, tractors and other road vehicles (6.3 percent in 2009 from 10.8 percent in 2008), products made of pig iron, iron, steel and non-ferrous metals (8.9 percent in 2009 from 10.6 percent in 2008).

1.1.1.1. Structure and geographical distribution of exports

a) Structure of exports

Manufacturing was the main driver of Romanian exports, with a share of 92.3 percent in total exports. The value of exports of industrial goods reached EUR 26,838 million in 2009.

Table No. 5. Exports (FOB) by main economic activity

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	33,725	29,084	86.2	100.0	100.0
Agriculture, forestry and fishery	1,394	1,316	94.4	4.1	4.5
Mining and quarrying	56	48	85.7	0.2	0.2
Manufacturing	31,105	26,838	86.3	92.2	92.3
Electricity, heating, gas and water	275	140	50.9	0.8	0.5
Other	895	742	82.9	2.7	2.6

Source: National Institute of Statistics

Exports of manufactured goods fell by 13.7 percent as against 2008 for most activities¹³, except for road transport means (10.1 percent), computer technology, electrical and optical devices (35.3 percent), food items (8.9 percent), pharmaceuticals (127.1 percent) and tobacco products (39.3 percent). Above-average decreases in exports were recorded by the following sub-sectors: metal products (-50.6 percent), coking and petroleum processing (-46.7 percent), chemicals (-43.5 percent), metal construction and metal products¹⁴ (-24.1 percent), wearing apparel (-20.5 percent).

Table No. 6. Exports (FOB) by main manufacturing activity

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	31,105	26,838	86.3	100.0	100.0
Food	494	538	108.9	1.6	2.0
Beverages	69	57	82.6	0.2	0.2
Tobacco products	262	365	139.3	0.8	1.4
Textile products	665	632	95.0	2.1	2.4
Wearing apparel	2,823	2,244	79.5	9.1	8.4
Leather and leather goods	1,048	1,031	98.4	3.4	3.8
Woodworking (excluding furniture)	948	920	97.0	3.0	3.4
Paper and paper products	169	140	82.8	0.5	0.5
Coal coking and petroleum processing	3,004	1,601	53.3	9.7	6.0
Chemical products and substances	1,850	1,045	56.5	5.9	3.9
Basic pharmaceuticals and pharmaceutical products	166	377	227.1	0.5	1.4
Rubber and plastic products	1,187	1,144	96.4	3.8	4.3
Other non-metallic mineral products	249	202	81.1	0.8	0.8
Metallurgy	3,211	1,586	49.4	10.3	5.9
Metallic construction and metal products (except machinery and equipment)	1,072	814	75.9	3.4	3.0
Computer technology and electrical and optical devices	1,767	2,391	135.3	5.7	8.9
Electrical equipment	2,322	2,108	90.8	7.5	7.9
Machinery and equipment	2,574	2,162	84.0	8.3	8.1
Road transport means, trailers and semi-trailers	4,285	4,718	110.1	13.8	17.6
Other transport means	1,480	1,479	99.9	4.8	5.5
Furniture	1,109	990	89.3	3.6	3.7
Other	351	294	83.8	1.1	1.1

Source: National Institute of Statistics

In year-on-year comparison, the **structure of exports by output stage** indicated an expansion in the share of exports of capital goods (up 6.1 percentage points to 21.4 percent), consumer goods

¹³ In descending order considering the share of goods in total exports.

¹⁴ Except machinery and equipment.

(up 2.4 percentage points to 23.0 percent) and raw materials (up 0.3 percentage points to 7.3 percent), along with a decline in the share of intermediate goods (down 8.8 percentage points to 48.3 percent), as shown in Table No. 7.

Table No. 7. Exports (FOB) by output stage¹⁾

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	33,725	29,084	86.2	100.0	100.0
Raw materials	2,373	2,109	88.9	7.0	7.3
Intermediate goods	19,217	14,077	73.3	57.1	48.3
Capital goods	5,144	6,218	120.9	15.3	21.4
Consumer goods	6,991	6,680	95.6	20.6	23.0

¹⁾ UN Classification (based on foreign trade classification by Broad Economic Category - National Institute of Statistics)

In 2009, the following four groups of goods made a larger contribution to exports than in 2008: machinery, equipment and transport means (by 7.0 percentage points), agrifoodstuffs (by 1.3 percentage points), wood and paper products (by 0.4 percentage points) and other products (by 0.5 percentage points).

Table No. 8. Exports (FOB) by group of goods

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	33,725	29,084	86.2	100.0	100.0
Agrifoodstuffs	2,165	2,243	103.6	6.4	7.7
Mineral products	3,142	1,784	56.8	9.3	6.1
Chemical and plastic products	3,139	2,506	79.8	9.3	8.6
Paper and wood products	1,112	1,084	97.5	3.3	3.7
Textiles, wearing apparel and footwear	4,782	3,924	82.1	14.2	13.5
Metal products	4,941	2,922	59.1	14.6	10.0
Machinery, equipment and transport means	12,200	12,553	102.9	36.2	43.2
Other	2,244	2,068	92.2	6.7	7.2

Source: National Institute of Statistics

b) Geographical distribution of exports

In 2009, the geographical distribution of exports showed a 9.1 percent year-on-year decline in **intra-EU exports** to **EUR 21,600 million**. The share of intra-EU exports in total exports came in at 74.3 percent, up 3.8 percentage points versus 2008.

Table No. 9. Exports (FOB) by group of countries

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	33,725	29,084	86.2	100.0	100.0
1. Intra-EU exports	23,765	21,600	90.9	70.5	74.3
<i>of which:</i>					
Germany	5,535	5,442	98.3	16.4	18.7
Italy	5,219	4,461	85.5	15.5	15.3
France	2,491	2,378	95.5	7.4	8.2
Hungary	1,726	1,266	73.3	5.1	4.4
Bulgaria	1,397	1,106	79.2	4.1	3.8
United Kingdom	1,105	970	87.8	3.3	3.3
The Netherlands	980	953	97.2	2.9	3.3
Spain	774	868	112.1	2.3	3.0
Austria	778	684	87.9	2.3	2.4
Poland	668	647	96.9	2.0	2.2
2. Extra-EU exports	9,960	7,484	75.1	29.5	25.7
<i>of which:</i>					
Turkey	2,205	1,450	65.8	6.5	5.0
The Russian Federation	613	514	83.8	1.8	1.8
The Republic of Moldova	562	374	66.5	1.7	1.3
Ukraine	825	349	42.3	2.4	1.2
USA	579	344	59.4	1.7	1.2

Source: National Institute of Statistics

Exports to the European Union went down for most groups of goods¹⁵, special mention deserving metal products (-46.7 percent), mineral products (-40.4 percent), textiles, wearing apparel and footwear (-17.8 percent), chemicals and plastic products (-11.5 percent), wood and paper products (-6.0 percent) and other goods (-6.3 percent).

Table No. 10. Exports (FOB) to the European Union by group of goods

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	23,765	21,600	90.9	100.0	100.0
Agrifoodstuffs	1,430	1,742	121.8	6.0	8.1
Mineral products	1,116	665	59.6	4.7	3.1
Chemical and plastic products	1,988	1,760	88.5	8.4	8.1
Paper and wood products	596	560	94.0	2.5	2.6
Textiles, wearing apparel and footwear	4,528	3,722	82.2	19.1	17.2
Metal products	3,027	1,614	53.3	12.7	7.5
Machinery, equipment and transport means	9,138	9,718	106.3	38.5	45.0
Other	1,942	1,819	93.7	8.2	8.4

Source: National Institute of Statistics

In 2009, the following groups of goods increased their contribution to export growth: machinery, equipment and transport means (by 6.5 percentage points), agrifoodstuffs (by 2.1 percentage points), wood and paper products (by 0.1 percentage points) and other goods (by 0.2 percentage points).

¹⁵ Except for agrifoodstuffs (21.8 percent) and machinery, apparatus, equipment and transport means (6.3 percent).

Extra-EU exports amounted to **EUR 7,484 million**, down 24.9 percent versus 2008, accounting for 25.7 percent of total exports¹⁶.

The **first ten export destinations**¹⁷ in 2009 were the following: Germany (18.7 percent of total exports), Italy (15.3 percent), France (8.2 percent), Turkey (5.0 percent), Hungary (4.4 percent), Bulgaria (3.8 percent), the United Kingdom (3.3 percent), the Netherlands (3.3 percent), Spain (3.0 percent) and Austria (2.4 percent).

1.1.1.2. Structure and geographical distribution of imports

a) Structure of imports

The structure of imports by output stage in 2009 illustrates an increase in the share of intermediate goods (by 4.6 percentage points to 51.0 percent) and consumer goods (by 3.7 percentage points to 19.6 percent), alongside a decrease in the share of capital goods (by 5.5 percentage points to 18.4 percent) and raw materials (by 2.8 percentage points to 11.0 percent), as shown in Table No. 11.

Table No. 11. Imports (FOB) by output stage¹⁾

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	52,834	35,955	68.1	100.0	100.0
Raw materials	7,269	3,953	54.4	13.8	11.0
Intermediate goods	24,511	18,345	74.8	46.4	51.0
Capital goods	12,646	6,619	52.3	23.9	18.4
Consumer goods	8,408	7,038	83.7	15.9	19.6

¹⁾ UN classification (based on foreign trade classification by Broad Economic Category – National Institute of Statistics)

In 2009, the demand for imports was upheld in a proportion of more than 80.0 percent by five groups of goods: machinery, apparatus, equipment and transport means; chemical and plastic products; mineral products; metal products and agrifoodstuffs.

In year-on-year comparison, the shares of the following four groups of goods in total imports narrowed: mineral products (by 3.7 percentage points), machinery, equipment and transport means (by 1.9 percentage points), metal products (by 1.7 percentage points) and other goods (by 0.3 percentage points).

¹⁶ Down 3.8 percentage points versus 2008.

¹⁷ Holding 67.4 percent of total exports.

Table No. 12. Imports (FOB) by group of goods

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	52,834	35,955	68.1	100.0	100.0
Agrifoodstuffs	4,012	3,529	88.0	7.6	9.8
Mineral products	7,246	3,584	49.5	13.7	10.0
Chemical and plastic products	7,421	6,315	85.1	14.0	17.6
Paper and wood products	1,445	1,176	81.4	2.7	3.3
Textiles, wearing apparel and footwear	3,717	2,935	79.0	7.0	8.2
Metal products	6,001	3,502	58.4	11.4	9.7
Machinery, equipment and transport means	19,242	12,395	64.4	36.4	34.5
Other	3,750	2,519	67.2	7.2	6.9

Source: National Institute of Statistics

More than 15.0 percent of the goods imported in 2009 witnessed above-average decreases: motorcars; freight transport vehicles; well gas; crude oil; iron ore; coke and semi-coke; petroleum products; metal products; air conditioning machinery and equipment; automated data processing systems; TV receiving sets; printing machinery and equipment; furniture.

b) Geographical distribution of imports

Intra-EU imports amounted to **EUR 26,280 million** in 2009, down 28.5 percent year on year. The share of intra-EU imports in total imports increased by 3.5 percentage points versus 2008 to 73.1 percent.

Table No. 13. Imports (FOB) by group of countries

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	52,834	35,955	68.1	100.0	100.0
1. Intra-EU imports	36,771	26,280	71.5	69.6	73.1
<i>of which:</i>					
Germany	8,685	6,223	71.7	16.4	17.3
Italy	6,111	4,201	68.7	11.6	11.7
Hungary	3,964	2,999	75.7	7.5	8.3
France	2,963	2,217	74.8	5.6	6.2
Austria	2,606	1,713	65.7	4.9	4.8
The Netherlands	1,970	1,389	70.5	3.7	3.9
Poland	1,785	1,278	71.6	3.4	3.6
Czech Republic	1,313	847	64.5	2.5	2.4
Belgium	1,055	747	70.8	2.0	2.1
2. Extra-EU imports	16,063	9,675	60.2	30.4	26.9
<i>of which:</i>					
China	2,228	1,756	78.8	4.2	4.9
The Russian Federation	3,080	1,386	45.0	5.8	3.9
Turkey	2,562	1,348	52.6	4.8	3.7
Kazakhstan	2,370	1,273	53.7	4.5	3.5
USA	766	475	62.0	1.4	1.3
Ukraine	483	217	44.9	0.9	0.6

Source: National Institute of Statistics

Imports from the European Union posted declines for all groups of goods, as indicated in Table No. 14:

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
TOTAL	36,771	26,280	71.5	100.0	100.0
Agrifoodstuffs	3,206	2,854	89.0	8.7	10.9
Mineral products	823	544	66.1	2.2	2.1
Chemical and plastic products	5,909	5,171	87.5	16.1	19.7
Paper and wood products	1,170	979	83.7	3.2	3.7
Textiles, wearing apparel and footwear	3,023	2,448	81.0	8.2	9.3
Metal products	3,925	2,646	67.4	10.7	10.1
Machinery, equipment and transport means	15,823	9,675	61.1	43.0	36.8
Other	2,892	1,963	67.9	7.9	7.5

Source: National Institute of Statistics

Extra-EU imports equalled **EUR 9,675 million**, down 39.8 percent versus 2008, accounting for 26.9 percent of total imports¹⁸.

In 2009, Romania's **imports** came mainly from the following **ten countries**: Germany (17.3 percent of total imports), Italy (11.7 percent), Hungary (8.3 percent), France (6.2 percent), the Popular Republic of China (4.9 percent), Austria (4.8 percent), the Netherlands (3.9 percent), the Russian Federation (3.9 percent), Turkey (3.7 percent) and Poland (3.6 percent). Imports from these countries accounted for 68.3 percent of total imports.

1.1.1.3. Efficiency of foreign trade in goods

Table No. 15 comprises the analysis of foreign trade in goods, by volume and prices, in 2009.

	- percent, previous year = 100 -	
	2008	2009
Value indices		
Exports	114.1	86.2
Imports	111.5	68.1
Unit value indices		
Exports	103.8	89.3
Imports	103.4	89.3
Physical volume indices		
Exports	109.9	96.5
Imports	107.9	76.3
Terms of trade index		
Net (unit values)	100.4	100.1
Gross (physical volume)	101.9	126.5

Source: National Institute of Statistics

In 2009, **the export and import unit values** saw identical decreases, i.e. 10.7 percent. Above-average declines in **the export unit value** were recorded by the following goods: fertilizers (-43.0 percent), pig

¹⁸ Down 3.5 percentage points from 2008.

iron, iron and steel (-35.3 percent), fuels and petroleum products (-32.8 percent), seeds, fruit and industrial technical plants (-32.7 percent), aluminium and products thereof (-30.8 percent), organic chemicals (-26.1 percent), cereals (-25.2 percent), plastic products (-16.2 percent), machinery, apparatus and electrical equipment (-15.0 percent), inorganic chemicals (-12.6 percent), and glass and glass products (-11.2 percent). The largest decreases in **the import unit value** were reported mainly by: animal fats and vegetal oils (-32.7 percent), fuels and petroleum products (-29.0 percent), pig iron, iron and steel (-26.2 percent), inorganic chemicals (-23.4 percent), ores (-18.6 percent), organic chemicals (-16.8 percent), machinery, apparatus and electrical equipment (-13.4 percent), plastic products (-12.4 percent) and wood products (-11.6 percent).

In 2009, **the physical volume of exports** decreased by 3.5 percent, owing particularly to: inorganic chemicals (-39.6 percent), pig iron, iron and steel products (-34.4 percent), organic chemicals (-32.9 percent), fertilizers (-25.8 percent), wearing apparel and accessories (-24.8 percent), glass and glass products (-24.3 percent), boilers, turbines, engines, mechanical apparatus and devices (-21.9 percent), footwear (-20.5 percent), pig iron, iron and steel (-17.2 percent), and fuels and petroleum products (-15.9 percent).

The dynamics of **the physical volume of imports** decelerated strongly from 7.9 percent in 2008 to -23.7 percent in 2009, mainly owing to: ores (-69.2 percent), motorcars, tractors and other road vehicles (-60.1 percent), pig iron, iron and steel (-39.6 percent), stone, plaster and cement products (-35.4 percent), boilers, turbines, engines, mechanical apparatus and devices (-31.5 percent), wood products (-28.4 percent), fuels and petroleum products (-27.8 percent), pig iron, iron and steel products (-27.4 percent), optical and photographic apparatus and instruments (-24.8 percent), and edible fruit (-24.0 percent).

Net terms of trade index came in at 100.1 percent in 2009, amid identical decreases in the prices of exported and imported goods, i.e. 10.7 percent. **Gross terms of trade index** stood at 126.5 percent, pointing to a sharper decline in the physical volume of imports (-23.7 percent) than in that of exports (-3.5 percent).

1.1.1.4. Balance on energy resources

In 2009, the balance on energy resources posted a **deficit of EUR 1,646 million**¹⁹, down 53.2 percent year on year, while the coverage of imports of energy resources through exports thereof increased by 4.7 percentage points to 51.3 percent. The deficit reported by the balance on energy resources narrowed by EUR 1,869 million versus 2008, given that the exports of petroleum products offset in a proportion of 70.0 percent the imports of crude oil (EUR 2,069 million in 2009).

Exports of energy products totalled EUR 1,734 million²⁰, down 43.5 percent from 2008. The value of the exports of energy resources posted a EUR 1,335 million decrease year on year, which was accounted for in a proportion of 59.0 percent by the lower external prices and in a proportion of 41.0 percent by the lesser volume. Imports of energy products amounted to EUR 3,380 million²¹, down 48.7 percent versus 2008. The value of the imports of energy resources posted a EUR 3,203 million decline year on year,

¹⁹ Increasing as a share of trade deficit to 24.0 percent in 2009 from 18.4 percent in 2008.

²⁰ Decreasing as a share of total exports to 6.0 percent in 2009 from 9.1 percent in 2008.

²¹ Declining as a share of total imports to 9.4 percent in 2009 from 12.5 percent in 2008.

which was accounted for in a proportion of 57.0 percent by the volume drop and in a proportion of 43.0 percent by the fall in external prices.

Table No. 16. Net imports (FOB) of energy products

	- EUR millions -	
	2008	2009
TOTAL	-3,515	-1,646
Natural gas	-1,224	-430
Electricity	233	114
Crude oil	-3,714	-2,069
Petroleum products	1,913	975
Mineral fuels	-723	-236

Source: National Institute of Statistics

1.1.2. Services balance

The services balance posted a deficit of EUR 294 million in 2009, compared to a EUR 659 million surplus in the previous year, due to the sharper fall in receipts than in payments. "Transport" was the only component of the services balance which displayed a surplus.

Table No. 17. Services balance

	- EUR millions -		Indices (%)	Structure (%)	
	2008	2009	2009/2008	2008	2009
Receipts	8,754	7,063	80.7	100.0	100.0
transport	2,684	2,077	77.4	30.7	29.4
tourism-travel	1,358	884	65.1	15.5	12.5
other	4,712	4,102	87.1	53.8	58.1
Payments	8,095	7,357	90.9	100.0	100.0
transport	2,697	2,000	74.2	33.3	27.2
tourism-travel	1,477	1,051	71.2	18.2	14.3
other	3,921	4,306	109.8	48.4	58.5
Net	659	-294	x		
transport	-13	77	x		
tourism-travel	-119	-167	140.3		
other	791	-204	x		

Receipts from services totalled EUR 7,063 million (down 19.3 percent from 2008), while services-related payments stood at EUR 7,357 million (down 9.1 percent), with most components contributing to such declines, except for payments under "Other services", which went up 9.8 percent.

1.1.2.1. Transport services

"Transport" recorded a EUR 77 million surplus in 2009 compared to a EUR 13 million deficit in the previous year, as a result of the significant fall in payments under "Goods transport". The deficit under "Goods transport" was wholly covered by surpluses under "Passenger transport" and "Other transport services".

Table No. 18. Transport services

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
Receipts	2,684	2,077	77.4	100.0	100.0
freight (goods transport)	1,711	1,298	75.9	63.7	62.5
passenger transport	428	327	76.4	15.9	15.7
other transport services	545	452	82.9	20.3	21.8
Payments	2,697	2,000	74.2	100.0	100.0
freight (goods transport)	2,373	1,615	68.1	88.0	80.8
passenger transport	157	214	136.3	5.8	10.7
other transport services	167	171	102.4	6.2	8.6
Net	-13	77	x		
freight (goods transport)	-662	-317	47.9		
passenger transport	271	113	41.7		
other transport services	378	281	74.3		

“Goods transport” displayed a deficit of EUR 317 million in 2009, down 52.1 percent year on year, owing to the drop in payments related to sea, air and road transport services and to transport services via main oil pipelines. “Other transport services” recorded a surplus of EUR 281 million, i.e. 25.7 percent lower than in 2008, on account of the decrease in receipts from sea, river, railway and road transport services.

“Passenger transport” posted a surplus of EUR 113 million in 2009, down 58.3 percent year on year, on account of the drop in receipts from air, railway and road transport services.

1.1.2.2. Tourism-travel services

In 2009, the deficit under “Tourism-travel” amounted to EUR 167 million, up 40.3 from the previous year, owing to the pronounced decrease in receipts from “Business travel”.

Table No. 19. Tourism-travel services

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
Receipts	1,358	884	65.1	100.0	100.0
business travel	1,077	643	59.7	79.3	72.7
private tourism	281	241	85.8	20.7	27.3
Payments	1,477	1,051	71.2	100.0	100.0
business travel	752	666	88.6	50.9	63.4
private tourism	725	385	53.1	49.1	36.6
Net	-119	-167	140.3		
business travel	325	-23	x		
private tourism	-444	-144	32.4		

1.1.2.3. Other services

“Other services” posted a EUR 204 million deficit in 2009, compared to a EUR 791 million surplus in the previous year, as a result of the rise in payments alongside a decline in receipts. The main services contributing to the widening of the deficit were communication services, advertising, marketing and opinion polls services, agricultural and geological prospecting services, financial services, licence taxes and copyright services.

Table No. 20. Other services

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
Receipts	4,712	4,102	87.1	100.0	100.0
<i>of which:</i>					
communication services	784	623	79.5	16.6	15.2
advertising, marketing and opinion polls services	423	310	73.3	9.0	7.6
agricultural and geological prospecting services	349	146	41.8	7.4	3.6
financial services	319	128	40.1	6.8	3.1
licence taxes and copyright services	163	136	83.4	3.5	3.3
Payments	3,921	4,306	109.8	100.0	100.0
<i>of which:</i>					
communication services	573	803	140.1	14.6	18.6
advertising, marketing and opinion polls services	130	104	80.0	3.3	2.4
agricultural and geological prospecting services	34	56	164.7	0.9	1.3
financial services	190	324	170.5	4.8	7.5
licence taxes and copyright services	239	260	108.8	6.1	6.0
Net	791	-204	x		
<i>of which:</i>					
communication services	211	-180	x		
advertising, marketing and opinion polls services	293	206	70.3		
agricultural and geological prospecting services	315	90	28.6		
financial services	129	-196	x		
licence taxes and copyright services	-76	-124	163.2		

1.2. Income balance

The income balance ended year 2009 on a EUR 1,902 million deficit (38.7 percent of the current account deficit), down 48.4 percent from 2008, owing to the decrease in non-residents' receipts from direct investment²².

²² Survey on foreign direct investment in Romania in 2009 (the National Bank of Romania and the National Institute of Statistics).

Table No. 21. Income balance

	- EUR millions -		Indices (%)
	2008	2009	2009/2008
Receipts	2,268	1,188	52.4
compensation of employees	1,156	492	42.6
direct investment	13	24	184.6
portfolio investment	838	538	64.2
other capital investment (interest)	261	134	51.3
Payments	5,951	3,090	51.9
compensation of employees	115	46	40.0
direct investment	2,983	874	29.3
portfolio investment	675	313	46.4
other capital investment (interest)	2,178	1,857	85.3
Net	-3,683	-1,902	51.6
compensation of employees	1,041	446	42.8
direct investment	-2,970	-850	28.6
portfolio investment	163	225	138.0
other capital investment (interest)	-1,917	-1,723	89.9

1.3. Current transfers balance

The current transfers balance posted a surplus of EUR 4,154 million in 2009, down 30.5 percent from 2008, owing mainly to the fall in Romanian workers' remittances from abroad. The private transfers balance displayed a surplus of EUR 3,391 million, down 32.9 percent versus 2008, on account of "Other private transfers". Out of EUR 3,391 million worth of total net private transfers, remittances from abroad (mainly from Italy, Spain, USA, Greece, Germany and the United Kingdom) accounted for 84.2 percent.

Table No. 22. Current transfers balance

	- EUR millions -		Indices (%)	Structure (%)	
	2008	2009	2009/2008	2008	2009
Receipts	8,835	6,720	76.1	100.0	100.0
government sector	2,227	2,360	106.0	25.2	35.1
private transfers	6,608	4,360	66.0	74.8	64.9
Payments	2,859	2,566	89.8	100.0	100.0
government sector	1,302	1,597	122.7	45.5	62.2
private transfers	1,557	969	62.2	54.5	37.8
Net	5,976	4,154	69.5		
government sector	925	763	82.5		
private transfers	5,051	3,391	67.1		

The funds allocated to Romania from the EU budget in 2009 totalled EUR 2,777 million²³, out of which EUR 2,360 million represented current transfers of the government sector and EUR 417 million stood for other capital transfers of the government sector (non-redeemable funds for equipment purchase). The European funds granted to Romania in 2009 include pre-accession funds²⁴ (22.3 percent of total

²³ Source: Ministry of Public Finance.

²⁴ PHARE, ISPA and SAPARD.

EU funds), structural and cohesion funds²⁵ (31.4 percent), funds for agriculture and rural development²⁶ (41.1 percent) and other funds²⁷ (5.2 percent). Payments to the European Union amounted to EUR 1,364 million, out of which 96.4 percent represented Romania's contribution to the EU budget and 3.6 percent were other contributions.

2. Capital and financial account

In 2009, the financial crisis had an impact on the financial account. Thus, the capital and financial account surplus equalled EUR 5,883 million, 67.0 percent lower than in 2008, owing to foreign direct investment by non-residents in Romania and to other capital investment.

Table No. 23. Capital and financial account

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
Credit	80,024	76,672	95.8	100	100.0
capital transfers	879	791	90.0	1.1	1.0
purchase/sale of non-produced/ non-financial assets	112	201	179.5	0.1	0.3
direct investment	18,728	13,435	71.7	23.4	17.5
portfolio investment	2,550	1,715	67.3	3.2	2.2
financial derivatives	600	379	63.2	0.7	0.5
other investment	57,117	60,151	105.3	71.4	78.5
NBR reserve assets	38	-	x	0.0	x
Debit	62,194	70,789	113.8	100.0	100.0
capital transfers	264	278	105.3	0.4	0.4
purchase/sale of non-produced/ non-financial assets	107	68	63.6	0.2	0.1
direct investment	9,420	9,885	104.9	15.1	14.0
portfolio investment	3,114	1,198	38.5	5.0	1.7
financial derivatives	890	430	48.3	1.4	0.6
other investment	48,399	57,806	119.4	77.8	81.7
NBR reserve assets	-	1,124	x	x	1.6
Net	17,830	5,883	33.0		
capital transfers	615	513	83.4		
purchase/sale of non-produced/ non-financial assets	5	133	26.6 times		
direct investment	9,308	3,550	38.1		
portfolio investment	-564	517	x		
financial derivatives	-290	-51	17.6		
other investment	8,718	2,345	26.9		
NBR reserve assets	38	-1,124	x		

²⁵ European Regional Development Fund (ERDF), Cohesion Fund (CF), European Social Fund (ESF).

²⁶ European Fund for Agriculture and Rural Development (EFARD), European Fund for Fishing (EFF), European Fund for Agricultural Guarantee (EFAG).

²⁷ Schengen facility also for cash flows, European Fund for Refugees.

Financial account assets show the changes in residents' investment abroad, purchases of foreign securities, financial derivatives, deposits with banks abroad, loans and official reserves. In 2009, net foreign assets expanded 6.7 times versus the previous year (EUR 2,784 million, compared with EUR 417 million).

Table No. 24. Foreign assets and liabilities

	- EUR millions -					
	2008			2009		
	Credit	Debit	Net	Credit	Debit	Net
Foreign assets	13,548	13,965	-417	16,561	19,345	-2,784
direct investment	55	243	-188	156	94	62
portfolio investment	455	668	-213	597	736	-139
financial derivatives	600	0	600	379	0	379
other investment	12,400	13,054	-654	15,429	17,391	-1,962
NBR reserve assets	38	-	38	-	1,124	-1,124
Foreign liabilities	65,485	47,858	17,627	59,119	51,098	8,021
direct investment	18,673	9,177	9,496	13,279	9,791	3,488
portfolio investment	2,095	2,446	-351	1,118	462	656
financial derivatives	0	890	-890	0	430	-430
other investment	44,717	35,345	9,372	44,722	40,415	4,307

Financial account liabilities reflect investment by non-residents in Romania, deposits of non-residents, financial derivatives and loans and borrowings. In 2009, foreign liabilities increased by EUR 8,021 million, compared with EUR 17,627 million in 2008.

2.1. Direct investment

In 2009, direct investment attracted by EU Member States from outside the EU totalled EUR 222 billion, up 12.0 percent from the previous year. Among the countries that attracted the largest direct investment were Luxembourg (total inflows of EUR 87.7 billion, i.e. 40.0 percent of EU27 total), the United Kingdom (EUR 34.0 billion, i.e. 15 percent), France (EUR 10.4 billion, i.e. 5.0 percent). The USA continued to be the largest source of direct investment in EU27 (EUR 97 billion in 2009, compared to EUR 50 billion in 2008), followed by offshore financial centres²⁸ (EUR 40 billion in 2009, compared to EUR 20 billion in 2008) and Switzerland (EUR 32 billion in 2009, compared to EUR 11 billion in 2008)²⁹. According to the annual European attractiveness survey released by Ernst & Young³⁰, in 2009, "investors' confidence in Central and Eastern Europe collapsed and the number of projects fell by almost a quarter. The industry helped take some pressure off, given the confirmation of the long-term potential of markets looking for equipment and infrastructure". The data provided by Eurostat reveal that out of the countries having joined the European Union in 2004 and after, Hungary is the only one to be found in the top-ten direct investment recipients.

In 2009, net direct investment³¹ in Romania totalled EUR 3,550 million, down 61.9 percent versus the previous year. **Non-residents' investment in Romania** amounted to EUR 3,488 million, of which

²⁸ Eurostat aggregate including 38 countries among which: Liechtenstein, the Faroe Islands, Andorra, Gibraltar, Panama, Bahamas.

²⁹ Source: Eurostat Press release on EU27 Foreign Direct Investment, 24 June 2010.

³⁰ Article published on www.bursa.ro/on-line on 13 June 2010.

³¹ Non-residents' net investment in Romania and residents' net investment abroad.

EUR 1,729 million were equity stakes (consolidated with the net loss) and EUR 1,759 million intra-group loans³². In 2009, significant share capital increases saw the CEZ Group, Ford Romania, Banca Millennium and Schaeffler Romania.

Table No. 25. Direct investment

	- EUR millions -		Indices (%) 2009/2008	Structure (%)	
	2008	2009		2008	2009
Credit	18,728	13,435	71.7	100.0	100.0
investment by non-residents in Romania	18,673	13,279	71.1	99.7	98.8
investment by residents abroad	55	156	283.6	0.3	1.2
Debit	9,420	9,885	104.9	100.0	100.0
investment by non-residents in Romania	9,177	9,791	106.7	97.4	99.0
investment by residents abroad	243	94	38.7	2.6	1.0
Net	9,308	3,550	38.1		
investment by non-residents in Romania	9,496	3,488	36.7		
investment by residents abroad	-188	62	x		

2.2. Portfolio investment

Net inflows of portfolio investment amounted to EUR 517 million in 2009, compared with net outflows worth EUR 564 million in 2008. This evolution is attributable particularly to the transactions in securities issued by the government sector.

Table No. 26. Portfolio investment

	- EUR millions -					
	2008			2009		
	Credit	Debit	Net	Credit	Debit	Net
Assets	455	668	-213	597	736	-139
Banks	106	100	6	39	206	-167
Government sector	0	0	-	0	0	-
Other sectors	349	568	-219	558	530	28
Liabilities	2,095	2,446	-351	1,118	462	656
Banks	125	634	-509	93	124	-31
Government sector	1,254	1,088	166	742	79	663
Other sectors	716	724	-8	283	259	24

2.3. Financing of the current account deficit

In 2009, 82.7 percent of the current account deficit were covered from direct investment and capital transfers, while the remainder was covered from other capital investment.

³² Loans between the foreign investor and the resident company.

Table No. 27. Financing of the current account deficit

	- EUR millions -	
	2008	2009
Financing sources	16,157	4,913
<i>a. capital transfers, net</i>	<i>615</i>	<i>513</i>
<i>b. direct investment, net</i>	<i>9,308</i>	<i>3,550</i>
<i>of which:</i>		
- direct investment by non-residents in Romania	9,496	3,488
equity stakes (consolidated with the net loss)	4,873	1,729
intra-group loans	4,623	1,759
<i>c. portfolio investment, net</i>	<i>-564</i>	<i>517</i>
<i>d. other capital investment:</i>	<i>6,760</i>	<i>1,457</i>
- medium- and long-term loans	5,723	10,151
inflows	12,499	17,553
repayments	6,776	7,402
- medium- and long-term loans, net	59	-52
- short-term loans, net	-1,680	-4,672
- other investment ¹	2,658	-3,970
<i>e. NBR reserve assets ("-" shows an increase)</i>	<i>38</i>	<i>-1,124</i>

¹⁾ Net value of the items non-produced/non-financial assets, financial derivatives, cash and deposits, other assets, other liabilities, errors and omissions is included.

Net capital transfers ended the year on a EUR 513 million surplus, down 16.6 percent against 2008, after some PHARE funds, which had not been resorted to, were returned.

Net inflows from **medium- and long-term borrowings** stood at EUR 10,151 million, 77.4 percent higher than in 2008, after Romania received the tranches for 2009 from the loans granted by the IMF, the EU and the World Bank. In 2009, the inflows from medium- and long-term loans and credits were 40.4 percent higher than in the previous year and repayments rose by 9.2 percent. Net outflows from **short-term loans and credits** totalled EUR 4,672 million, i.e. 2.8 times higher than in the previous year.

B. Romania's international investment position

1. General features

The debit balance of Romania's international investment position kept widening, amounting to EUR 73.8 billion at end-2009, up EUR 4.7 billion from a year earlier. Behind this development stood net external transactions (EUR -5.2 billion), exchange rate movements (EUR 1.6 billion), the revaluation of prices of financial instruments (EUR 0.3 billion) and other transactions (EUR -1.4 billion).

Year 2009 saw an increase in debt-creating capital inflows and foreign investment in Romania. Thus, at end-2009, gross external debt totalled EUR 81.2 billion and foreign participating interests in the share capital of Romanian companies amounted to EUR 35.6 billion.

At end-2009, the monetary authority was still the only institutional sector posting a net creditor position (EUR 25,098.1 million), down 10.3 percent from end-2008. The net debtor position of the banking sector narrowed by 15.8 percent from end-2008 to EUR -26,035.7 million, as a direct impact of the non-residents' closing their short-term positions with banks in Romania. The net debtor position of the government sector widened markedly (EUR -11,216.6 million), up 42.6 percent from end-2008, given the higher external debt of this sector, which financed the budget deficit for 2009. The same as in the prior years, real economy posted a net debtor position (EUR -61,600.2 million, up 5.8 percent from end-2008), following the takeover to the external debt of a percentage of the banking sector's claims on the corporate and household sectors, which were transferred to non-resident parent banks.

Table No. 28. International investment position

	31.12.2008		31.12.2009	
	- EUR millions -	%	- EUR millions -	%
TOTAL	-69,006.4	100.0	-73,754.4	100.0
Government sector	-7,863.3	11.4	-11,216.6	15.2
Monetary authority	27,970.7	-40.5	25,098.1	-34.0
Banking sector	-30,917.1	44.8	-26,035.7	35.3
Other sectors	-58,196.7	84.3	-61,600.2	83.5

On the background of capital inflows, Romania's international reserve rose by EUR 2.6 billion, reaching EUR 30.9 billion at end-2009. Foreign assets of the banking sector came in at EUR 2.7 billion, up 102 percent against end-2008. Therefore, the foreign exchange reserve of the NBR and the banking sector totalled EUR 31 billion, covering 8.6 months of imports compared to 5.4 months at end-2008.

Table No. 29. Foreign reserve assets

	- EUR millions -	
	31.12.2008	31.12.2009
1. National Bank of Romania	28,270	30,858
gold	2,049	2,556
convertible currencies	26,221	28,302
2. Banks	1,344	2,716
convertible currencies	1,344	2,716
3. Foreign reserve assets	29,614	33,574
<i>of which:</i>		
3.1. convertible currencies	27,565	31,018
4. Short-term foreign liabilities (banking sector)	10,547	6,104
Net international reserve (item 3-item 4)	19,067	27,470
<i>of which:</i>		
Net foreign exchange reserve (item 3.1-item 4)	17,018	24,914

2. International investment position

2.1. Foreign assets

At end-2009, foreign assets stood at EUR 43,713.7 million, up 12.0 percent year on year, due to capital transactions in amount of EUR 2,787.1 million and revaluation flows (price, exchange rate and reclassification effects) totalling EUR 1,887.3 million.

Table No. 30. Foreign assets by instrument

	31.12.2008		31.12.2009	
	- EUR millions -	%	- EUR millions -	%
TOTAL	39,039.3	100.0	43,713.7	100.0
direct investment	1,053.5	2.7	969.6	2.2
equity stakes	457.6	1.2	310.4	0.7
inter-company loans	595.9	1.5	659.2	1.5
portfolio investment	1,080.7	2.8	1,194.1	2.7
shares	555.2	1.4	404.4	0.9
bonds	512.0	1.3	777.7	1.8
money market instruments	13.5	0.0	12.0	0.0
other investment	8,635.1	22.1	10,691.5	24.5
financial credits	2,525.4	6.5	2,835.4	6.5
trade credits	2,768.2	7.1	3,374.9	7.7
cash and deposits	2,472.9	6.3	3,640.5	8.3
other assets	868.6	2.2	840.7	1.9
reserve assets	28,270.0	72.4	30,858.5	70.6

The structure of foreign assets by the main components of the capital account remained almost unchanged from end-2008, with reserve assets further holding more than 70.0 percent of total, slightly down from the prior year (1.8 percentage points), followed by “other investment” (24.5 percent), portfolio investment (2.7 percent) and direct investment abroad (2.2 percent).

Residents' direct investment abroad totalled EUR 969.6 million at end-2009, down 8.0 percent from a year earlier, as a result of the losses incurred by the Romanian companies performing business abroad. The stock of loans granted by resident parent banks to their affiliates abroad rose to EUR 659.2 million, up 10.6 percent from end-2008.

Amid the financial turmoil on the world capital market and the economic crisis that affected the Romanian business environment in 2009, the **balance on portfolio investment** of Romanian investors remained low (EUR 1,194.1 million), close to that reported at end-2008. The structure of portfolio investment by instrument shows the Romanian investors' bias for bonds or other medium- and long-term securities (up 51.9 percent compared to end-2008) rather than for shares, units of collective investment undertakings and money market instruments.

During the period under review, the **balance on other investment** widened by 23.8 percent, mainly as a result of the larger balance on the residents' deposits abroad (EUR 3,640.5 million, up 47.2 percent from end-2008, on trade credits relative to the exports of goods and services (EUR 3,374.9 million, up 21.9 percent) and on financial credits (EUR 2,835.4 million, up 12.3 percent). The step-up in the balances on deposits abroad stemmed from the banking sector's placing its own funds on the international market following the liquidity surplus generated by the cut in minimum reserve requirements, corroborated by the tighter lending to the Romanian private sector.

At end-2009, **reserve assets** with the NBR amounted to EUR 30,858 million against EUR 28,270 million at end-2008 following net transactions (EUR 1,124 million) and revaluation flows (EUR 1,464 million). Accordingly, Romania's international reserve went up 9.2 percent due to capital inflows in the form of loans from the IMF and the European Commission, covering 8.5 months of imports of goods and services at end-2009. The ratio of international reserve to the balance on short-term debt, based on the residual maturity, increased to 112.5 percent compared to 94.1 percent a year earlier.

The structure of foreign assets by institutional sector shows that the monetary authority further held the largest share (70.7 percent), followed by the assets of the real sector (16.8 percent), the assets of the banking sector (7.1 percent) and the assets of the government sector (5.4 percent).

Table No. 31. Structure of foreign assets by institutional sector

	31.12.2008		31.12.2009	
	- EUR millions -	%	- EUR millions -	%
TOTAL	39,039.3	100.0	43,713.7	100.0
Monetary authority	28,299.5	72.5	30,887.5	70.7
Government sector	2,390.7	6.1	2,366.0	5.4
Banking sector	1,646.8	4.2	3,100.6	7.1
Other sectors	6,702.3	17.2	7,359.6	16.8

2.2. Foreign liabilities

At end-2009, foreign liabilities amounted to EUR 117,468.1 million, up 8.7 percent from a year earlier, as a result of net foreign transactions (EUR 8,020.7 million) and of revaluation flows (EUR 1,401.7 million).

Table No. 32. Foreign liabilities by instrument

	31.12.2008		31.12.2009	
	- EUR millions -	%	- EUR millions -	%
TOTAL	108,045.7	100.0	117,468.1	100.0
direct investment	48,796.7	45.2	49,984.0	42.6
equity stakes	34,891.0	32.3	35,599.7	30.3
inter-company loans	13,905.7	12.9	14,384.3	12.2
portfolio investment	4,416.8	4.1	4,918.7	4.2
shares	1,465.4	1.4	1,387.4	1.2
bonds	2,871.7	2.7	2,950.3	2.5
money market instruments	79.7	0.1	581.0	0.5
other investment	54,832.2	50.7	62,565.4	53.3
financial credits	36,731.5	34.0	48,056.1	40.9
trade credits	2,773.5	2.6	1,417.8	1.2
cash and deposits	9,466.8	8.8	5,613.0	4.8
other liabilities	5,860.4	5.4	7,478.5	6.4

The structure of foreign liabilities by main financial instrument shows that “other investment” still held the largest weight (53.3 percent), up 2.6 percentage points from the prior year, followed by direct investment (42.5 percent) and portfolio investment (4.2 percent).

At end-2009, the **balance on non-residents’ direct investment in Romania** (foreign direct investment) came in at EUR 49,984 million, up 2.4 percent year on year, due to the net capital inflows in 2009, in amount of EUR 3,488.7 million and favourable impact of share price movements (EUR 178 million). However, the weakening of the Romanian currency against the main currencies had a negative impact on the stock of direct investment in Romania, exchange rate losses totalling EUR 2,451 million in the period under review.

The major foreign investors³³ in Romania as of 31 December 2009 came from the Netherlands (21.8 percent), Austria (18.1 percent), Germany (13.4 percent), France (8.5 percent), Greece (6.6 percent), Italy (5.1 percent), and Cyprus (4.7 percent).

The geographic spread of foreign direct investment was as follows: Bucharest-Ilfov region (63.4 percent), Centre (7.4 percent), South (7.2 percent), West (6.2 percent), South-East (5.9 percent), South-West (4.1 percent), North-West (3.9 percent), North-East (1.9 percent).

Foreign direct investment was channelled mostly to manufacturing (31.1 percent), construction (12.9 percent), trade (12.3 percent), information technology and communications (6.5 percent) and electricity, heating, gas, water (5.8 percent).

³³ Statistical survey on foreign direct investment in Romania in 2009 (National Bank of Romania and National Institute of Statistics).

The two components of direct investment – equity stakes and intra-group loans – increased by 2.0 percent and 3.4 percent respectively under the reviewed period, yet, compared to end-2008, their weight in total foreign liabilities contracted by 2 percentage points and 0.7 percentage points respectively.

At end-2009, the share of **portfolio investment** in total foreign liabilities remained almost unchanged at 4.2 percent year on year, moving up EUR 501.9 million in absolute terms. The need to finance the 2009 budget deficit prompted the Ministry of Public Finance to launch securities on the domestic capital market, partly purchased by non-resident investors. Long-term EUR-denominated government securities and short-term government securities were in high demand, which led to a 2.7 percent rise in the balance on bonds year on year and a sevenfold increase in the balance on money market instruments.

Other investment totalled EUR 62.6 billion at end-2009, up 14.1 percent from end-2008 due to the capital inflows contracted by the monetary authority and the government sector. The breakdown by financial instrument shows that the balance on financial credits stood 30.8 percent higher in the period under review, as a result of loans from the International Monetary Fund, the European Union and the World Bank, commitments taken by the government sector and the monetary authority. Moreover, the stock of financial credits of the real sector increased as the external debt reflected the transfer of some Romanian banks' claims on the private sector to the parent banks abroad. In 2009, the balance on trade credits narrowed by 48.9 percent, a direct effect of lower imports of goods and services. Foreign liabilities of the banking sector, in the form of short-term deposits, dropped by 40.7 percent due to non-residents' closing their short-term positions. The position "other liabilities", which includes mainly medium- and long-term deposits of non-residents, saw a 27.6 percent increase against end-2008, parent banks preferring this form of financing for their affiliates, following the change of the calculation method for minimum reserve requirements.

Table No. 33. Foreign liabilities by institutional sector

	31.12.2008		31.12.2009	
	- EUR millions -	%	- EUR millions -	%
TOTAL	108,045.7	100.0	117,468.1	100.0
Monetary authority	328.8	0.3	5,789.4	4.9
Government sector	10,254.0	9.5	13,582.6	11.6
Banking sector	32,563.9	30.1	29,136.3	24.8
Other sectors	64,899.0	60.1	68,959.8	58.7

The structure of foreign liabilities by institutional sector shows that, at end-2009, real economy still held the largest share (58.7 percent), down 1.4 percentage points, followed by the banking sector (24.8 percent), down 5.3 percentage points, the government sector (11.6 percent), up 2.1 percentage points and the monetary authority (4.9 percent), up 4,6 percentage points compared to end-2008.

2.2.1. External debt

At end-2009, **external debt**³⁴ ran at EUR 81.2 billion, 12.3 percent higher from end-2008, given net capital inflows amounting to more than EUR 7 billion in the reviewed period.

External debt by currency points out that the euro was in the lead (62.8 percent), followed by the US dollar (5.7 percent) and other currencies (31.5 percent). The composition of the foreign exchange reserve at end-2009 was the following: the euro (62.9 percent), the US dollar (29.4 percent) and other currencies (7.7 percent).

Table No. 34. Foreign reserve assets and external debt by currency, as of year-end 2009

	Foreign reserve assets		External debt	
	- EUR millions -	%	- EUR millions -	%
TOTAL	28,302	100.0	81,220	100.0
EUR	17,802	62.9	51,013	62.8
USD	8,330	29.4	4,631	5.7
Other	2,170	7.7	25,576	31.5

Medium- and long-term external debt came in at EUR 65,816 million at end-2009, 27.2 percent higher from a year earlier, due to net inflows in amount of EUR 13,900 million, EUR/USD exchange rate losses (EUR 546 million) and of some debt-to-equity swaps (EUR 392 million).

Medium- and long-term external debt by creditor at end-2009 shows that private creditors held 75.9 percent (down 10.9 percentage points year on year) and international financial institutions accounted for 24.1 percent. Out of private creditors, banks held 75.4 percent, foreign companies and other financial institutions accounted for 18.7 percent and portfolio investment represented 5.9 percent.

³⁴ External debt balance is cash-based, net of accrued unmatured interest.

Table No. 35. Medium- and long-term external debt by creditor

	31.12.2008		31.12.2009	
	- EUR millions -	%	- EUR millions -	%
TOTAL	51,762	100.0	65,816	100.0
<i>International financial institutions</i>	6,493	12.5	15,642	23.8
IBRD	1,762	3.4	2,052	3.1
EIB	2,181	4.2	2,493	3.8
EBRD	1,060	2.0	1,312	2.0
EU	100	0.2	1,575	2.4
IMF	0	0.0	6,620	10.1
<i>Bilateral relations</i>	333	0.6	237	0.3
Korea	52	0.1	49	0.1
Germany	182	0.4	134	0.2
Japan	8	0.0	6	0.0
<i>Portfolio investment</i>	2,872	5.5	2,950	4.5
CF First Boston Switzerland	750	1.4	750	1.1
Deutsche Bank	1,398	2.7	1,370	2.1
JP Morgan	492	1.0	492	0.7
<i>Private banks</i>	33,409	64.5	37,653	57.2
Austria	16,088	31.1	16,272	24.7
Germany	1,855	3.6	1,871	2.8
France	2,072	4.0	1,892	2.9
Greece	2,670	5.2	4,822	7.3
Italy	634	1.2	774	1.2
Luxemburg	951	1.8	1,195	1.8
Hungary	1,106	2.1	1,095	1.7
The Netherlands	2,466	4.8	5,059	7.7
United Kingdom	2,850	5.5	2,482	3.8
<i>Other</i>	8,655	16.7	9,334	14.2

Medium- and long-term external debt by maturity at end-2009 shows that the share of long-term debt rose by 1.3 percentage points from the prior year, further holding the largest weight (69.7 percent), while medium-term debt accounted for 30.3 percent and derived mainly from non-publicly guaranteed borrowings.

Table No. 36. Medium- and long-term external debt by maturity

	31.12.2008		31.12.2009	
	- EUR millions -	%	- EUR millions -	%
TOTAL	51,762	100.0	65,816	100.0
1-5 years	16,366	31.6	19,960	30.3
public debt	147	0.3	966	1.5
publicly guaranteed debt	69	0.1	3	0.0
non-publicly guaranteed debt	16,150	31.2	18,991	28.9
more than 5 years	35,396	68.4	45,856	69.7
public debt	8,882	17.2	16,660	25.3
publicly guaranteed debt	1,652	3.2	1,515	2.3
non-publicly guaranteed debt	24,862	48.0	27,681	42.1

Medium- and long-term external debt by interest rate shows that floating-rate borrowings were still in the lead, i.e. 63.1 percent. The most frequently used floating rates were 3M EURIBOR (16.4 percent), 6M EURIBOR (11.0 percent) and 6M EURO LIBOR (6.5 percent). Fixed-rate foreign borrowings made up 36.9 percent of total, up 5 percentage points from end-2008.

Table No. 37. Medium- and long-term external debt by interest rate

	31.12.2008		31.12.2009	
	- EUR millions -	%	- EUR millions -	%
TOTAL	51,762	100.0	65,816	100.0
Floating rates	35,268	68.1	41,507	63.1
<i>of which:</i>				
IBRD STANDARD RATE	226	0.4	163	0.2
3M USD LIBOR	1,919	3.7	1,786	2.7
6M USD LIBOR	3,023	5.8	2,948	4.5
12M USD LIBOR	376	0.7	439	0.7
6M EURO LIBOR	1,992	3.8	4,259	6.5
1M EURIBOR	2,845	5.5	3,319	5.0
3M EURIBOR	10,138	19.6	10,773	16.4
6M EURIBOR	6,592	12.7	7,239	11.0
12M EURIBOR	1,652	3.2	1,810	2.8
Fixed rates	16,494	31.9	24,309	36.9
0.0-4.99%	6,520	12.6	15,755	23.9
5.0-9.99%	8,729	16.9	8,554	13.0
over 10.0%	1,245	2.4	0	0.0

In 2009, **short-term external debt** fell by 25.2 percent year on year, totalling EUR 15.4 billion and accounting for 19.0 percent of gross external debt at end-2009.

External debt service amounted to EUR 49,038 million in 2009, of which principal repayments equalled EUR 46,252 million and payments of interest and commissions totalled EUR 2.786 million. By maturity, the share of short-term external debt service rose from 71.4 percent in 2008 to 75.0 percent in 2009, whereas the share of medium- and long-term external debt service dropped from 28.6 percent to 25.0 percent.

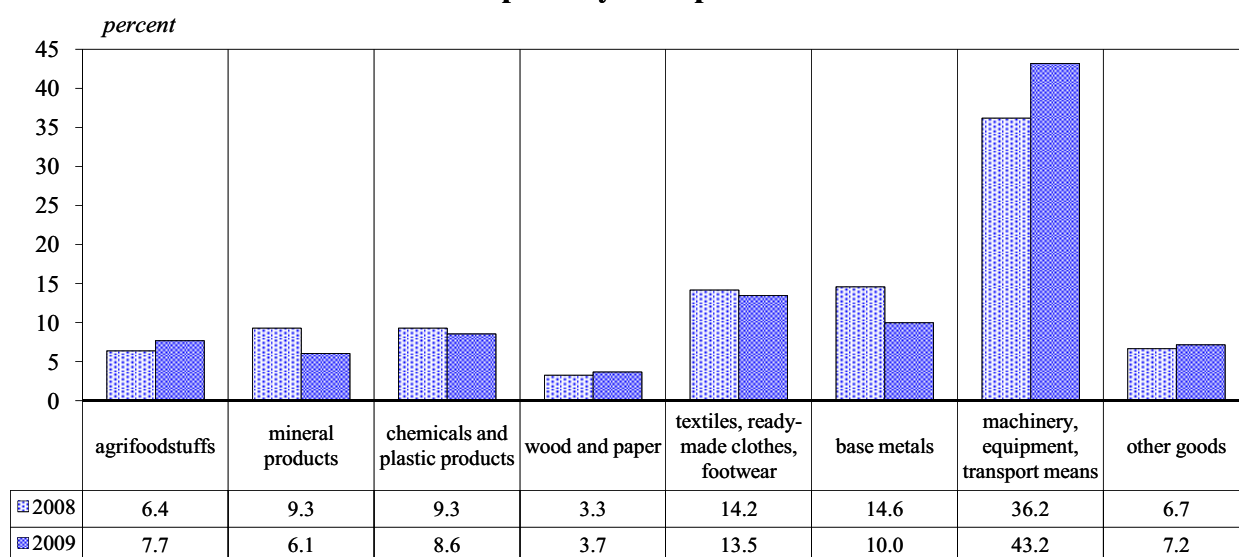
The main **indebtedness indicators** show that the external debt service ratio stood at 135.7 percent, while the ratio of external debt service to official reserve was 158.9 percent at end-2009. The share of external debt in GDP rose to 70.1 percent, up 18.3 percentage points from end-2008, and the ratio of external debt to exports of goods and services was 224.7 percent. The share of interests in total exports of goods and services stood at a level similar to that reported a year earlier (7.7 percent).

Charts

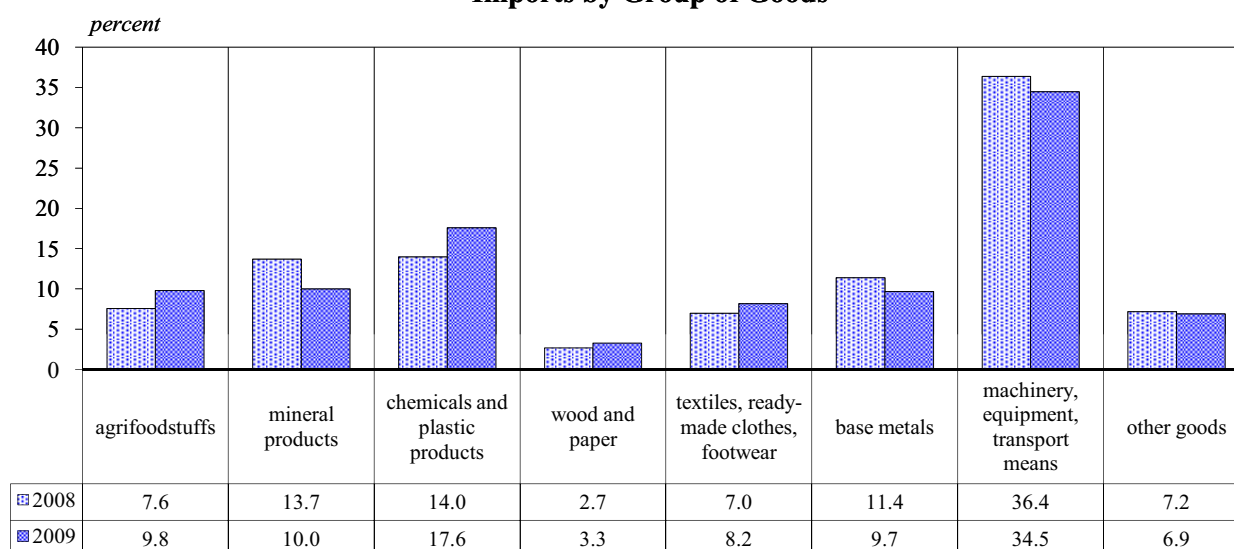
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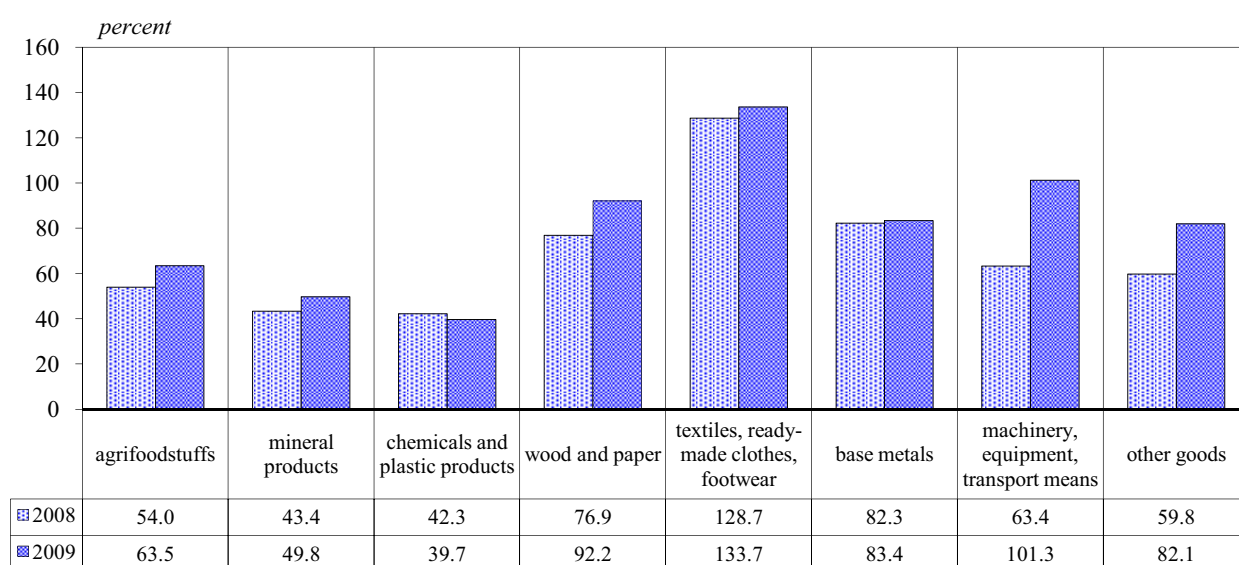
Exports by Group of Goods



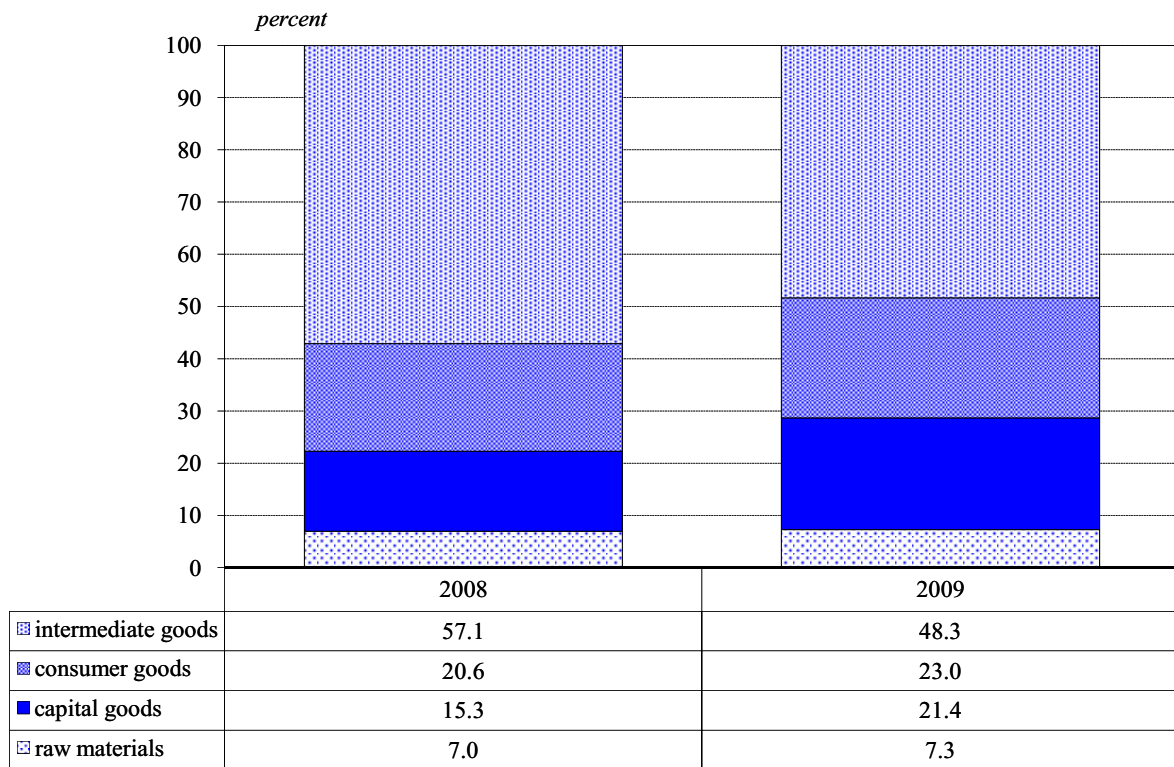
Imports by Group of Goods



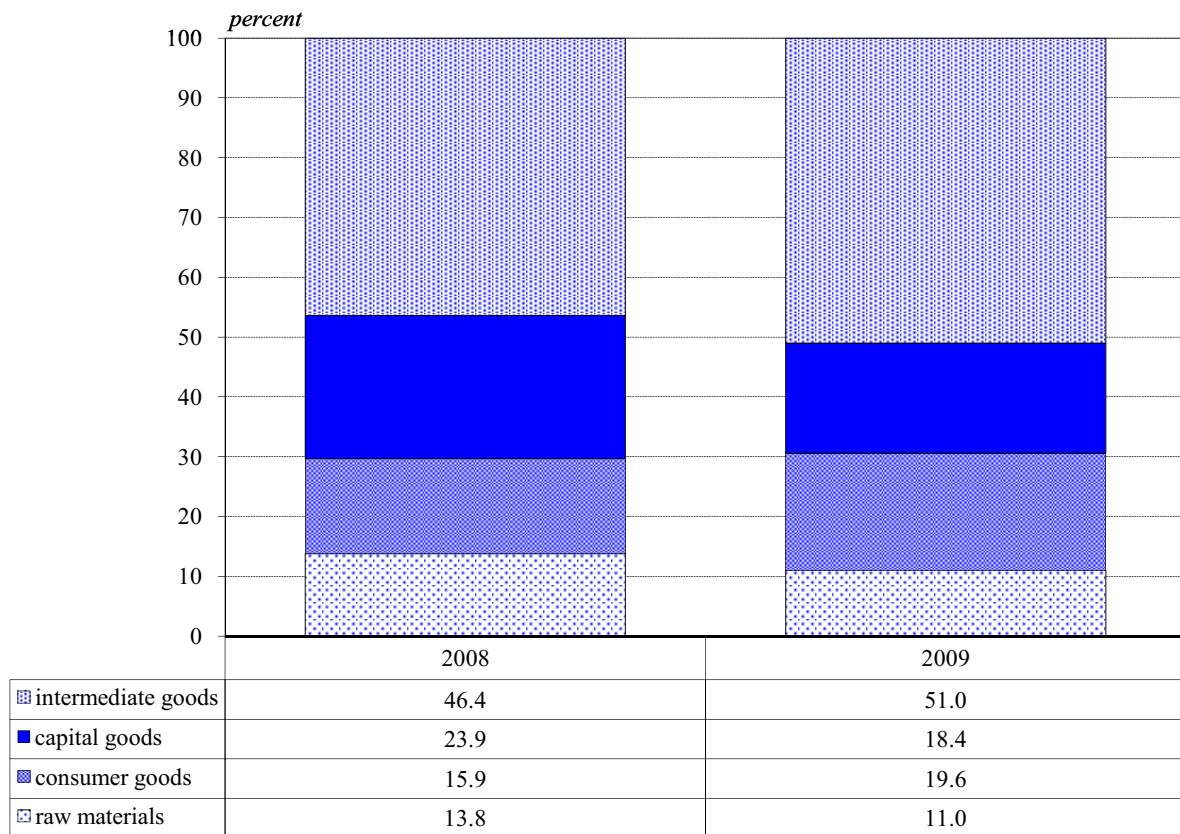
Coverage of Imports through Exports by Group of Goods



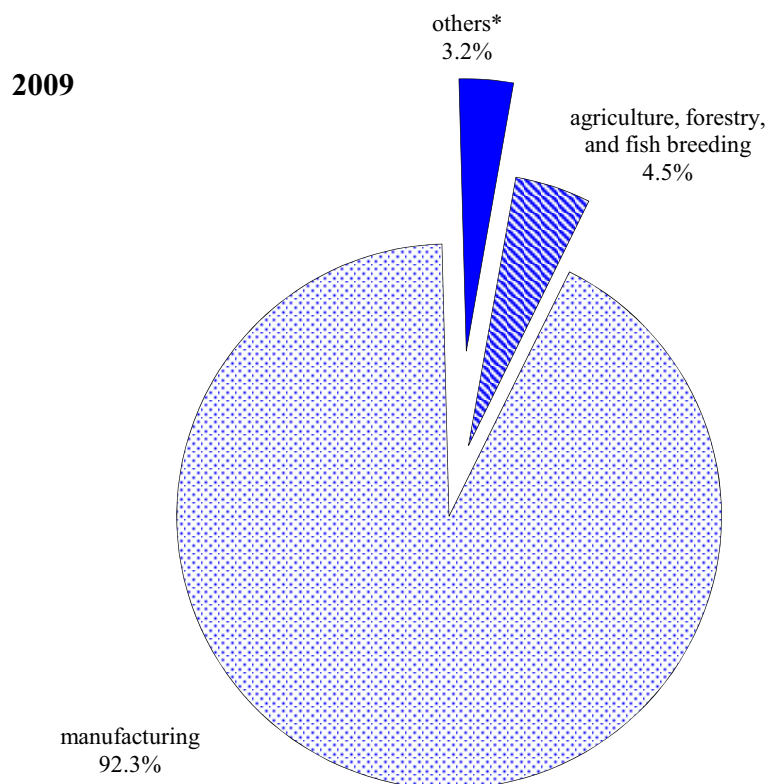
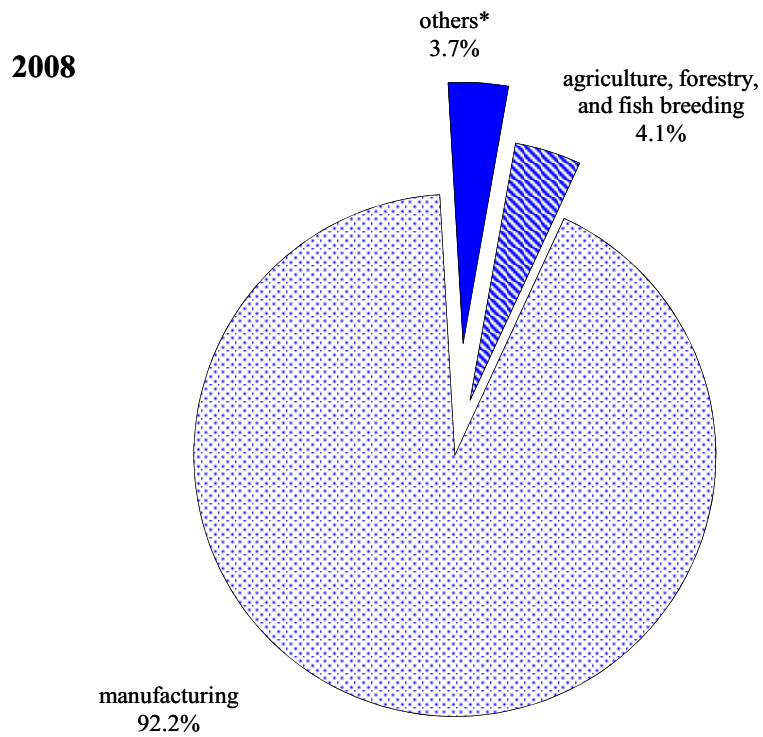
Exports by Production Stage



Imports by Production Stage

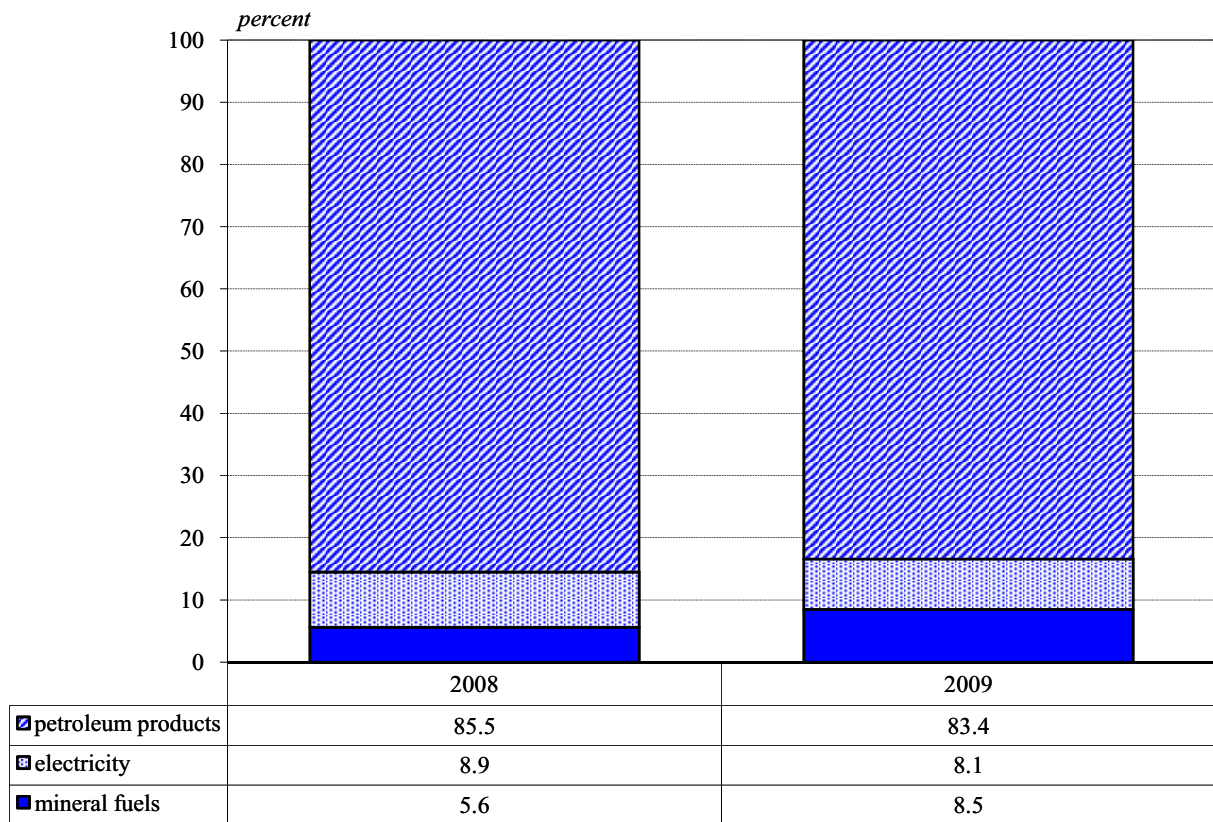


Exports by Economic Sector

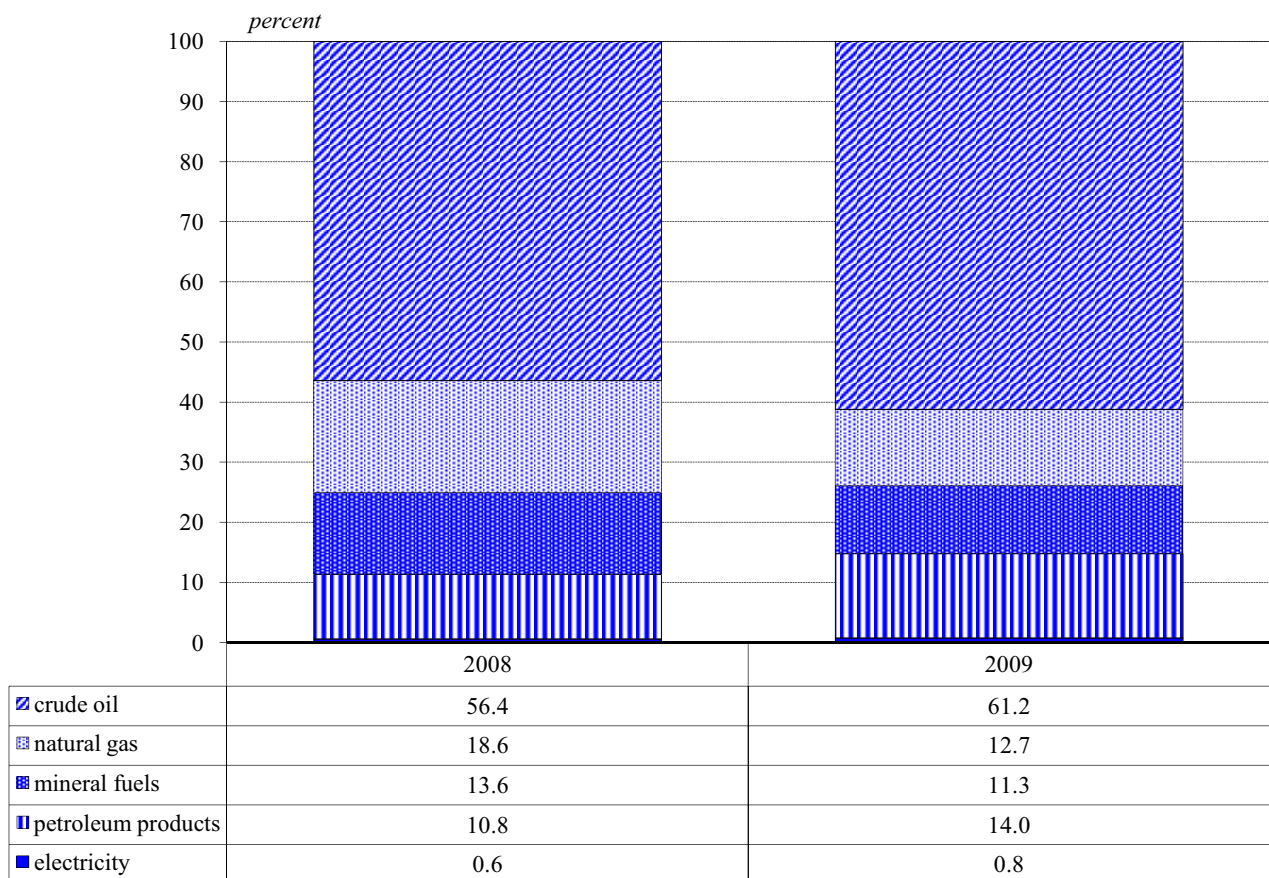


*) including mining, electricity, heating, gas, water and unclassified activities

Export Value of Energy Products

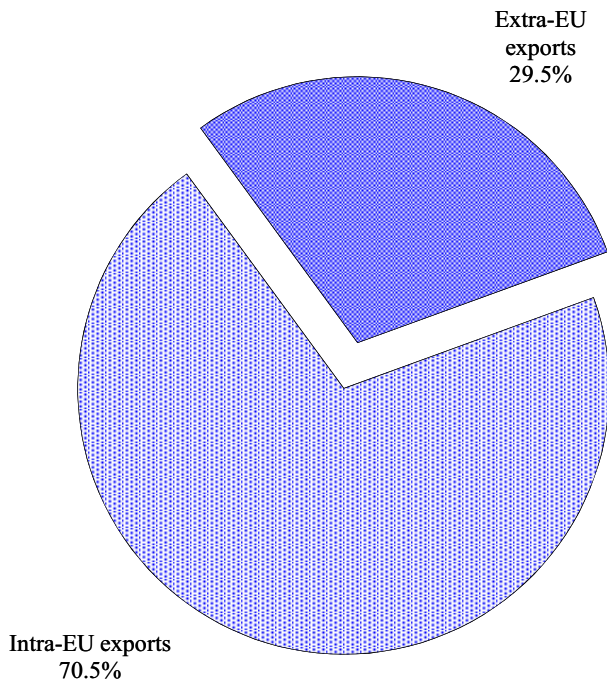


Import Value of Energy Products

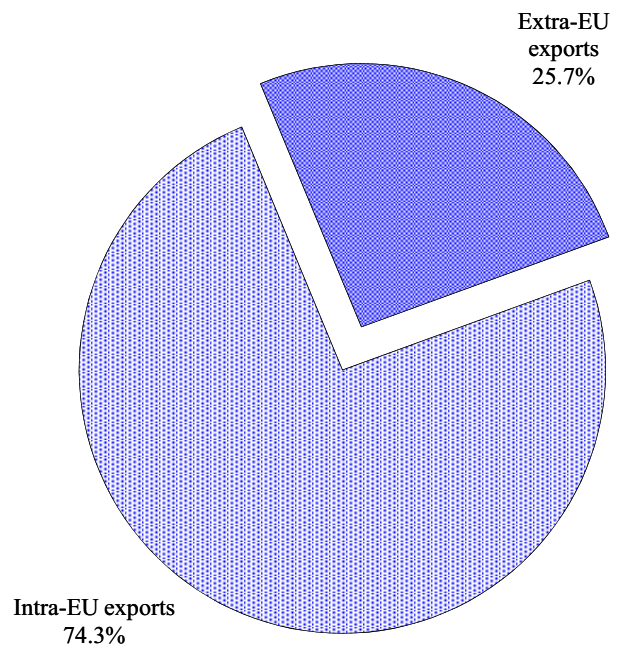


Geographical Distribution of Exports

2008

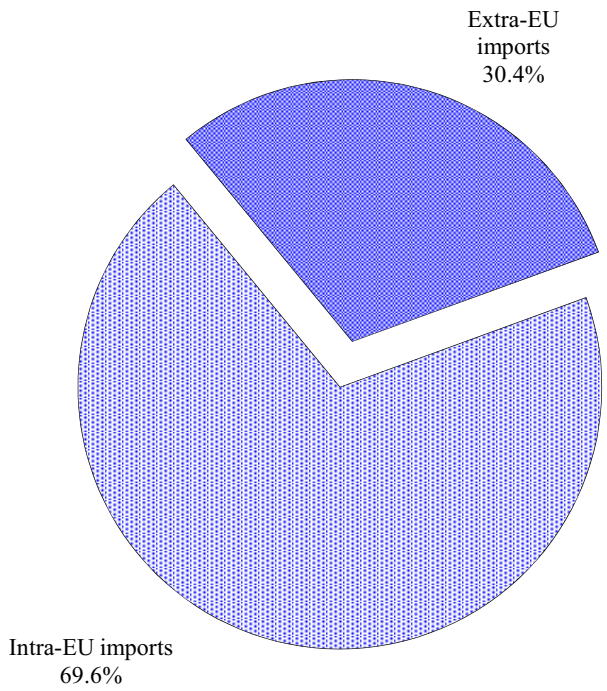


2009

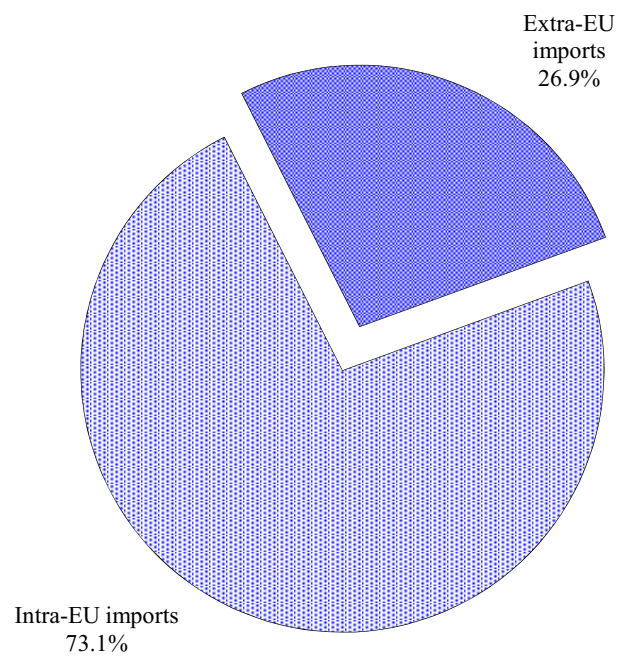


Geographical Distribution of Imports

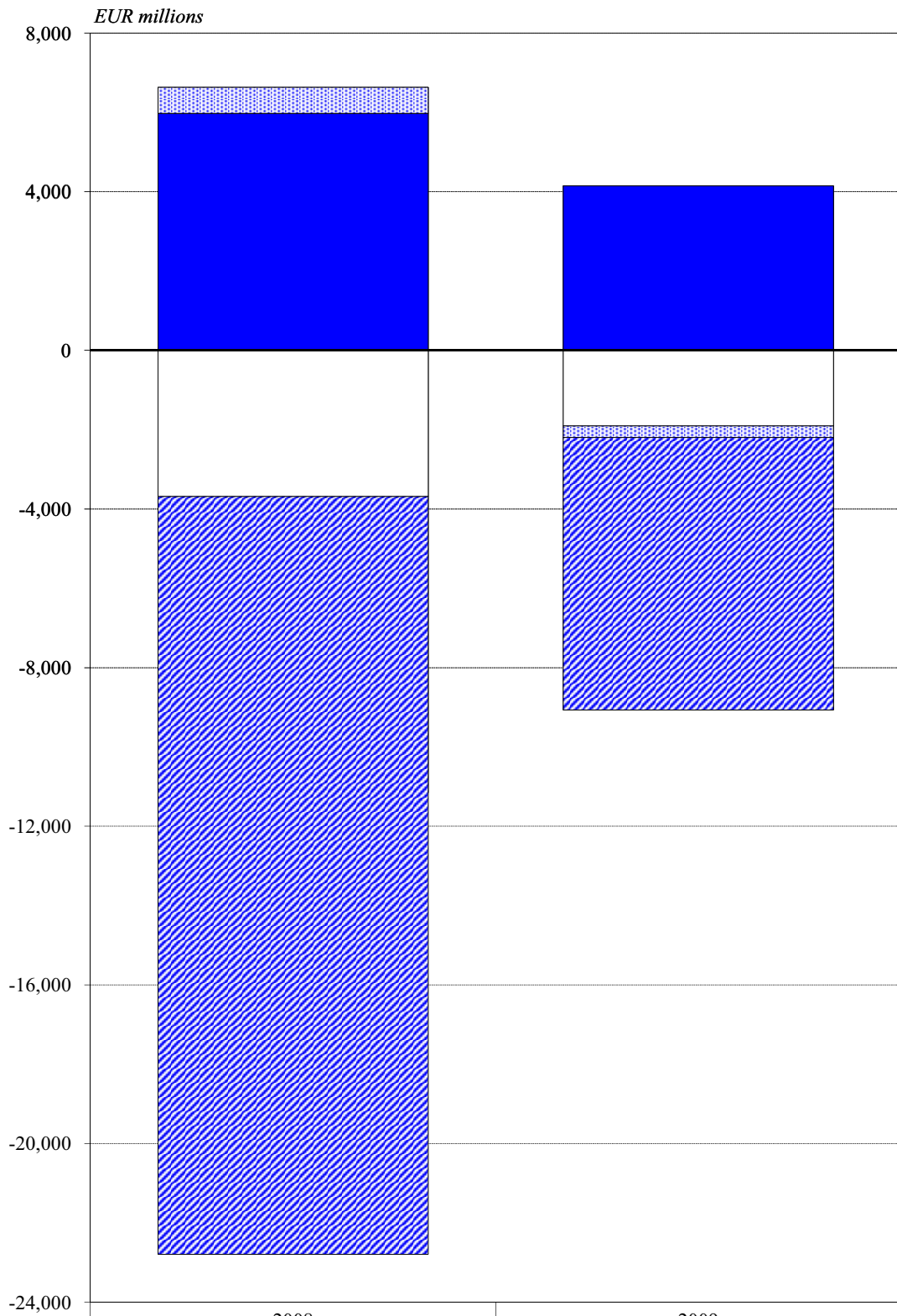
2008



2009

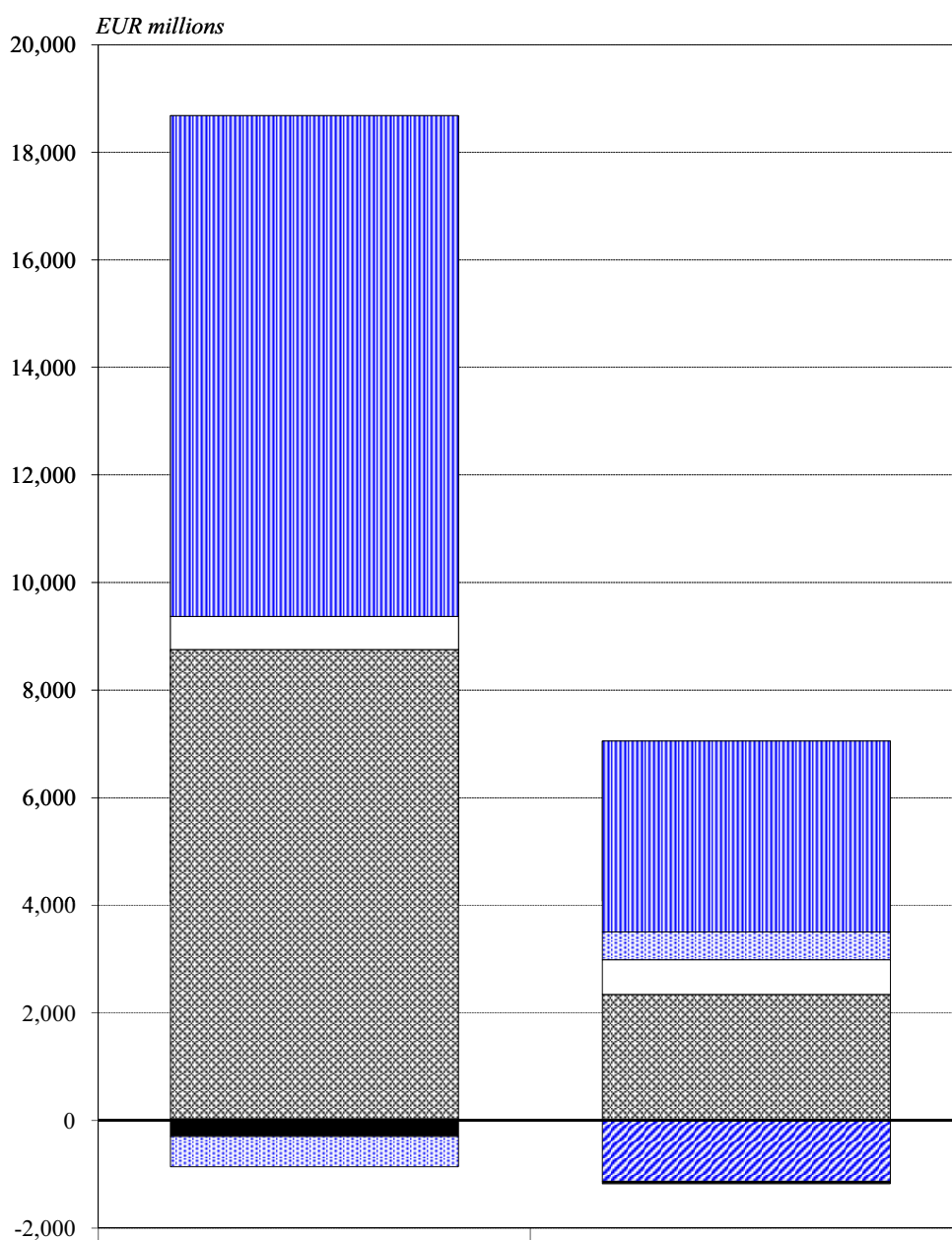


Current Account Components



	2008	2009
goods	-19,109	-6,871
services	659	-294
incomes	-3,683	-1,902
current transfers	5,976	4,154

Capital and Financial Account Components



	2008	2009
direct investment	9,308	3,550
portfolio investments	-564	517
capital account	620	646
other investments	8,718	2,345
financial derivatives	-290	-51
reserve assets	38	-1,124

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BALANCE OF PAYMENTS, 2008 - 2009

EUR millions

Items	2008			2009		
	credit	debit	net	credit	debit	net
1. Current account	53,582	69,739	-16,157	44,055	48,968	-4,913
<i>A. Goods and services</i>	<i>42,479</i>	<i>60,929</i>	<i>-18,450</i>	<i>36,147</i>	<i>43,312</i>	<i>-7,165</i>
a. Goods	33,725	52,834	-19,109	29,084	35,955	-6,871
b. Services	8,754	8,095	659	7,063	7,357	-294
- transport	2,684	2,697	-13	2,077	2,000	77
- travel	1,358	1,477	-119	884	1,051	-167
- other	4,712	3,921	791	4,102	4,306	-204
<i>B. Incomes</i>	<i>2,268</i>	<i>5,951</i>	<i>-3,683</i>	<i>1,188</i>	<i>3,090</i>	<i>-1,902</i>
- compensation of employees	1,156	115	1,041	492	46	446
- direct investment	13	2,983	-2,970	24	874	-850
- portfolio investment	838	675	163	538	313	225
- other capital investment	261	2,178	-1,917	134	1,857	-1,723
<i>C. Current transfers</i>	<i>8,835</i>	<i>2,859</i>	<i>5,976</i>	<i>6,720</i>	<i>2,566</i>	<i>4,154</i>
- government sector	2,227	1,302	925	2,360	1,597	763
- other sectors	6,608	1,557	5,051	4,360	969	3,391
2. Capital and financial account	80,024	62,194	17,830	76,672	70,789	5,883
<i>A. Capital account</i>	<i>991</i>	<i>371</i>	<i>620</i>	<i>992</i>	<i>346</i>	<i>646</i>
a. Capital transfers	879	264	615	791	278	513
- government sector	480	1	479	562	147	415
- other sectors	399	263	136	229	131	98
b. Purchase/sale of non-produced/ non-financial assets	112	107	5	201	68	133
<i>B. Financial account</i>	<i>79,033</i>	<i>61,823</i>	<i>17,210</i>	<i>75,680</i>	<i>70,443</i>	<i>5,237</i>
a. Direct investment	18,728	9,420	9,308	13,435	9,885	3,550
- of residents abroad	55	243	-188	156	94	62
- of non-residents in Romania	18,673	9,177	9,496	13,279	9,791	3,488
b. Portfolio investment	2,550	3,114	-564	1,715	1,198	517
- assets	455	668	-213	597	736	-139
- liabilities	2,095	2,446	-351	1,118	462	656
c. Financial derivatives	600	890	-290	379	430	-51
d. Other capital investment	57,117	48,399	8,718	60,151	57,806	2,345
- assets:	12,400	13,054	-654	15,429	17,391	-1,962
1. medium- and long-term loans and credits	268	209	59	170	222	-52
1.1. trade credits	132	43	89	75	26	49
1.2. financial credits	136	166	-30	95	196	-101
2. short-term loans and credits	2,241	3,074	-833	1,759	2,624	-865
2.1. trade credits	1,876	2,266	-390	1,614	2,256	-642
2.2. financial credits	365	808	-443	145	368	-223
3. cash and deposits	9,375	9,317	58	13,161	14,253	-1,092
4. other assets	516	454	62	339	292	47
- long-term	294	262	32	122	146	-24
- short-term	222	192	30	217	146	71
- liabilities:	44,717	35,345	9,372	44,722	40,415	4,307
1. IMF loans and credits	0	0	0	6,769	0	6,769
2. medium- and long-term loans and credits	12,499	6,776	5,723	10,784	7,402	3,382
2.1. trade credits	129	459	-330	48	681	-633
2.2. financial credits	12,370	6,317	6,053	10,736	6,721	4,015
3. short-term loans and credits	8,244	9,091	-847	5,461	9,268	-3,807
3.1. trade credits	2,431	3,438	-1,007	1,655	2,907	-1,252
3.2. financial credits	5,813	5,653	160	3,806	6,361	-2,555
4. cash and deposits	18,359	17,587	772	18,369	21,464	-3,095
5. other liabilities	5,615	1,891	3,724	3,339	2,281	1,058
- long-term	4,853	1,297	3,556	3,191	1,971	1,220
- short-term	762	594	168	148	310	-162
e. NBR reserve assets (net) (increase "-" / decrease "+")	38	-	38	-	1124	-1,124
3. Errors and omissions (net)	-	1,673	-1,673	-	970	-970

QUARTERLY BALANCE OF PAYMENTS, 2009

EUR millions

Items	Q1			Q2		
	credit	debit	net	credit	debit	net
1. Current account	10,602	10,998	-396	10,630	12,479	-1,849
<i>A. Goods and services</i>	<i>8,324</i>	<i>9,859</i>	<i>-1,535</i>	<i>8,810</i>	<i>10,526</i>	<i>-1,716</i>
a. Goods	6,587	8,126	-1,539	7,017	8,748	-1,731
b. Services	1,737	1,733	4	1,793	1,778	15
- transport	513	457	56	537	481	56
- travel	203	215	-12	246	249	-3
- other	1,021	1,061	-40	1,010	1,048	-38
<i>B. Incomes</i>	<i>310</i>	<i>419</i>	<i>-109</i>	<i>359</i>	<i>1,413</i>	<i>-1,054</i>
- compensation of employees	144	9	135	119	14	105
- direct investment	-4	-143	139	56	722	-666
- portfolio investment	138	22	116	141	180	-39
- other capital investment	32	531	-499	43	497	-454
<i>C. Current transfers</i>	<i>1,968</i>	<i>720</i>	<i>1,248</i>	<i>1,461</i>	<i>540</i>	<i>921</i>
- government sector	769	504	265	489	309	180
- other sectors	1,199	216	983	972	231	741
2. Capital and financial account	17,661	16,555	1,106	22,208	20,893	1,315
<i>A. Capital account</i>	<i>116</i>	<i>92</i>	<i>24</i>	<i>122</i>	<i>74</i>	<i>48</i>
a. Capital transfers	93	82	11	81	68	13
- government sector	20	47	-27	32	38	-6
- other sectors	73	35	38	49	30	19
b. Purchase/sale of non-produced/ non-financial assets	23	10	13	41	6	35
<i>B. Financial account</i>	<i>17,545</i>	<i>16,463</i>	<i>1,082</i>	<i>22,086</i>	<i>20,819</i>	<i>1,267</i>
a. Direct investment	3,487	1,892	1,595	2,655	1,520	1,135
- of residents abroad	37	-6	43	52	81	-29
- of non-residents in Romania	3,450	1,898	1,552	2,603	1,439	1,164
b. Portfolio investment	219	263	-44	260	292	-32
- assets	149	184	-35	149	184	-35
- liabilities	70	79	-9	111	108	3
c. Financial derivatives	101	152	-51	85	125	-40
d. Other capital investment	12,019	14,156	-2,137	19,086	17,096	1,990
- assets:	2,598	3,033	-435	3,191	3,788	-597
1. medium- and long-term loans	40	37	3	41	99	-58
1.1. trade credits	9	2	7	12	12	0
1.2. financial credits	31	35	-4	29	87	-58
2. short-term loans	366	510	-144	289	465	-176
2.1. trade credits	329	457	-128	233	408	-175
2.2. financial credits	37	53	-16	56	57	-1
3. cash and deposits	2,088	2,417	-329	2,747	3,077	-330
4. other assets	104	69	35	114	147	-33
- long-term	32	33	-1	73	97	-24
- short-term	72	36	36	41	50	-9
- liabilities:	9,421	11,123	-1,702	15,895	13,308	2,587
1. IMF loans and credits	0	0	0	4,925	0	4,925
2. medium- and long-term loans	2,077	1,467	610	2,434	1,919	515
2.1. trade credits	40	121	-81	3	176	-173
2.2. financial credits	2,037	1,346	691	2,431	1,743	688
3. short-term loans	1,417	3,075	-1,658	1,326	2,726	-1,400
3.1. trade credits	141	1,536	-1,395	338	524	-186
3.2. financial credits	1,276	1,539	-263	988	2,202	-1,214
4. cash and deposits	5,796	6,220	-424	5,930	7,673	-1,743
5. other liabilities	131	361	-230	1,280	990	290
- long-term	105	320	-215	1,221	896	325
- short-term	26	41	-15	59	94	-35
e. NBR reserve assets (net) (increase "-" / decrease "+")	1,719	-	1,719	-	1,786	-1,786
3. Errors and omissions (net)	-	710	-710	534	-	534

QUARTERLY BALANCE OF PAYMENTS, 2009

EUR millions

Q3			Q4			Items
credit	debit	net	credit	debit	net	
11,460	12,406	-946	11,363	13,085	-1,722	1. Current account
9,425	11,273	-1,848	9,588	11,654	-2,066	A. Goods and services
7,613	9,306	-1,693	7,867	9,775	-1,908	a. Goods
1,812	1,967	-155	1,721	1,879	-158	b. Services
502	518	-16	525	544	-19	- transport
261	343	-82	174	244	-70	- travel
1,049	1,106	-57	1,022	1,091	-69	- other
253	513	-260	266	745	-479	B. Incomes
108	10	98	121	13	108	- compensation of employees
-22	64	-86	-6	231	-237	- direct investment
149	59	90	110	52	58	- portfolio investment
18	380	-362	41	449	-408	- other capital investment
1,782	620	1,162	1,509	686	823	C. Current transfers
638	343	295	464	441	23	- government sector
1,144	277	867	1,045	245	800	- other sectors
18,841	16,890	1,951	19,854	18,343	1,511	2. Capital and financial account
300	76	224	454	104	350	A. Capital account
271	67	204	346	61	285	a. Capital transfers
227	33	194	283	29	254	- government sector
44	34	10	63	32	31	- other sectors
29	9	20	108	43	65	b. Purchase/sale of non-produced/ non-financial assets
18,541	16,814	1,727	19,400	18,239	1,161	B. Financial account
2,520	1,779	741	4,773	4,694	79	a. Direct investment
6	-26	32	61	45	16	- of residents abroad
2,514	1,805	709	4,712	4,649	63	- of non-residents in Romania
602	278	324	634	365	269	b. Portfolio investment
149	184	-35	150	184	-34	- assets
453	94	359	484	181	303	- liabilities
86	79	7	107	74	33	c. Financial derivatives
15,333	13,448	1,885	13,713	13,106	607	d. Other capital investment
3,605	5,488	-1,883	6,035	5,082	953	- assets:
48	52	-4	41	34	7	1. medium- and long-term loans
23	1	22	31	11	20	1.1. trade credits
25	51	-26	10	23	-13	1.2. financial credits
529	766	-237	575	883	-308	2. short-term loans
504	669	-165	548	722	-174	2.1. trade credits
25	97	-72	27	161	-134	2.2. financial credits
2,967	4,626	-1,659	5,359	4,133	1,226	3. cash and deposits
61	44	17	60	32	28	4. other assets
3	8	-5	14	8	6	- long-term
58	36	22	46	24	22	- short-term
11,728	7,960	3,768	7,678	8,024	-346	- liabilities:
1,844	0	1,844	0	0	0	1. IMF loans and credits
3,809	1,483	2,326	2,464	2,533	-69	2. medium- and long-term loans
3	245	-242	2	139	-137	2.1. trade credits
3,806	1,238	2,568	2,462	2,394	68	2.2. financial credits
1,475	1,716	-241	1,243	1,751	-508	3. short-term loans
738	407	331	438	440	-2	3.1. trade credits
737	1,309	-572	805	1,311	-506	3.2. financial credits
3,303	4,666	-1,363	3,340	2,905	435	4. cash and deposits
1,297	95	1,202	631	835	-204	5. other liabilities
1,256	15	1,241	609	740	-131	- long-term
41	80	-39	22	95	-73	- short-term
-	1,230	-1,230	173	-	173	e. NBR reserve assets (net) (increase "-" / decrease "+")
-	1,005	-1,005	211	-	211	3. Errors and omissions (net)

ROMANIA'S INTERNATIONAL INVESTMENT POSITION AS OF YEAR-END 2009

EUR millions

Institutional sector	Outstanding at start of period	Transactions	Adjustments due to price changes	Other adjustments	Adjustments due to exchange rate changes	Outstanding at end of period
I. Government sector	-7,863	-3,313	0	-79	39	-11,216
<i>foreign assets</i>	<i>2,391</i>	<i>28</i>	<i>0</i>	<i>1</i>	<i>-54</i>	<i>2,366</i>
financial derivatives	0	0	0	1	-1	0
other investment	2,391	28	0	0	-53	2,366
trade credits	1,655	8	0	0	-40	1,623
medium- and long-term trade credits	1,655	8	0	0	-40	1,623
deposits	7	2	0	0	0	9
other assets	729	18	0	0	-13	734
other long-term assets	622	20	0	0	-11	631
other short-term assets	107	-2	0	0	-2	103
<i>foreign liabilities</i>	<i>10,254</i>	<i>3,341</i>	<i>0</i>	<i>80</i>	<i>-93</i>	<i>13,582</i>
portfolio investment	2,706	663	0	0	-40	3,329
bonds	2,640	169	0	0	-36	2,773
money market instruments	66	494	0	0	-4	556
other investments	7,548	2,678	0	80	-53	10,253
trade credits	4	-5	0	0	2	1
medium- and long-term trade credits	4	-5	0	0	2	1
financial credits	7,507	2,635	0	80	-50	10,172
medium- and long-term financial credits	7,507	2,628	0	87	-50	10,172
short-term financial credits	0	7	0	-7	0	0
deposits	37	48	0	0	-5	80
II. Monetary authority	27,971	-4,458	509	994	82	25,098
<i>foreign assets</i>	<i>28,300</i>	<i>1,124</i>	<i>509</i>	<i>994</i>	<i>-39</i>	<i>30,888</i>
other investments	30	0	0	0	-1	29
other assets	30	0	0	0	-1	29
other long-term assets	30	0	0	0	-1	29
reserves	28,270	1,124	509	994	-38	30,856
gold	2,049	0	506	0	1	2,556
forex reserves	26,221	1,124	3	994	-39	28,303
<i>foreign liabilities</i>	<i>329</i>	<i>5,582</i>	<i>0</i>	<i>0</i>	<i>-121</i>	<i>5,790</i>
other investments	329	5,582	0	0	-121	5,790
financial credits	0	5,844	0	0	-158	5,686
medium- and long-term financial credits (IMF)	0	5,844	0	0	-158	5,686
deposits	304	-262	0	0	37	79
other liabilities	25	0	0	0	0	25
other long-term liabilities	25	0	0	0	0	25
III. Banks	-30,917	4,285	11	-60	645	-26,036
<i>foreign assets</i>	<i>1,647</i>	<i>1,285</i>	<i>0</i>	<i>231</i>	<i>-63</i>	<i>3,100</i>
direct investment	163	-8	0	-2	-3	150
equity holdings and reinvested earnings	155	-16	0	-2	-2	135
others	8	8	0	0	-1	15
portfolio investment	145	168	0	0	-12	301
shares	2	1	0	0	-1	2
bonds	143	167	0	0	-11	299
money market instruments	0	0	0	0	0	0
financial derivatives	0	-214	0	215	-1	0
other investments	1,339	1,339	0	18	-47	2,649
financial credits	201	100	0	0	-5	296
medium- and long-term financial credits	117	84	0	0	-3	198
short-term financial credits	84	16	0	0	-2	98
deposits	1,117	1,244	0	0	-43	2,318
other assets	21	-5	0	18	1	35
other long-term assets	21	14	0	0	0	35
other short-term assets	0	-19	0	18	1	0
<i>foreign liabilities</i>	<i>32,564</i>	<i>-3,000</i>	<i>-11</i>	<i>291</i>	<i>-708</i>	<i>29,136</i>
direct investment	7,671	313	-11	3	-397	7,579
equity holdings and reinvested earnings	6,386	159	-11	84	-369	6,249
others	1,285	154	0	-81	-28	1,330
portfolio investment	299	-31	0	0	-35	233
shares	67	-8	0	0	-3	56
bonds	232	-23	0	0	-32	177
financial derivatives	0	-288	0	288	0	0
other investments	24,594	-2,994	0	0	-276	21,324
financial credits	9,637	-1,202	0	0	-18	8,417
medium- and long-term financial credits	8,580	-589	0	0	-13	7,978
short-term financial credits	1,057	-613	0	0	-5	439
deposits	9,126	-2,882	0	0	-790	5,454
other liabilities	5,831	1,090	0	0	532	7,453
other long-term liabilities	5,467	1,242	0	0	533	7,242
other short-term liabilities	364	-152	0	0	-1	211

ROMANIA'S INTERNATIONAL INVESTMENT POSITION AS OF YEAR-END 2009

continued

EUR millions

Institutional sector	Outstanding at start of period	Transactions	Adjustments due to price changes	Other adjustments	Adjustments due to exchange rate changes	Outstanding at end of period
IV. Other sectors	-58,197	-1,748	-189	-2,275	809	-61,600
<i>foreign assets</i>	<i>6,702</i>	<i>350</i>	<i>0</i>	<i>281</i>	<i>27</i>	<i>7,360</i>
direct investment	891	-54	0	-5	-12	820
equity holdings and reinvested earnings	303	-105	0	-11	-11	176
others	588	51	0	6	-1	644
portfolio investment	935	-26	0	0	-17	892
shares	553	-148	0	0	-3	402
bonds	369	122	0	0	-13	478
money market instruments	13	0	0	0	-1	12
financial derivatives	0	-165	0	212	-47	0
other investments	4,876	595	0	74	103	5,648
trade credits	1,114	585	0	57	-4	1,752
medium- and long-term trade credits	0	-57	0	57	0	0
short-term trade credits	1,114	642	0	0	-4	1,752
financial credits	2,325	224	0	0	-9	2,540
medium- and long-term financial credits	241	17	0	0	9	267
short-term financial credits	2,084	207	0	0	-18	2,273
deposits	1,349	-154	0	0	118	1,313
other assets	88	-60	0	17	-2	43
other short-term assets	88	-50	0	5	-1	42
other long-term assets	0	-10	0	12	-1	1
<i>foreign liabilities</i>	<i>64,899</i>	<i>2,098</i>	<i>189</i>	<i>2,556</i>	<i>-782</i>	<i>68,960</i>
direct investment	41,126	3,176	189	-31	-2,056	42,404
equity holdings and reinvested earnings	28,505	1,571	189	699	-1,614	29,350
others	12,621	1,605	0	-730	-442	13,054
portfolio investment	1,412	23	0	0	-78	1,357
shares	1,398	13	0	0	-79	1,332
bonds	0	-1	0	0	1	0
money market instruments	14	11	0	0	0	25
financial derivatives	0	-142	0	142	0	0
other investments	22,361	-959	0	2,445	1,352	25,199
trade credits	2,770	-1,882	0	0	529	1,417
medium- and long-term trade credits	299	-628	0	0	497	168
short-term trade credits	2,471	-1,254	0	0	32	1,249
financial credits	19,587	953	0	2,414	828	23,782
medium- and long-term financial credits	14,654	2,902	0	2,414	811	20,781
short-term financial credits	4,933	-1,949	0	0	17	3,001
deposits	0	0	0	0	0	0
other liabilities	4	-30	0	31	-5	0
other short-term liabilities	4	-21	0	22	-5	0
other long-term liabilities	0	-9	0	9	0	0
TOTAL	-69,006	-5,234	331	-1,420	1,575	-73,754

ROMANIA'S INTERNATIONAL INVESTMENT POSITION AS OF YEAR-END 2009

Items	EUR millions					
	Outstanding at start of period	Transactions	Adjustments due to price changes	Other adjustments	Adjustments due to exchange rate changes	Outstanding at end of period
TOTAL	-69,006	-5,234	331	-1,420	1,575	-73,754
<i>of which:</i>						
Foreign assets	39,040	2,787	509	1,507	-129	43,714
direct investment	1,054	-61	0	-6	-18	969
portfolio investment	1,081	140	0	0	-27	1,194
financial derivatives	0	-379	0	427	-48	0
other investments	8,635	1,963	0	92	2	10,692
reserves	28,270	1,124	509	994	-38	30,859
Foreign liabilities	108,046	8,021	178	2,927	-1,704	117,468
direct investment	48,797	3,489	178	-28	-2,452	49,984
portfolio investment	4,417	655	0	0	-154	4,918
financial derivatives	0	-430	0	430	0	0
other investments	54,832	4,307	0	2,525	902	62,566
Net position	-69,006	-5,234	331	-1,420	1,575	-73,754
direct investment	-47,743	-3,550	-178	22	2,434	-49,015
portfolio investment	-3,336	-515	0	0	127	-3,724
financial derivatives	0	51	0	-3	-48	0
other investments	-46,197	-2,344	0	-2,433	-900	-51,874
reserves	28,270	1,124	509	994	-38	30,859
Foreign assets	39,040	2,787	509	1,507	-129	43,714
A. Direct investment of residents abroad	1,054	-61	0	-6	-18	969
- equity holdings	458	-120	0	-12	-16	310
- other	596	59	0	6	-2	659
B. Portfolio investment	1,081	140	0	0	-27	1,194
- bonds	512	288	0	0	-22	778
- shares	555	-147	0	0	-4	404
- money market instruments	14	-1	0	0	-1	12
C. Financial derivatives	0	-379	0	427	-48	0
D. Other investments	8,635	1,963	0	92	2	10,692
- loans and credits	5,293	917	0	57	-57	6,210
- long-term loans and credits	2,012	52	0	57	-33	2,088
- short-term loans and credits	3,281	865	0	0	-24	4,122
- cash and deposits	2,473	1,093	0	0	75	3,641
- other assets	869	-47	0	35	-16	841
- medium- and long-term	673	24	0	12	-13	696
- short-term	196	-71	0	23	-3	145
E. NBR reserve assets	28,270	1,124	509	994	-38	30,859
- monetary gold	2,049	0	506	0	1	2,556
- forex reserve	26,221	1,124	3	994	-39	28,303
Foreign liabilities	108,046	8,021	178	2,927	-1,704	117,468
A. Direct investment of non-residents in Romania	48,797	3,489	178	-28	-2,452	49,984
- equity holdings	34,891	1,730	178	783	-1,982	35,600
- other	13,906	1,759	0	-811	-470	14,384
B. Portfolio investment	4,417	655	0	0	-154	4,918
- shares	1,465	5	0	0	-83	1,387
- bonds	2,872	145	0	0	-67	2,950
- money market instruments	80	505	0	0	-4	581
C. Financial derivatives	0	-430	0	430	0	0
D. Other investments	54,832	4,307	0	2,525	902	62,566
- loans and credits	39,505	6,343	0	2,494	1,132	49,474
- long-term loans and credits	31,044	10,152	0	2,500	1,089	44,785
- short-term loans and credits	8,461	-3,809	0	-6	43	4,689
- cash and deposits	9,466	-3,095	0	0	-758	5,613
- other liabilities	5,861	1,059	0	31	528	7,479
- medium- and long-term	5,497	1,220	0	22	529	7,268
- short-term	364	-161	0	9	-1	211

ROMANIA'S INTERNATIONAL INVESTMENT POSITION, 2005 - 2009

	EUR millions, end of period				
Institutional sector	2005	2006	2007	2008	2009
I. Monetary authority	18,027	22,850	27,047	27,971	25,098
- assets	18,279	22,956	27,216	28,300	30,888
- liabilities	252	106	169	329	5,790
II. Government sector	-6,374	-6,996	-7,375	-7,863	-11,216
- assets	3,753	2,848	2,255	2,391	2,366
- liabilities	10,127	9,844	9,630	10,254	13,582
III. Banks	-8,563	-16,296	-24,809	-30,917	-26,036
- assets	1,324	1,594	1,841	1,647	3,100
- liabilities	9,887	17,890	26,650	32,564	29,136
IV. Non-banks	-26,237	-36,449	-49,085	-58,197	-61,600
- assets	2,385	4,664	5,556	6,702	7,360
- liabilities	28,622	41,113	54,641	64,899	68,960
Net position	-23,147	-36,891	-54,222	-69,006	-73,754
- assets	25,741	32,062	36,868	39,040	43,714
- liabilities	48,888	68,953	91,090	108,046	117,468

ROMANIA'S GROSS INTERNATIONAL RESERVE, 2005 - 2009

	EUR millions, end of period				
	2005	2006	2007	2008	2009
<i>National Bank of Romania</i>	<i>18,259</i>	<i>22,935</i>	<i>27,187</i>	<i>28,270</i>	<i>30,858</i>
- gold	1,461	1,625	1,880	2,049	2,556
- convertible currencies	16,798	21,310	25,307	26,221	28,302
<i>Commercial banks</i>	<i>1,103</i>	<i>1,302</i>	<i>1,445</i>	<i>1,344</i>	<i>2,716</i>
- convertible currencies	1,103	1,302	1,445	1,344	2,716
Gross international reserve	19,362	24,237	28,632	29,614	33,574
<i>of which:</i>					
Gross foreign exchange reserve	17,901	22,612	26,752	27,565	31,018

ROMANIA'S EXTERNAL DEBT INDICATORS, 2005 - 2009

Items	2005	2006	2007	2008	2009
	EUR millions				
External debt (ED)	30,914	41,196	58,628	72,354	81,219
- medium- and long-term (MLT)	24,642	28,622	38,711	51,762	65,816
- short-term (ST)	6,272	12,574	19,917	20,592	15,403
GDP	79,747	97,787	124,654	139,749	115,940
Exports of goods and services (EXP)	26,359	31,438	36,434	42,479	36,148
Imports of goods and services (IMP)	34,510	43,192	53,847	60,929	43,311
External debt service (EDS)	13,578	19,801	29,925	45,575	49,038
- principal repayment	12,415	18,191	27,627	42,338	46,252
- interest payment (INT)	1,163	1,610	2,298	3,237	2,786
Official reserves (OR)	18,259	22,935	27,187	28,270	30,858
Indicators	percent				
ED/GDP	38.8	42.1	47.0	51.8	70.1
MLT/GDP	30.9	29.3	31.1	37.0	56.8
ED/EXP	117.3	131.0	160.9	170.3	224.7
MLT/EXP	93.5	91.0	106.2	121.9	182.1
EDS/EXP	51.5	63.0	82.1	107.3	135.7
EDS/GDP	17.0	20.2	24.0	32.6	42.3
EDS/OR	74.4	86.3	110.1	161.2	158.9
INT/EXP	4.4	5.1	6.3	7.6	7.7
ST/ED	20.3	30.5	34.0	28.5	19.0
Multilateral/ED	18.4	13.8	9.3	9.0	12.3
	months				
OR/IMP	6.3	6.4	6.1	5.6	8.5