

NATIONAL
BANK OF
ROMANIA

Romania's Balance
of Payments
and International
Investment Position
Annual Report 2014

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NOTE

The drafting of Annual Report 2014 – Romania's Balance of Payments and International Investment Position was completed by the Statistics Department based on data available at end-November 2015.

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

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I. External environment¹

During 2014, the international economic environment was marked by mixed developments in world regions, against the background of weaker global commodity prices and of geopolitical risks arising from the crisis in Ukraine and the tensions in major oil-producing countries. While the gradual recovery of the advanced economies that had started in late 2013 continued, being underpinned by improved labour market conditions, restored confidence and the implementation of accommodative economic policies, growth slowed down in emerging market economies, as structural impediments and tight funding conditions persisted. On the whole, financial markets benefitted from relatively low levels of volatility and risk aversion, facing only temporarily turmoil episodes, which were generally related to uncertainty surrounding the developments in world economy and affected only emerging market economies with imbalances. The rate of increase of world economy remained relatively unchanged at 3.4 percent, with the volume of global trade in goods and services moving ahead by another 3.3 percent, the same as in the year before. Average annual inflation rate² edged up marginally to 1.7 percent in 2014 from 1.6 percent in 2013, given the underutilisation of production capacity. The average Brent oil price plunged towards the end of 2014 to below USD 60 per barrel against approximately USD 110 per barrel – where it stood over the past three-and-a-half years –, amid resilient supply and lower-than-expected demand. Commodity prices³ stayed on a downward path in 2014, dropping by around 12 percent, after having fallen 4.9 percent in the prior year, with the movements in the grain price further driving this trend.

In the United States of America, gross domestic product rose by 2.4 percent in 2014, compared with 1.5 percent in 2013, against the backdrop of hefty domestic demand, bolstered by accommodative economic policies, favourable financial market conditions and a positive wealth effect stemming from the increase in stock and house prices. Average annual inflation rate stood at 1.6 percent in 2014 versus 1.5 percent in the previous year, owing to still subdued production capacity utilisation, combined with the steep decline in energy prices and the strengthening US dollar in effective nominal terms. Unemployment rate went down to 6.2 percent in 2014 from 7.4 percent a year earlier. The federal budget deficit widened by 1.3 percentage points to 4.1 percent of GDP, while the federal debt increased to 103.0 percent of GDP, from 101.2 percent. The current account deficit⁴ remained close to the year-earlier level, coming in at 2.2 percent of GDP.

Japan's economy contracted slightly, i.e. by 0.1 percent, after having expanded by 1.6 percent a year earlier. After implementing consumption tax hikes and quantitative easing monetary policies, the average annual inflation rate stood at 1.7 percent in 2014, against -0.6 percent in 2013. Unemployment rate moved down to 3.6 percent, from 4 percent in the prior year.

¹ Source: ECB, Annual Report 2014, Economic Bulletin 6/2015; IMF, World Economic Outlook – October 2015.

² For the countries that are members of the Organisation for Economic Co-operation and Development (OECD).

³ Expressed in EUR and based on the GDP-by-expenditure weighting system (energy excluded).

⁴ BPM6 methodology.

Euro area economy⁵ advanced by 0.9 percent in 2014, after having shrunk by 0.3 percent in 2013, reflecting the positive and rising contribution of domestic demand, amid the implementation of monetary policies supportive of consumer confidence and private consumption. Business confidence looked up, as financial market uncertainty abated, and the real disposable income of both households and enterprises moved higher, thanks to lower commodity prices. Domestic demand contributed 0.8 percentage points to GDP growth, i.e. a record high from 2007 onwards. Private consumption was the major driver of GDP growth, amid the step-up in real disposable income generated by lower commodity prices. After contracting for two years in a row, investment had a slightly positive contribution to economic growth (0.2 percentage points versus -0.5 percentage points in 2013), being contained by weakness in the construction sector. Euro area government consumption contributed positively to economic growth (0.1 percentage points), after having a neutral contribution over the past two years, on account of higher social transfers for healthcare.

Net exports of goods and services had a neutral contribution to euro area GDP growth in 2014, as the imports of goods and services rose at a faster pace than exports. In the year under review, the volume of euro area exports of goods and services expanded by 3.8 percent and that of imports thereof by 4.1 percent, after having risen by 2.0 percent and 1.3 percent respectively in 2013.

The sectoral breakdown shows that behind the positive real economic growth in the euro area stood the developments in industry (construction excluded) and services, where the increase in added value neared the pre-crisis rates.

Against the backdrop of weakening inflationary pressures induced by international energy and food prices, the average annual inflation rate measured by the Harmonised Index of Consumer Prices (HICP) slid to 0.4 percent in 2014 from 1.4 percent in the preceding year.

The labour market in the euro area recovered somewhat in 2014, with the employment rate climbing 0.6 percentage points and the unemployment rate⁶ slipping to 11.6 percent, from 12 percent in 2013.

In 2014, the general government deficit for the euro area narrowed to 2.6 percent of GDP⁷, from 3 percent of GDP in 2013, amid growing revenues from indirect taxes following stronger consumption and slightly lower spending. The general government deficit improved against 2013 in nine out of the 18 euro area members, with five countries exceeding the 3.0 percent-of-GDP reference value. The lowest deficit-to-GDP ratios were displayed by Latvia and Malta (1.5 percent of GDP and 2.1 percent of GDP respectively), whereas Luxembourg, Estonia and Germany

⁵ The countries referred to herein are the 18 EU Member States making up the monetary union at end-2014: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

⁶ According to ILO (International Labour Office) methodology.

⁷ Eurostat, Newsrelease Euroindicators 186/2015: *Provision of deficit and debt data for 2014 – second notification*, 21 October 2015.

reported budget surpluses (1.4 percent of GDP, 0.7 percent of GDP and 0.3 percent of GDP respectively). The euro area public debt ratio added one percentage point from 2013 to 92.1 percent of GDP, overstepping the 60 percent-of-GDP reference value in 13 countries and remaining above 100 percent in Greece, Italy, Belgium, Ireland, Cyprus and Portugal.

The aggregate current account of the euro area ended 2014 on a surplus of EUR 240.2 billion, compared with EUR 214.2 billion a year earlier, as a result of wider trade surplus in goods and services.

Non-euro area EU Member States⁸ reported economic growth of 2.7 percent in 2014, against 1.6 percent in 2013, boosted by domestic demand, especially gross fixed capital formation and general government consumption, yet contained by weak external demand. In nine out of the ten countries under review, GDP growth was in positive territory (except Croatia), with the best performers being Hungary, Poland and Lithuania, which posted rates of increase ranging from 3 percent to 3.7 percent.

In 2014, average annual inflation rate fell overall to 1.0 percent, from 1.9 percent in 2013, but also in each of these countries, reflecting mainly the decline in commodity prices and certain indirect taxes. All the reviewed countries reported below 2 percent inflation rates.

The fiscal position improved in four of the ten non-euro area EU Member States, mostly on the back of further fiscal consolidation efforts. Overall, the deficit-to-GDP ratio equalled 4.1 percent, against 4.2 percent a year earlier. The 3 percent-of-GDP reference value was exceeded by four of the ten countries, namely Bulgaria, the United Kingdom, Croatia and Poland. Government debt accounted for 72.8 percent of GDP in 2014, compared with 70 percent of GDP in 2013, as it exceeded the 60 percent-of-GDP reference value in the United Kingdom, Croatia and Hungary, being on the rise in the first two countries and on the wane in the last.

The current account deficit widened in the non-euro area EU Member States on the whole to reach 1.9 percent of GDP in 2014, against 1.3 percent of GDP in 2013, on the back of developments in the United Kingdom and Poland. Direct investment saw net inflows tantamount to 2.9 percent of GDP in the ten countries as a whole (versus 0.9 percent of GDP in 2013), driven by five EU Member States (the United Kingdom, Poland, the Czech Republic, Hungary and Croatia). Portfolio investment posted lower net inflows than those seen a year earlier (2 percent of GDP, from 3.2 percent of GDP in 2013), the trend being the result of developments in most countries, except the United Kingdom, Lithuania and Bulgaria. Other investment (largely loans and deposits) exhibited net outflows equalling 3.3 percent of GDP (against 2 percent of GDP in 2013), with the United Kingdom accounting for more than three fourths of this figure.

⁸ The countries referred to herein are the ten non-euro area Member States at end-2014: Bulgaria, Croatia, the Czech Republic, Denmark, Hungary, Lithuania, Poland, Romania, Sweden and the United Kingdom.

II. Romania's balance of payments and international investment position in 2014

A. Balance of payments

In 2014, Romania's balance-of-payments saw its current account deficit narrowing to less than half year on year to reach EUR 686 million and the capital account surplus expanding by over 30 percent. The combined current and capital account reported a surplus which more than doubled year on year to EUR 3,268 million, from EUR 1,500 million in 2013. The current account deficit vis-à-vis EU Member States amounted to EUR 3,743 million, being more than 80 percent offset by the surplus in relation to non-EU Member States. Looking at the relations with the EU, Romania's current account deficit was entirely offset by the capital account surplus; more specifically, the inflows in the form of capital transfers from the EU covered this shortfall in its entirety. Out of the current account deficit with EU countries, the EUR 1,161 million deficit with the euro area (EA⁹) accounted for approximately 30 percent (Table 1).

Table 1. Balance of payments in relation to the EU and the euro area

	EUR millions				
	Total	of which:			
		EU	Extra-EU	EA	Extra-EA
Current account	-686	-3,743	3,057	-1,161	475
Goods	-6,335	-7,723	1,388	-4,277	-2,058
Services	5,867	4,731	1,136	4,143	1,724
Primary income	-1,903	-1,673	-230	-2,568	665
Secondary income	1,685	922	763	1,541	144
Capital account	3,954	3,870	84	-19	3,973
Financial account, of which:	3,068	3,323	-255	2,634	434
Direct investment	-2,702	-2,554	-148	-2,339	-363
Assets	228	451	-223	470	-242
Liabilities	2,930	3,005	-75	2,809	121
Portfolio investment	-2,859	-2,394	-465	-2,608	-251
Assets	105	-17	122	-48	153
Liabilities	2,964	2,377	587	2,560	404
Financial derivatives	-26	-48	22	-82	56
Other investment	9,890	4,660	5,230	3,931	5,959
Assets	1,130	603	527	531	599
Liabilities	-8,760	-4,057	-4,703	-3,400	-5,360

Note: Extra-EA – EU countries outside the euro area.

⁹ European institutions not included.

Financial account posted EUR 3,068 million in net outflows triggered by net declines in other investment liabilities, reflecting mainly changes in deposits of non-residents in Romania. As for the geographical breakdown, the financial account, together with the combined current and capital account, is influenced by the relations with the EU, except other investment, which mirrors the transactions related to loans from the IMF and other international lenders outside the EU.

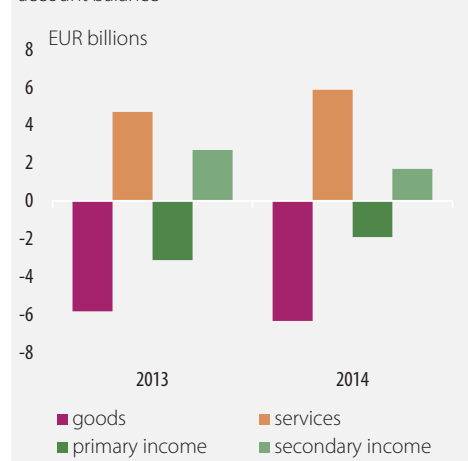
1. CURRENT ACCOUNT

In 2014, Romania's balance-of-payments posted a current account deficit of EUR 686 million, down 55.4 percent from 2013. The share of the current account deficit in GDP¹⁰ stood at 0.5 percent, compared with 1.1 percent a year earlier (Table 2). The 0.6 percentage point decline was attributed to the compression of the deficit on the primary income balance (down 0.9 percentage points of GDP) and a higher surplus on trade in services (up 0.6 percentage points of GDP).

Table 2. Contributions to the narrowing of the current account deficit

	percentage of GDP				
	Current account	Goods	Services	Primary income	Secondary income
2014	-0.5	-4.2	3.9	-1.3	1.1
2013	-1.1	-4.0	3.3	-2.2	1.9
Difference (p.p.)	0.6	-0.2	0.6	0.9	-0.8

Chart 1. Composition of the current account balance



The developments in the current account and its components (Chart 1) point to the narrowing deficit on primary income (by 38.8 percent; Table 3), stemming widely from the rise in net losses incurred by direct investment enterprises and from the advance in EU funds granted in the form of farming subsidies, together with the larger surplus on trade in services (up 24.8 percent), due especially to the increase under manufacturing services on physical inputs owned by others, freight services and computer services. Secondary income displayed a surplus

that was 37.2 percent lower than in 2013, amid the decrease in EU funds under current transfers. The deficit on trade in goods widened 8.9 percent, reflecting mostly the contraction in chemicals exports and the rise in base metals imports.

¹⁰ According to ESA 2010.

Table 3. Current account			
	EUR millions		Indices (%)
	2013	2014	2014/2013
Current account	-1,539	-686	44.6
Credit	65,160	68,658	105.4
Debit	66,699	69,344	104.0
Goods	-5,816	-6,335	108.9
Credit	43,879	46,807	106.7
Debit	49,695	53,142	106.9
Services	4,703	5,867	124.8
Credit	13,430	15,101	112.4
Debit	8,727	9,234	105.8
Primary income	-3,112	-1,904	61.2
Credit	2,505	2,197	87.7
Debit	5,617	4,101	73.0
Secondary income	2,686	1,686	62.8
Credit	5,346	4,553	85.2
Debit	2,660	2,867	107.8

1.1. Balance on goods and services

In 2014, the balance on goods and services posted a deficit of EUR 468 million, i.e. less than half the year-earlier reading, thanks to the roughly one-fourth increase in the surplus on trade in services.

1.1.1. Balance on trade in goods¹¹

The deficit on trade in goods came in at EUR 6,335 million in 2014, up 8.9 percent year on year, amid increases in exports and imports (6.7 percent and 6.9 percent respectively). The trade deficit-to-GDP ratio widened 0.2 percentage points to 4.2 percent (Table 4).

The highest monthly trade deficit equalled EUR 1,065 million in November and the lowest was of EUR 245 million in January (Chart 2).

The breakdown of trade balance by the eight groups of goods in the Combined Nomenclature shows deficits for chemical and plastic products (EUR 4,654 million), mineral products (EUR 2,209 million), base metals (EUR 1,246 million), textiles, wearing apparel and footwear (EUR 407 million) and surpluses for wood and paper products (EUR 858 million), agrifoodstuffs (EUR 426 million), machinery, apparatus, equipment and transport means (EUR 414 million), and other goods (EUR 372 million).

¹¹ According to the BPM6 methodology, the balance on trade in goods does not include goods sent for processing for which there is no ownership transfer and thereby differs from the international trade in goods compiled and published by the National Institute of Statistics in line with the specific methodology prepared by Eurostat.

Table 4. Balance on trade in goods

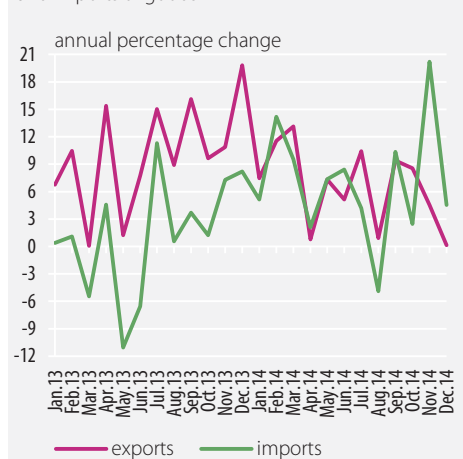
	2013	2014	Difference (+/-)
EUR millions			
Exports (FOB), of which:	43,879	46,807	2,928
General merchandise	43,826	46,696	2,870
Net exports of goods under merchanting	53	111	58
Imports (FOB)	49,695	53,142	3,447
Balance on trade in goods (FOB/FOB)	-5,816	-6,335	-519
Current account balance	-1,539	-686	853
percent			
Share of exports in GDP	30.4	31.2	0.8
Share of imports in GDP	34.4	35.4	1.0
Share of balance on trade in goods in GDP	-4.0	-4.2	-0.2
Coverage of imports through exports (FOB/FOB)	88.3	88.1	-0.2
Economy openness (exports+imports)/GDP	64.9	66.6	1.7

Source: NIS, NBR calculations

By geographical breakdown, intra-EU trade was the only source of the deficit on trade in goods, while extra-EU trade recorded a EUR 1,388 million surplus.

The coverage of imports through exports stood 0.2 percentage points lower at 88.1 percent, whereas the openness of the Romanian economy increased by 1.7 percentage points to 66.6 percent.

Exports of goods amounted to EUR 46,807 million¹², up 6.7 percent from the previous year, amid stronger external demand, from the European Union in particular, from both euro area and non-euro area countries. In terms of value, exports stood EUR 2,928 million higher than in 2013.

Chart 2. Monthly developments in exports and imports of goods

December witnessed the lowest monthly exports in 2014, i.e. EUR 3,374 million, while the highest came in at EUR 4,500 million in October (Chart 2). The monthly average of exports equalled EUR 3,901 million, up EUR 244 million against a year earlier.

Imports of goods (FOB) reached EUR 53,142 million¹³, up 6.9 percent, or EUR 3,447 million, compared with 2013. The lowest monthly import level of 2014 equalled EUR 3,757 million in January and the highest was of EUR 5,335 million in November. The monthly average of imports stood at EUR 4,429 million,

up EUR 288 million against a year earlier.

¹² The share of exports of goods in GDP widened to 31.2 percent in 2014 from 30.4 percent in the previous year.

¹³ The share of imports of goods in GDP widened to 35.4 percent in 2014 from 34.4 percent in the previous year.

1.1.1.1. Structure and geographical breakdown of exports of goods

a) Structure of exports

In 2014, three groups of goods reported larger contributions to Romania's exports than in the previous year (Table 5): mineral products (by 0.8 percentage points), machinery, apparatus, equipment and transport means (by 0.4 percentage points), and other goods (by 0.5 percentage points). The remaining five groups had smaller contributions to exports than in the previous year, as follows: base metals (by 0.6 percentage points), chemical and plastic products (by 0.6 percentage points), wood and paper products (by 0.3 percentage points), agrifoodstuffs (by 0.2 percentage points), and textiles, wearing apparel and footwear (by 0.1 percentage points).

Table 5. Exports by group of goods in the Combined Nomenclature

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Goods	43,879	46,807	106.7	100.0	100.0
General merchandise	43,826	46,696	106.5	99.9	99.8
Agrifoodstuffs	5,248	5,531	105.4	12.0	11.8
Mineral products	2,705	3,253	120.3	6.2	7.0
Chemical and plastic products	4,936	4,972	100.7	11.2	10.6
Wood and paper products	2,193	2,192	100.0	5.0	4.7
Textiles, wearing apparel and footwear	2,453	2,596	105.8	5.6	5.5
Base metals	4,518	4,526	100.2	10.3	9.7
Machinery, apparatus, equipment and transport means	18,506	19,925	107.7	42.2	42.6
Other	3,267	3,701	113.3	7.4	7.9
Net exports of goods under merchandising*	53	111	209.4	0.1	0.2

* goods purchased by residents from non-residents and subsequently sold to other non-residents, without being moved on the country's territory; source: NBR
Source: NIS, NBR calculations

b) Geographical breakdown of exports of goods

In 2014, intra-EU exports amounted to EUR 32,348 million, up 9.2 percent over the year before (Table 6). The share of intra-EU exports in total exports stood at 69.1 percent, up 1.6 percentage points versus 2013, due to larger foreign sales to Germany, Italy, Hungary and Poland.

Exports to the European Union increased for all groups of goods (Table 7).

The following groups of goods posted larger contributions to intra-EU exports in 2014: mineral products (by 0.5 percentage points), machinery, apparatus, equipment and transport means, as well as other goods (each by 0.4 percentage points).

Table 6. Exports of goods, by group of countries

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Total	43,879	46,807	106.7	100.0	100.0
Intra-EU exports	29,632	32,348	109.2	67.5	69.1
<i>Euro area, of which:</i>	21,170	23,089	109.1	48.2	49.3
Germany	7,827	8,465	108.2	17.8	18.1
Italy	3,792	4,331	114.2	8.6	9.3
France	3,065	3,282	107.1	7.0	7.0
<i>Extra-euro area, of which:</i>	8,462	9,259	109.4	19.3	19.8
Hungary	2,253	2,487	110.4	5.1	5.3
Bulgaria	1,671	1,759	105.3	3.8	3.8
United Kingdom	1,657	1,737	104.8	3.8	3.7
Poland	1,158	1,312	113.3	2.6	2.8
Extra-EU exports, of which:	14,247	14,459	101.5	32.5	30.9
Turkey	2,545	2,360	92.7	5.8	5.0
Russian Federation	1,370	1,447	105.6	3.1	3.1
Ukraine	923	549	59.5	2.1	1.2
USA	797	941	118.1	1.8	2.0

Source: NIS, NBR calculations

Table 7. Exports of goods to the European Union, by group of goods in the Combined Nomenclature

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Goods	29,632	32,348	109.2	100.0	100.0
General merchandise	29,612	32,258	108.9	99.9	99.7
Agrifoodstuffs	3,135	3,423	109.2	10.6	10.6
Mineral products	775	1,010	130.3	2.6	3.1
Chemical and plastic products	3,463	3,518	101.6	11.7	10.9
Wood and paper products	1,041	1,058	101.6	3.5	3.3
Textiles, wearing apparel and footwear	2,193	2,327	106.1	7.4	7.2
Base metals	2,799	2,955	105.6	9.4	9.1
Machinery, apparatus, equipment and transport means	13,634	15,027	110.2	46.0	46.4
Other	2,572	2,940	114.3	8.7	9.1
Net exports of goods under merchanting*	20	90	450.0	0.1	0.3

* goods purchased by residents from non-residents and subsequently sold to other non-residents, without being moved on the country's territory; source: NBR

Source: NIS, NBR calculations

Extra-EU exports of goods amounted to EUR 14,459 million, up 1.5 percent from 2013, accounting for 30.9 percent of total exports of goods¹⁴.

In 2014, the top ten export destinations¹⁵ were as follows: Germany (18.1 percent of total exports), Italy (9.3 percent), France (7.0 percent), Hungary (5.3 percent), Turkey

¹⁴ Down 1.6 percentage points compared to 2013.

¹⁵ Accounting for 60.7 percent of total exports in 2014.

(5.0 percent), Bulgaria (3.8 percent), the United Kingdom (3.7 percent), the Russian Federation (3.1 percent), Poland (2.8 percent), and the Netherlands (2.6 percent).

1.1.1.2. Structure and geographical breakdown of imports (FOB)

a) Structure of imports

Imports of goods were accounted for in a proportion of more than 75 percent by four groups of goods: machinery, apparatus, equipment and transport means, chemical and plastic products, base metals, mineral products (Table 8).

Table 8. Imports of goods (FOB), by group of goods in the Combined Nomenclature

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Total	49,695	53,142	106.9	100.0	100.0
Agrifoodstuffs	5,009	5,105	101.9	10.1	9.6
Mineral products	5,536	5,462	98.7	11.1	10.3
Chemical and plastic products	9,290	9,626	103.6	18.7	18.1
Wood and paper products	1,249	1,334	106.8	2.5	2.5
Textiles, wearing apparel and footwear	2,696	3,003	111.4	5.4	5.6
Base metals	5,278	5,772	109.4	10.6	10.9
Machinery, apparatus, equipment and transport means	17,680	19,511	110.4	35.6	36.7
Other	2,957	3,329	112.6	6.0	6.3

Source: NIS, NBR calculations

The shares of the following four groups of goods in total imports rose compared to 2013: machinery, apparatus, equipment and transport means (by 1.1 percentage points), base metals (by 0.3 percentage points), textiles, wearing apparel and footwear (by 0.2 percentage points) and other (by 0.3 percentage points).

b) Geographical breakdown of imports

Intra-EU imports amounted to EUR 40,071 million in 2014, up 6.7 percent year on year (Table 9). The share of intra-EU imports in total imports of goods contracted by 0.2 percentage points versus 2013 to stand at 75.4 percent, with Italy and Hungary accounting particularly for this decrease.

Imports from the European Union posted increases in the shares of three groups of goods (Table 10).

Extra-EU imports amounted to EUR 13,071 million, up 7.7 percent from 2013, accounting for 24.6 percent of total imports of goods¹⁶.

¹⁶ Up 0.2 percentage points from 2013.

Table 9. Imports of goods (FOB), by group of countries

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Total	49,695	53,142	106.9	100.0	100.0
Intra-EU imports	37,558	40,071	106.7	75.6	75.4
<i>Euro area, of which:</i>	25,903	27,366	105.6	52.1	51.5
Germany	9,044	9,777	108.1	18.2	18.4
Italy	4,499	4,741	105.4	9.1	8.9
France	2,887	2,998	103.8	5.8	5.6
<i>Extra-euro area, of which:</i>	11,655	12,705	109.0	23.5	23.9
Hungary	4,381	4,356	99.4	8.8	8.2
Poland	2,372	3,367	141.9	4.8	6.3
Bulgaria	1,500	1,630	108.7	3.0	3.1
Czech Republic	1,426	1,522	106.7	2.9	2.9
United Kingdom	1,007	1,083	107.5	2.0	2.0
Extra-EU imports, of which:	12,137	13,071	107.7	24.4	24.6
Russian Federation	2,190	2,136	97.5	4.4	4.0
Kazakhstan	1,679	2,149	128.0	3.4	4.0
China	1,835	2,184	119.0	3.7	4.1
Turkey	1,733	1,826	105.4	3.5	3.4
Ukraine	356	358	100.6	0.7	0.7
USA	556	622	111.9	1.1	1.2

Source: NIS, NBR calculations

Table 10. Imports of goods (FOB) from the European Union, by group of goods in the Combined Nomenclature

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Total	37,558	40,071	106.7	100.0	100.0
Agrifoodstuffs	4,179	4,278	102.4	11.1	10.7
Mineral products	1,260	996	79.0	3.3	2.5
Chemical and plastic products	7,648	7,962	104.1	20.4	19.9
Wood and paper products	1,002	1,048	104.6	2.7	2.6
Textiles, wearing apparel and footwear	2,076	2,332	112.3	5.5	5.8
Base metals	4,120	4,346	105.5	11.0	10.8
Machinery, apparatus, equipment and transport means	14,877	16,462	110.7	39.6	41.1
Other	2,396	2,647	110.5	6.4	6.6

Source: NIS, NBR calculations

In 2014, Romania's imports came mainly from the following ten countries: Germany (18.4 percent), Italy (8.9 percent), Hungary (8.2 percent), Poland (6.3 percent), France (5.6 percent), China (4.1 percent), the Russian Federation (4.0 percent), Austria (3.8 percent), the Netherlands (3.8 percent) and Turkey (3.4 percent). Imports from these countries accounted for 66.5 percent of total imports.

1.1.1.3. Energy trade balance

In 2014, the energy trade balance ended on a deficit of EUR 2,007 million¹⁷, down 21.9 percent from the previous year (Table 11). Crude oil, reporting net imports worth EUR 3,325 million, made further the largest contribution to the energy trade deficit in 2014.

Table 11. Energy exports and imports (FOB)

	EUR millions					
	Exports		Imports		Net imports (-)/ Net exports (+)	
	2013	2014	2013	2014	2013	2014
Total	2,587	3,139	5,157	5,146	-2,571	-2,007
Natural gas	0	0	419	156	-419	-156
Electricity	104	321	16	40	88	281
Mineral fuels	436	367	570	488	-134	-121
Crude oil	31	25	2,952	3,350	-2,921	-3,325
Petroleum products	2,016	2,426	1,200	1,112	816	1,314

Source: NIS, NBR calculations

Energy exports totalled EUR 3,139 million¹⁸, up 21.4 percent (EUR 552 million) from 2013. Energy imports remained close to the level reported a year before, standing at EUR 5,146 million¹⁹ (as compared with EUR 5,157 million in 2013). The coverage of imports of energy resources through exports thereof expanded by 10.8 percentage points to 61 percent.

1.1.2. Balance on trade in services

The balance on trade in services posted a EUR 5,867 million surplus compared with EUR 4,702 million in 2013 (Table 12), on account of the increase in receipts from the processing of goods owned by others, transport, computer services and business services. Most components of the balance on trade in services, except for travel and other services, witnessed a favourable evolution compared to 2013, with processing of goods, transport, computer services, professional and management consulting services recording higher surpluses.

Receipts from services totalled EUR 15,101 million (up 12.4 percent from 2013), with about 36 percent of them coming from computer, information, professional and management consulting services and other technical and trade-related services, and approximately 30 percent from transport (especially from road haulage). The breakdown of receipts is relatively stable, with a more noticeable change versus 2013 consisting in the pick-up in the share of receipts from computer and information services (from 14.1 percent to 15 percent) to the detriment of receipts from professional consulting services (whose share shrank from 10.9 percent to 10.3 percent).

¹⁷ Decreasing as a share of the deficit on trade in goods to 31.7 percent in 2014 from 44.2 percent in 2013.

¹⁸ Increasing as a share of total exports of goods to 6.7 percent in 2014 from 5.9 percent in 2013.

¹⁹ Decreasing as a share of total imports of goods to 9.7 percent in 2014 from 10.4 percent in 2013.

Table 12. Balance on trade in services

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Credit	13,430	15,101	112.4	100.0	100.0
Processing of goods	2,275	2,525	111.0	16.9	16.7
Transport	3,880	4,391	113.2	28.9	29.1
Travel	1,196	1,378	115.2	8.9	9.1
Communications, computer, and information services	1,899	2,269	119.5	14.1	15.0
Professional consulting	1,466	1,559	106.3	10.9	10.3
Other	2,714	2,979	109.8	20.2	19.7
Debit	8,727	9,234	105.8	100.0	100.0
Processing of goods	142	163	114.8	1.6	1.8
Transport	1,386	1,577	113.8	15.9	17.1
Travel	1,547	1,824	117.9	17.7	19.7
Communications, computer, and information services	882	969	109.9	10.1	10.5
Professional consulting	945	1,000	105.8	10.8	10.8
Other	3,825	3,701	96.8	43.8	40.1
Balance	4,703	5,867	124.8		
Processing of goods	2,133	2,362	110.7		
Transport	2,494	2,814	112.8		
Travel	-351	-446	127.1		
Communications, computer, and information services	1,017	1,300	127.8		
Professional consulting	521	559	107.3		
Other	-1,111	-722	65.0		

Services-related payments stood at EUR 9,234 million (up 5.8 percent from 2013), with various services (maintenance and repair, construction, financial and insurance services, charges for the use of intellectual property, research and development, technical and trade-related services) holding roughly 40 percent. The breakdown shows that the shares of travel-related and transport-related payments posted an expansion (by 2 percentage points to 19.7 percent and by 1.2 percentage points to 17.1 percent respectively).

Trade in services is mainly carried out with nine countries, with more than three quarters of receipts coming from and over 70 percent of payments being made to: Germany, Italy, France, the United Kingdom, the United States of America, Austria, the Netherlands, Spain and Switzerland.

1.2. Balance on primary income

The balance on primary income ended the year 2014 on a EUR 1,903 million deficit, down 38.8 percent versus that reported in 2013 (Table 13). The main components of the balance on primary income posted mixed developments. Thus, investment income reported a lower deficit (by 22.4 percent to EUR 3,608 million), other primary income recorded a larger surplus (by 15.9 percent to EUR 1,219 million, benefitting

from a more significant volume of European funds in the form of subsidies²⁰), while compensation of employees²¹ remained at a level comparable to that seen in the previous year.

Table 13. Balance on primary income

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Credit	2,505	2,197	87.7	100.0	100.0
Compensation of employees	553	545	98.6	22.1	24.8
Investment income	775	327	42.2	30.9	14.9
Direct investment income	69	-84	x	2.8	-3.8
Portfolio investment income	49	25	51.0	2.0	1.1
Other investment income-interest	120	97	80.8	4.8	4.4
Income on reserve assets	537	289	53.8	21.4	13.2
Other primary income	1,177	1,325	112.6	47.0	60.3
Debit	5,617	4,100	73.0	100.0	100.0
Compensation of employees	68	59	86.8	1.2	1.4
Investment income	5,424	3,935	72.5	96.6	96.0
Direct investment income	2,874	1,763	61.3	51.2	43.0
Portfolio investment income	835	713	85.4	14.9	17.4
Other investment income-interest	1,715	1,459	85.1	30.5	35.6
Income on reserve assets	-	-	-	-	-
Other primary income	125	106	84.8	2.2	2.6
Balance	-3,112	-1,903	61.2		
Compensation of employees	485	486	100.2		
Investment income	-4,649	-3,608	77.6		
Direct investment income	-2,805	-1,847	65.8		
Portfolio investment income	-786	-688	87.5		
Other investment income-interest	-1,595	-1,362	85.4		
Income on reserve assets	537	289	53.8		
Other primary income	1,052	1,219	115.9		

The balance on investment income witnessed favourable developments amid the narrowing deficits reported by the main components: direct investment income, portfolio investment income and other investment income. The direct investment income deficit diminished by 34.2 percent to EUR 1,847 million. Portfolio investment income posted a EUR 688 million deficit, 12.5 percent lower than in 2013. The deficit reported by other investment income shrank by 14.6 percent to EUR 1,362 million, owing to the fall in interest payments on foreign loans.

1.3. Balance on secondary income

The balance on secondary income ended the year 2014 on a EUR 1,685 million surplus, 37.3 percent below the previous year's reading (Table 14), mainly reflecting the reduction in the general government's net current transfers (receipts went down

²⁰ European Agricultural Guarantee Fund (EAGF)

²¹ Representing income from activities provided based on a work contract for less than one year.

to roughly a half while payments saw an increase)²². The balance on secondary income of the general government ended the year on a EUR 990 million deficit, compared with EUR 35 million in 2013, given the halving of EU fund inflows under current transfers and a slight rise in the contributions to the European Union budget versus the previous year. The balance on private secondary income posted a EUR 2,675 million surplus, down 1.7 percent from 2013, driven by miscellaneous current transfers (donations, inheritances, sponsorships, workers' remittances from abroad). Workers' remittances from abroad stood 4.5 percent below the 2013 level against the background of the fragile economic recovery in the main destination countries for Romanian workers (Italy, Spain, France).

Table 14. Balance on secondary income

	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Credit	5,346	4,552	85.1	100.0	100.0
General government	1,544	801	51.9	28.9	17.6
Other sectors	3,802	3,751	98.7	71.1	82.4
Debit	2,660	2,867	107.8	100.0	100.0
General government	1,579	1,791	113.4	59.4	62.5
Other sectors	1,081	1,076	99.5	40.6	37.5
Balance	2,686	1,685	62.7		
General government	-35	-990	x		
Other sectors	2,721	2,675	98.3		

Payments from the EU budget to Romania in 2014, recorded as current transfers received by the general government, totalled EUR 686 million²³, with approximately 60 percent of this amount coming from the European Agricultural Fund for Rural Development (EAFRD), 15 percent from the European Social Fund (ESF), and the remaining from miscellaneous secondary income. Payments to the European Union amounted to EUR 1,791 million, representing almost entirely Romania's contribution to the EU budget.

2. CAPITAL ACCOUNT

The capital account saw net inflows of EUR 3,954 million, up by over 30 percent from 2013 (Table 15), prompted by a similar increase in the capital transfer surplus²⁴, on account of the 32 percent pick-up in funds from the European Union, mainly from the European Regional Development Fund and the Cohesion Fund.

²² Current transfers include European funds other than subsidies (included under primary income) or than those for gross fixed capital formation (included under capital transfers).

²³ Source: Ministry of Public Finance.

²⁴ Capital transfers include European funds which contribute to gross fixed capital formation.

Table 15. Capital account					
	EUR millions		Indices (%)	Composition (%)	
	2013	2014	2014/2013	2013	2014
Credit	3,163	4,047	127.9	100.0	100.0
Capital transfers	3,021	3,927	130.0	95.5	97.0
General government	3,018	3,922	130.0	95.4	96.9
Other sectors	3	5	166.7	0.1	0.1
Acquisitions/disposals of non-produced non-financial assets	142	120	84.5	4.5	3.0
Debit	125	93	74.4	100.0	100.0
Capital transfers	115	81	70.4	92.0	87.1
General government	11	0	0.0	8.8	0.0
Other sectors	104	81	77.9	83.2	87.1
Acquisitions/disposals of non-produced non-financial assets	10	12	120.0	8.0	12.9
Balance	3,038	3,954	130.2		
Capital transfers	2,906	3,846	132.3		
General government	3,007	3,922	130.4		
Other sectors	-101	-76	75.2		
Acquisitions/disposals of non-produced non-financial assets	132	108	81.8		

3. FINANCIAL ACCOUNT²⁵

In 2014, the financial account witnessed net outflows worth EUR 3,068 million, compared with EUR 1,673 million in the previous year (Table 16), with the upward trend being driven, on the one hand, by the advance in net outflows reported by other investment (mainly loans and deposits) and, on the other hand, by the drop in net inflows in the form of portfolio investment.

Table 16. Financial account		
	EUR millions	
	2013	2014
Financial account	1,673	3,068
Net acquisition of assets	2,431	201
Net incurrence of liabilities	758	-2,866
Direct investment	-2,924	-2,702
Net acquisition of assets	-27	228
Net incurrence of liabilities	2,897	2,930
Portfolio investment	-5,431	-2,859
Net acquisition of assets	225	105
Net incurrence of liabilities	5,656	2,964

²⁵ The financial account covers foreign transactions in financial assets and liabilities, shown under the net acquisition of assets and the net incurrence of liabilities respectively. The difference between the net acquisition of assets and net incurrence of liabilities (net) points to a net inflow in case of (-) and to a net outflow in case of (+).

continued

	EUR millions	
	2013	2014
Financial derivatives	-35	-26
Net acquisition of assets	-35	-26
Net incurrence of liabilities	0	0
Other investment	7,920	9,890
Net acquisition of assets	125	1,130
Net incurrence of liabilities	-7,795	-8,760
Reserve assets	2,143	-1,235
Net acquisition of assets	2,143	-1,235

Note: "+" increase, "-" decrease for both net acquisition of assets and net incurrence of liabilities. The difference between the net acquisition of assets and net incurrence of liabilities (net) points to a net inflow in case of (-) and to a net outflow in case of (+).

Relative to loans, the acceleration in net outflows was equally fostered by the reduction in loans received by the general government and the rise in loans granted to non-residents by non-monetary financial institutions. The deposits contributed to more significant net outflows recorded in the financial account, both through the expansion of deposits made by resident banks abroad and through the decline in the volume of new deposits made by non-residents with resident banks. To these added the developments in portfolio investment which saw lower net inflows, given that the volume of long-term government securities redeemed by the general government exceeded that reported in the previous year.

3.1. Direct investment

In 2014, direct investment recorded net inflows in amount of EUR 2,702 million, down 7.6 percent from the 2013 value, i.e. EUR 2,924 million (Table 17), chiefly due to net losses incurred by foreign-owned monetary financial institutions in Romania. A favourable impact on net direct investment inflows had the equity in direct investment enterprises in the real economy.

Investment by non-residents in Romania²⁶ totalled EUR 2,421 million, of which equity (consolidated with the net loss) amounted to EUR 2,846 million and intercompany lending was worth EUR -425 million in net terms.

Investment by residents abroad saw EUR 282 million worth of withdrawals, of which EUR 208 million in the form of equity (including net loss) and EUR 74 million as intercompany lending.

²⁶ According to the BPM6 methodological framework, the asset and liability presentation has replaced the directional principle in the presentation of direct investment data. For details on the presentation of data according to the directional principle, see *Foreign Direct Investment in Romania* on the NBR website.

Table 17. Direct investment

EUR millions

	2013			2014		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total	-27	2,897	-2,924	228	2,930	-2,702
Equity	129	2,430	-2,301	-203	2,851	-3,054
Equity other than reinvestment of earnings	127	2,768	-2,641	12	4,226	-4,214
Deposit-taking corporations except the central bank	0	207	-207	4	404	-400
Other sectors	127	2,561	-2,434	8	3,822	-3,814
Reinvestment of earnings	2	-338	340	-215	-1,375	1,160
Deposit-taking corporations except the central bank	3	7	-4	1	-1,185	1,186
Other sectors	-1	-345	344	-216	-190	-26
Debt instruments	-156	467	-623	431	79	352
Deposit-taking corporations except the central bank	2	0	2	6	1	5
Other sectors	-158	467	-625	425	78	347

3.2. Portfolio investment

Portfolio investment recorded in 2014 net inflows amounting to EUR 2,859 million, compared with EUR 5,431 million in 2013 (Table 18), with the volume of long-term government securities redeemed by the general government exceeding that in the preceding year.

Table 18. Portfolio investment

EUR millions

	2013			2014		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total	225	5,656	-5,431	105	2,964	-2,859
Equity and investment fund shares	-47	781	-828	3	435	-432
Deposit-taking corporations except the central bank	-19	53	-72	17	249	-232
Other sectors	-28	728	-756	-14	186	-200
Debt securities	272	4,875	-4,603	102	2,529	-2,427
Short-term	-30	-398	368	36	27	9
Deposit-taking corporations except the central bank	-22	0	-22	20	0	20
General government	0	-398	398	0	27	-27
Other sectors	-8	0	-8	16	0	16

continued

	EUR millions					
	2013			2014		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Long-term	302	5,273	-4,971	66	2,502	-2,436
Deposit-taking corporations except the central bank	284	75	209	42	35	7
General government	0	5,198	-5,198	0	2,458	-2,458
Other sectors	18	0	18	24	9	15

3.3. Other investment

In 2014, other investment recorded net outflows worth EUR 9,890 million, up 24.9 percent versus the previous year (Table 19). Net outflows reflected net acquisition of assets tantamount to EUR 1,130 million and net incurrence of liabilities worth EUR -8,760 million.

Table 19. Other investment

	EUR millions					
	2013			2014		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total	125	-7,795	7,920	1,130	-8,760	9,890
Other equity	57	0	57	5	0	5
Currency and deposits	163	-2,625	2,788	1,003	-2,857	3,860
Central bank	0	-47	47	0	-7	7
Deposit-taking corporations except the central bank	-2	-2,577	2,575	975	-2,980	3,955
General government	4	-1	5	-6	130	-136
Other sectors	161	0	161	34	0	34
Loans	-152	-4,490	4,338	342	-5,495	5,837
Central bank	0	-3,665	3,665	0	-3,426	3,426
Deposit-taking corporations except the central bank	-196	0	-196	213	0	213
General government	0	-205	205	1	-1,247	1,248
Other sectors	44	-620	664	128	-822	950
Trade credit and advances	-33	-694	661	-238	-385	147
General government	-17	0	-17	-29	-3	-26
Other sectors	-16	-694	678	-209	-382	173
Other accounts receivable/payable	88	14	74	16	-23	39
Deposit-taking corporations except the central bank	-41	-18	-23	-47	29	-76
General government	50	0	50	0	-1	1
Other sectors	79	32	47	63	-51	114

Net acquisition of assets (Table 20) showed mainly the increase in deposits abroad made by resident monetary financial institutions (EUR 8,781 million compared with EUR 6,227 million in 2013), as well as the advance in the external loans granted by them (EUR 1,241 million against EUR 625 million in the previous year).

Table 20. Other investment – net acquisition of assets

	EUR millions					
	2013			2014		
	Increase in assets	Decrease in assets	Net acquisition of assets	Increase in assets	Decrease in assets	Net acquisition of assets
Total	34,448	34,323	125	25,427	24,295	1,130
Other equity	57	0	57	5	0	5
Currency and deposits	30,719	30,556	163	21,236	20,233	1,003
Deposit-taking corporations except the central bank	6,227	6,229	-2	8,781	7,806	975
General government	26	22	4	22	28	-6
Other sectors	24,466	24,305	161	12,433	12,399	34
Loans	737	889	-152	1,454	1,112	342
Deposit-taking corporations except the central bank	625	821	-196	1,241	1,028	213
General government	0	0	0	1	0	1
Other sectors	112	68	44	212	84	128
Trade credit and advances	2,478	2,511	-33	2,061	2,299	-238
General government	34	51	-17	23	52	-29
Other sectors	2,444	2,460	-16	2,038	2,247	-209
Other accounts receivable	455	367	88	667	651	16
Deposit-taking corporations except the central bank	155	196	-41	465	512	-47
Other sectors	250	171	79	202	139	63

The negative net incurrence of liabilities (Table 21) was the result of the contraction in the volume of deposits made by non-residents with resident monetary financial institutions (EUR 8,483 million in 2014 compared with EUR 12,732 million in the previous year) and of the drop in the volume of new loans taken by the general government on the foreign markets (EUR 558 million against EUR 1,574 million).

Table 21. Other investment – net incurrence of liabilities

	EUR millions					
	2013			2014		
	Increase in liabilities	Decrease in liabilities	Net incurrence of liabilities	Increase in liabilities	Decrease in liabilities	Net incurrence of liabilities
Total	29,689	37,484	-7,795	24,855	33,614	-8,760
Currency and deposits	19,873	22,498	-2,625	17,264	20,121	-2,857
Central bank	5,671	5,718	-47	7,176	7,183	-7
Deposit-taking corporations except the central bank	12,732	15,309	-2,577	8,483	11,463	-2,980
General government	1,470	1,471	-1	1,605	1,475	130

continued

	EUR millions					
	2013			2014		
	Increase in liabilities	Decrease in liabilities	Net incurrence of liabilities	Increase in liabilities	Decrease in liabilities	Net incurrence of liabilities
Loans	7,585	12,075	-4,490	5,802	11,297	-5,495
Central bank	0	3,665	-3,665	0	3,426	-3,426
General government	1,574	1,779	-205	558	1,805	-1,247
Other sectors	6,011	6,631	-620	5,244	6,066	-822
Trade credit and advances	1,850	2,544	-694	1,588	1,973	-385
General government	0	0	0	0	3	-3
Other sectors	1,850	2,544	-694	1,588	1,970	-382
Other accounts payable	381	367	14	200	223	-23
Deposit-taking corporations except the central bank	174	192	-18	127	98	29
General government	0	0	0	0	1	-1
Other sectors	207	175	32	73	124	-51

To sum up, in 2014, the balance of payments posted a net volume of non-financial transactions in amount of EUR 3,268 million (shown under the combined current and capital account surplus), having as counterpart net outflows in the form of financial transactions worth EUR 3,068 million (financial account balance), with the difference being accounted for by errors and omissions. Net outflows in the form of financial transactions had a favourable impact on the international investment position, contributing to the decline in its debit balance.

B. Romania's international investment position

1. OVERVIEW

In 2014, the international investment position saw its debit balance further diminishing to EUR 86 billion at end-2014, down 3.9 percent compared with that seen at end-2013 (Chart 3).



The steady deterioration of the net position until end-2012, owing to the rising financing needs that led to an incurrence of liabilities, moderated starting in 2013, against the background of the repayments that brought about a contraction in the stock of foreign liabilities.

As in the previous year, foreign funding came mostly in the form of direct investment (equity, loans from direct investors), followed by other investment (loans and deposits) and portfolio investment (long-term debt securities; Table 22). Direct investment and portfolio investment reported larger shares compared to 2013, unlike other investment, which posted a lower contribution to foreign funding (Chart 4).

Table 22. Foreign assets and liabilities by instrument

	EUR millions		
	Assets	Liabilities	Net
Direct investment	2,583	62,517	-59,934
Portfolio investment	2,436	21,146	-18,710
Financial derivatives	10	5	5
Other investment	14,930	57,275	-42,345
Reserve assets	35,506		35,506
Total	55,465	140,943	-85,478

Non-residents' loans and deposits continued to make a decreasing contribution to foreign funding, given the external debt repayments, as well as the maturing deposits and the low share of their renewal, with roll-over rates reported by deposit-taking corporations except the central bank, coming in at 83 percent for short-term deposits and only 60 percent for long-term deposits.

Chart 4. Foreign assets and liabilities by instrument

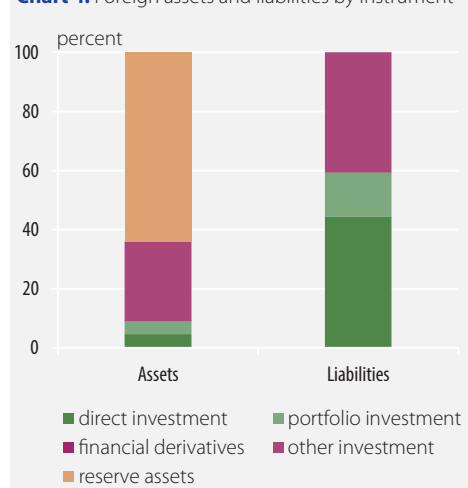
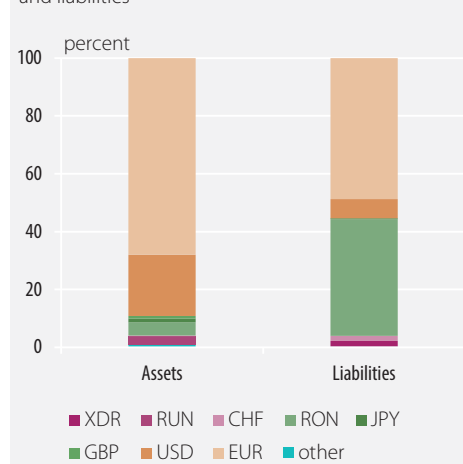


Chart 5. Currency composition of foreign assets and liabilities



In 2014, the currency composition of foreign assets (Table 23, Chart 5) was further dominated by the euro and the US dollar, with a cumulated share of 89.2 percent, up 3.5 percentage points from 2013. The foreign liabilities of the investment position were mainly denominated in euro and lei, which jointly accounted for 89.1 percent (up 1.9 percentage points from 2013), taking roughly the same shares (48.8 percent and 40.3 percent respectively). Foreign liabilities expressed in US dollars and in Special Drawing Rights (XDR) carried 8.6 percent of total.

Table 23. Currency composition of foreign assets and liabilities

	31 December 2014			
	Foreign assets		Foreign liabilities	
	EUR millions	%	EUR millions	%
Total	55,465	100.0	140,943	100.0
EUR	37,751	68.1	68,742	48.8
USD	11,704	21.1	9,313	6.6
GBP	483	0.9	64	0.0
JPY	779	1.4	461	0.3
RON	2,521	4.5	56,797	40.3
CHF	99	0.2	2,487	1.8
RUN	1,590	2.9	0	0.0
XDR	66	0.1	2,774	2.0
Other currencies	472	0.9	306	0.2

At end-2014, gross external debt totalled EUR 94.7 billion (from EUR 98.1 billion at end-2013), down 3.4 percent, due to repayments carrying on steadily, as in the previous year.

Intercompany lending saw a decrease to EUR 19.3 billion (from EUR 20.3 billion in December 2013), determined by the strong fall in long-term instruments (EUR 10.5 billion compared with EUR 12.4 billion at end-2013), partly counterbalanced by the loans with maturity shorter than one year (EUR 8.8 billion versus EUR 7.9 billion). Equity rose significantly by EUR 2.6 billion (to EUR 43.3 billion at end-2014), which shows that non-resident partners continued to make long-term investment in shares and fund units with Romanian companies.

The monetary authority's foreign assets stood at the previous year's level (EUR 35.5 billion; Table 24); at end-2014, its net position rose to EUR 32.9 billion compared with EUR 29.6 billion in 2013 as a result of the drop in the external debt of this sector. Romania's international reserves remaining at the level recorded in 2013 owed to net capital outflows (EUR -1.2 billion) being offset by changes in the exchange rate (EUR 1.2 billion) and, to a lower extent, by revaluations from changes in the gold price and securities transactions. At end-2014, Romania's international reserves covered 6.8 months of imports of goods and services.

Credit institutions' foreign assets amounted to EUR 3.3 billion, i.e. 1.6 times larger than at end-2013.

Table 24. Foreign reserve assets

	EUR millions	
	31 December 2013	31 December 2014
Romania's international reserves	35,435	35,506
Gold	2,910	3,290
Foreign currency	32,525	32,216
Credit institutions	2,035	3,285
Foreign currency	2,035	3,285
Foreign reserve assets, of which:	37,469	38,791
Foreign currency	34,560	35,501

The breakdown of the international investment position by institutional sectors in 2014 (Table 25) shows that the sector of deposit-taking corporations except the central bank continued to record a decreasing net debtor balance from EUR 23.9 billion to EUR 19 billion, driven by the decline in foreign liabilities, mainly on account of a lower share of deposits as a means of funding.

The net debtor position of the general government continued to widen, reaching EUR 29.8 billion (from EUR 27.3 billion at end-2013) amid the rise in this sector's external debt, as a result of the further budget deficit financing in 2014 via issues of government securities on the external and domestic markets.

Table 25. International investment position

	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Total	-88,950	100.0	-85,478	100.0
General government	-27,298	30.7	-29,807	34.9
Central bank	29,644	-33.3	32,942	-38.5
Deposit-taking corporations except the central bank	-23,875	26.8	-18,996	22.2
Other sectors	-67,421	75.8	-69,616	81.4

The real sector faced a worsening of its net debtor position, which widened by 3.3 percent versus end-2013 to EUR 69.6 billion, given that equity in companies operating in Romania and intercompany lending continued to be the main financing means.

2. INTERNATIONAL INVESTMENT POSITION

2.1. Foreign assets

At end-2014, foreign assets stood at EUR 55,465 million, up 6.2 percent year on year.

Table 26. Foreign assets by instrument

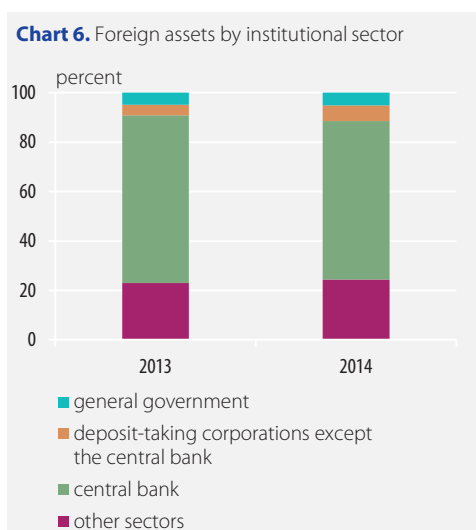
	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Total	52,218	100.0	55,465	100.0
Direct investment	1,699	3.3	2,583	4.7
Equity	433	0.8	107	0.2
Debt instruments	1,265	2.4	2,475	4.5
Portfolio investment	2,348	4.5	2,436	4.4
Equity and investment fund shares	863	1.7	829	1.5
Debt securities (long-term)	1,485	2.8	1,569	2.8
Debt securities (short-term)	0	0.0	37	0.1
Financial derivatives	1	0.0	10	0.0

continued

	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Other investment	12,736	24.4	14,931	26.9
Other equity	898	1.7	979	1.8
Loans	3,377	6.5	3,832	6.9
Trade credit and advances	4,198	8.0	4,372	7.9
Currency and deposits	3,972	7.6	5,391	9.7
Other accounts receivable	291	0.6	357	0.6
Reserve assets	35,435	67.9	35,506	64.0

The breakdown of foreign assets by main component of the investment position remained almost unchanged from end-2013. Specifically, reserve assets further prevailed, albeit with a slightly lower share of 64 percent, ahead of other investment (up 2.5 percentage points from a year earlier to 26.9 percent), direct investment (up 1.4 percentage points to 4.7 percent) and portfolio investment (4.4 percent; Table 26).

At end-2014, the balance on residents' direct investment abroad came in at EUR 2,583 million²⁷, above the 2013 level, as a result of the doubling of the volume of intercompany lending to non-resident enterprises.



The balance on portfolio investment of resident investors (EUR 2,436 million) remained close to the year-earlier reading. The breakdown of portfolio investment by instrument shows resident investors' further bias towards bonds or other short- and long-term securities, to the detriment of shares of foreign companies.

During the period under review, the balance on other investment went up 17.2 percent year on year, to stand at EUR 14,931 million.

At end-2014, Romania's international reserves came in at EUR 35,506 million, a level similar to that seen at end-2013, in the context of ongoing principal repayments and interest payments falling due over the reported period in relation to the external public debt.

The breakdown of foreign assets by institutional sector (Table 27) shows that, at 31 December 2014, the central bank further held the largest share (64.1 percent) via reserve assets, ahead of the real sector (24.4 percent), deposit-taking corporations except the central bank (6.4 percent), and the general government (5.1 percent; Chart 6).

²⁷ According to the BPM6 methodological framework, in the standard presentation of the international investment position and of the gross/net external debt, the asset and liability principle has replaced the directional principle in the presentation of direct investment data.

	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Total	52,218	100.0	55,465	100.0
Central bank	35,465	67.9	35,540	64.1
General government	2,567	4.9	2,834	5.1
Deposit-taking corporations except the central bank	2,208	4.2	3,538	6.4
Other sectors	11,978	22.9	13,554	24.4

2.2. Foreign liabilities

At end-2014, foreign liabilities amounted to EUR 140,943 million, down 0.2 percent from the end of the previous year (Table 28).

	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Total	141,168	100.0	140,943	100.0
Direct investment	61,039	43.2	62,517	44.4
Equity	40,714	28.8	43,264	30.7
Debt instruments	20,326	14.4	19,253	13.7
Portfolio investment	16,768	11.9	21,146	15.0
Equity and investment fund shares	2,385	1.7	2,929	2.1
Debt securities (long-term)	14,222	10.1	18,023	12.8
Debt securities (short-term)	161	0.1	194	0.1
Financial derivatives	2	0.0	5	0.0
Other investment	63,360	44.9	57,275	40.6
Other equity	0	0.0	0	0.0
Loans	41,605	29.5	38,253	27.1
Trade credit and advances	1,565	1.1	1,516	1.1
Currency and deposits	18,827	13.3	16,070	11.4
Other accounts payable	262	0.2	262	0.2
SDR allocations	1,102	0.8	1,173	0.8

The breakdown of foreign liabilities by main financial instrument at end-2014 shows a major change in their ranking, as the two large contributors to financing switched positions, i.e. the share of foreign direct investment exceeded that of other investment by 3.8 percentage points, to stand at 44.4 percent. Specifically, foreign funding was ensured primarily via financial instruments classified under direct investment and, to a lower extent, by other investment in the form of loans and deposits, trending downwards because of external debt repayments and the diminishing roll-over rates in the case of credit institutions.

At end-2014, the balance on direct investment stood at EUR 62,517 million²⁸ (up 2.4 percent against end-2013) or 41.7 percent as a share in GDP. The weight of equity went up 1.9 percentage points, whereas that of debt instruments in the form of intercompany lending edged down 0.7 percentage points.

Direct investment in the form of intercompany lending further targeted all economic sectors, predominantly manufacturing, financial intermediation and insurance, trade, electricity, gas and water, construction and real estate transactions, all of which added up to EUR 19.3 billion.

Foreign investors continued to hold mostly unlisted shares on the Romanian capital market, equalling EUR 38.1 billion in non-financial corporations, banks, insurance undertakings and other financial intermediaries. Non-resident investors' shares listed on the domestic capital market amounted to EUR 4.8 billion, with non-financial corporations and deposit-taking corporations except the central bank as the main issuers. Non-residents' investment in resident investment funds totalled EUR 311.8 million at end-2014, i.e. 7.7 times higher than the year-earlier figure.

In 2014, the major foreign investors posted a slightly different geographical breakdown, coming mostly from countries with a high financial potential such as the Netherlands, Austria, Germany, Cyprus, France, Italy, Switzerland and Luxembourg.

The balance on foreign investment by development region shows that the Bucharest-Ilfov region was in the lead, followed by Centre and West, South-Muntenia, North-West, South-East and South-West – Oltenia. The same as in previous years, North-East came in last in terms of foreign direct investment.

At end-2014, portfolio investment saw its share in total foreign liabilities moving ahead 3.1 percentage points. The balance on investment in equity and investment fund shares stood at EUR 2,929 million at the end of the period under review.

For financing purposes and in order to capitalise on the favourable position on the capital markets, as confirmed by rating agencies, the Ministry of Public Finance continued to launch government security issues on the domestic and foreign capital markets. The balance on euro-denominated bonds issued on the domestic market diminished, whereas that on leu-denominated securities rose, with resident credit institutions ranking topmost among the holders. Foreign funding was raised via issues of bonds on the foreign capital markets, which were further well received by non-residents.

The Government of Romania tapped foreign capital markets as early as January, when two bond issues worth USD 1,000 million each, with a coupon of 4.875 percent and 6.125 percent respectively, were launched on the US market. The issues have a 30-year and a 10-year maturity respectively. In April, the MPF launched on the European capital market another issue, in amount of EUR 1,250 million, with a coupon

²⁸ According to the BPM6 methodological framework, in the standard presentation of the international investment position and of the gross/net external debt, the asset and liability principle has replaced the directional principle in the presentation of direct investment data.

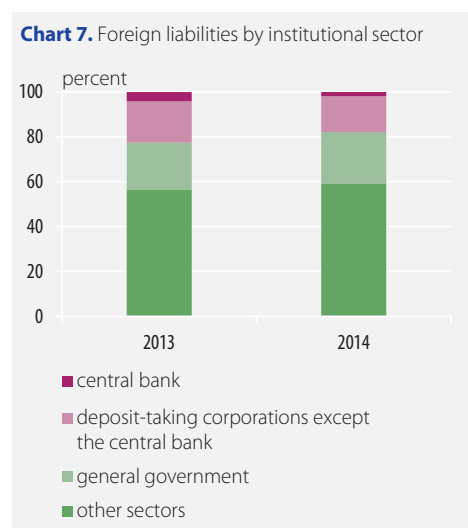
set at 3.625 percent and a 10-year maturity, while October saw the last issue of the year, totalling EUR 1,500 million, with a coupon rate of 2.875 percent and a 10-year maturity. It is worth noting that the 2014 bond issues on the foreign capital markets were launched at lower costs than in previous years and had sustainable maturities.

Securities issued by the general government accounted for 12.9 percent of total gross external debt and influenced its balance through their price, which doubled against 2013, due to their attractiveness on trading markets.

Table 29. Foreign liabilities by institutional sector

	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Total	141,168	100.0	140,943	100.0
Central bank	5,820	4.1	2,598	1.8
General government	29,865	21.2	32,641	23.2
Deposit-taking corporations except the central bank	26,083	18.5	22,534	16.0
Other sectors	79,400	56.2	83,170	59.0

Other investment amounted to EUR 57,275 million at end-2014, down 9.6 percent from a year earlier, amid further capital outflows in the form of payments related to financial instruments such as financial loans, deposits and trade credits. Under other investment, the balance on SDR allocations rose slightly due to exchange rate changes.

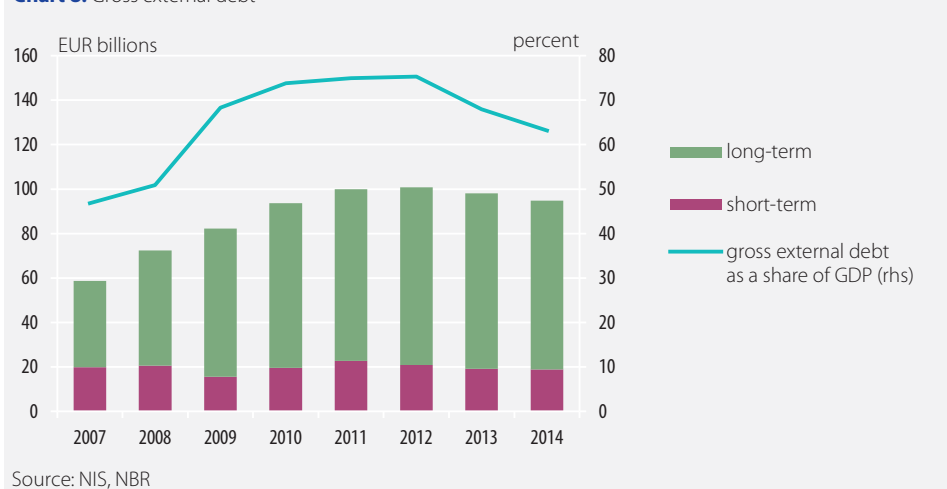


The breakdown of foreign liabilities by institutional sector (Table 29) indicates that, at end-2014, the real sector still held the largest share, the same as in previous years, followed by general government (with a rising share associated with increasing financing requirements), deposit-taking corporations except the central bank (with a smaller share, following a further drop in the volume of deposits and the low roll-over rates) and the central bank

(whose share narrowed on account of repayments due under the external financing package; Chart 7).

2.2.1. External debt

As of 2008, gross external debt posted an upward path that peaked at EUR 100 billion in 2012 (Chart 8), reflecting heightened financing requirements. Starting 2013, gross external debt has displayed a diminishing trend, amid higher principal repayments in relation to both long- and short-term external debt. Hence, the balance on the latter dropped below the EUR 20 billion mark.

Chart 8. Gross external debt

At end-2014, gross external debt²⁹ totalled EUR 94,744 million (Table 30), down 3.4 percent from end-2013, due to the reduction in the long- and short-term components by 3.8 percent and 1.5 percent respectively.

Table 30. Gross external debt

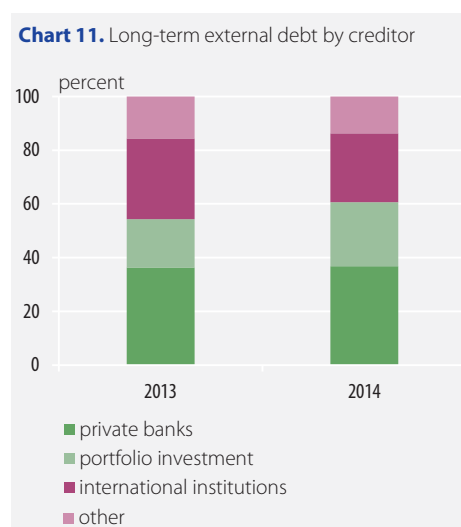
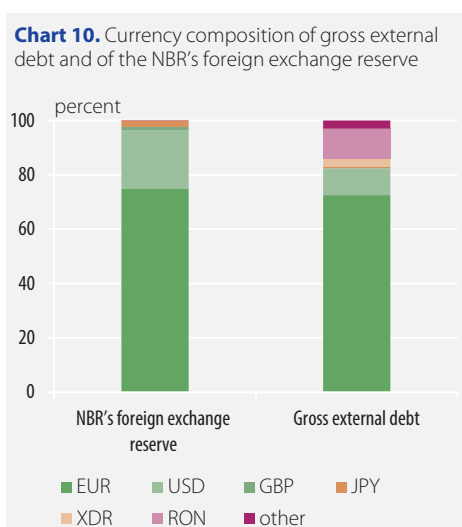
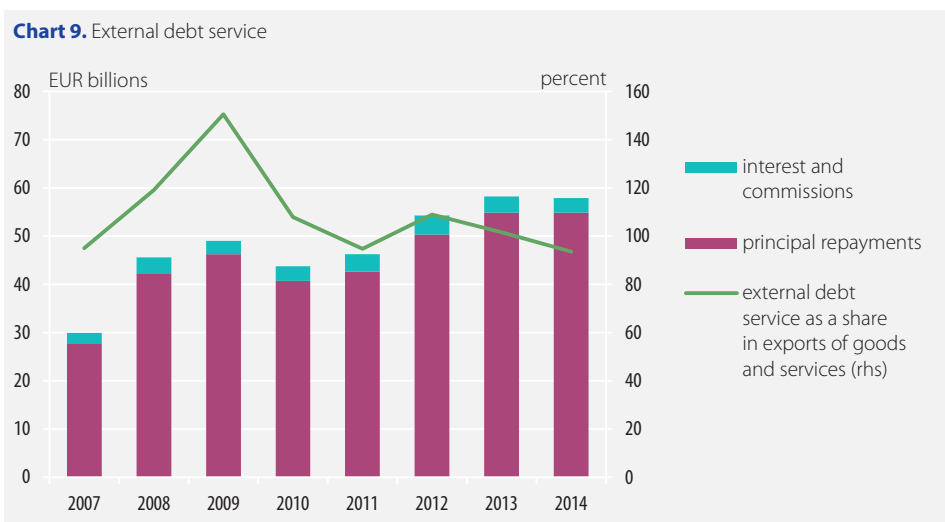
	EUR millions	
	31 December 2013	31 December 2014
Long-term external debt	78,860	75,829
Public debt	30,294	32,833
Loans from the IMF	1,121	162
Private debt	42,756	40,402
Central bank debt	5,810	2,594
Loans from the IMF	4,708	1,421
SDR allocations from the IMF	1,102	1,173
Short-term external debt	19,209	18,915
Gross external debt	98,069	94,744

Long-term external public debt³⁰ stood 8.4 percent higher than in 2013, whereas the central bank's external debt and private external debt shrank 55.3 percent and 5.5 percent respectively. At end-2014, the balance on external debt to the IMF dwindled 85.5 percent for the MPF commitment and 69.8 percent for the central bank commitment.

The external debt service (Chart 9) expanded by 93.6 percent at end-2014 versus 2007, having posted significant increases during 2008-2009, a moderate easing in 2010 and considerable rises 2011 through 2013, with a peak of EUR 58.3 billion in 2013. In 2014, the service dropped slightly to EUR 57.9 billion and continued to reflect the servicing of the outstanding debt to the IMF (EUR 4,416 million) under the Stand-By Arrangement concluded in 2009, the transactions in government securities, deposit closings by non-residents, and other payments to multilateral and private creditors.

²⁹ Gross external debt balance is cash-based, net of accrued unmaturing interest.

³⁰ External public debt includes external loans taken directly by the MPF and local governments, external loans guaranteed by the MPF and local governments, in compliance with the legislation on public debt, including the loans taken by the MPF in accordance with Government Emergency Ordinance No. 99/2009 ratifying the Stand-By Arrangement between Romania and the IMF, as well as government securities purchased by non-residents – calculated at market value.



The currency composition of external debt (with the euro accounting for 72.6 percent and the US dollar for 9.8 percent; Table 31) was proportionally replicated in the NBR's foreign exchange reserve, where the euro and the US dollar jointly held 96.4 percent (Chart 10).

Table 31. Currency composition of the NBR's foreign exchange reserve and of external debt

	31 December 2014			
	NBR's foreign exchange reserve		External debt	
	EUR millions	%	EUR millions	%
Total	32,216	100.0	94,744	100.0
EUR	24,164	75.0	68,740	72.6
USD	6,891	21.4	9,252	9.8
GBP	394	1.2	64	0.1
JPY	747	2.3	461	0.5
XDR	16	0.0	2,774	2.9
RON	0	0.0	10,661	11.3
Other	3	0.0	2,793	2.9

Long-term external debt ran at EUR 75,829 million at end-2014, down 3.8 percent against end-2013, diminished by net capital outflows (EUR -4,453.6 million) and debt-to-equity swaps (EUR -253.2 million). This contraction was limited during the period under review by the influence of exchange rate changes (EUR 942.4 million) and of changes in securities prices (EUR 733.8 million).

Long-term external debt by creditor at end-2014 (Table 32) shows that private banks further held the largest share (60.6 percent, up 6.3 percentage points; Chart 11), while official creditors saw their share decrease by 4.3 percentage points, to 25.7 percent, owing to debt repayments on the 2009 financing arrangement with the IMF, the European Commission and the World Bank. Among private creditors, foreign credit institutions maintained the long-term lending to the economy, as well as general government financing via new issues that increased the balance on portfolio investment, thus outpacing foreign companies and other financial institutions and changing the previous years' ranking.

Table 32. Long-term gross external debt by creditor

	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Total	78,860	100.0	75,829	100.0
Financial loans from international institutions, of which:	23,694	30.0	19,446	25.7
IBRD	3,189	4.0	3,414	4.5
EIB	4,906	6.2	4,881	6.4
EBRD	1,709	2.2	1,526	2.0
EU	5,000	6.3	5,000	6.6
IMF	6,931	8.8	2,757	3.6
SDS-EC	897	1.1	862	1.1
OECD	415	0.5	405	0.5
Portfolio investment of private banks, of which:	14,222	18.0	18,023	23.8
Credit Suisse/EFG/UBS	1,259	1.6	1,139	1.5
HSBC/Deutsche Bank/EFG	714	0.9	593	0.8
ABN/JP Morgan	371	0.5	373	0.5
Erste Bank/Société Générale	1,167	1.5	1,033	1.4
Citigroup/Deutsche Bank /HSBC	1,763	2.2	2,112	2.8
Barclays/Deutsche Bank/Citigroup/HSBC	1,000	1.3	880	1.2
Barclays/BNP Paribas/Citigroup/HSBC	908	1.2	1,129	1.5
Citibank/HSBC/Soc Gen/Deutsche Bank	1,476	1.9	1,333	1.8
BNP Paribas/Citigroup/JP Morgan Securities	0	0.0	1,797	2.4
Citibank/ING/Société Générale/Unicredit	0	0.0	965	1.3
HSBC/RBI/Société Générale/Unicredit	0	0.0	1,127	1.5
Financial loans from private banks, by country:	28,634	36.3	27,924	36.8
Austria	10,265	13.0	9,904	13.1
The Netherlands	4,516	5.7	4,490	5.9
Greece	2,850	3.6	2,986	3.9
France	1,965	2.5	1,228	1.6
United Kingdom	1,472	1.9	2,355	3.1

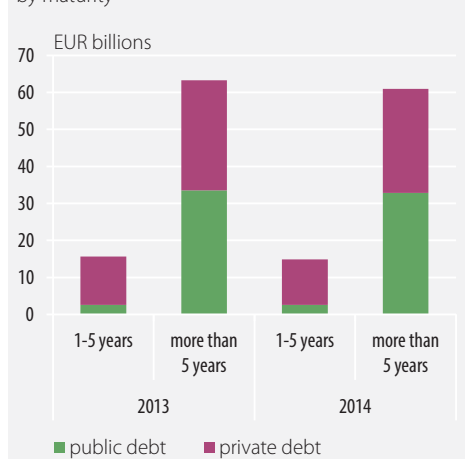
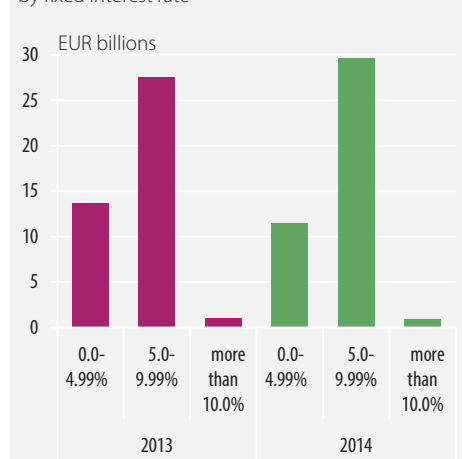
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	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Germany	1,394	1.8	1,489	2.0
Luxembourg	1,189	1.5	1,024	1.4
Ireland	764	1.0	467	0.6
Hungary	757	1.0	474	0.6
Cyprus	743	0.9	720	0.9
Italy	711	0.9	692	0.9
Other	12,310	15.6	10,436	13.8

Table 33. Long-term external debt by maturity

	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Total	78,860	100.0	75,829	100.0
1-5 years	15,611	19.8	14,856	19.6
Public debt	2,607	3.3	2,578	3.4
Private debt	13,004	16.5	12,279	16.2
more than 5 years	63,249	80.2	60,973	80.4
Public debt	33,497	42.5	32,850	43.3
Private debt	29,752	37.7	28,124	37.1

Long-term external debt by maturity at end-2014 (Table 33) highlights a reduction in the external debt balance across both maturity types. Specifically, the balance on public and private external debt with more than 5 years maturity diminished against the previous year (Chart 12), while private debt with a maturity between 1 and 5 years declined chiefly due to non-publicly guaranteed loans. The general government and private companies further focused on debt management strategies whereby maturities are set so as to ensure avoiding any peak debt repayments.

Chart 12. Long-term external debt by maturity**Chart 13.** Long-term external debt by fixed interest rate

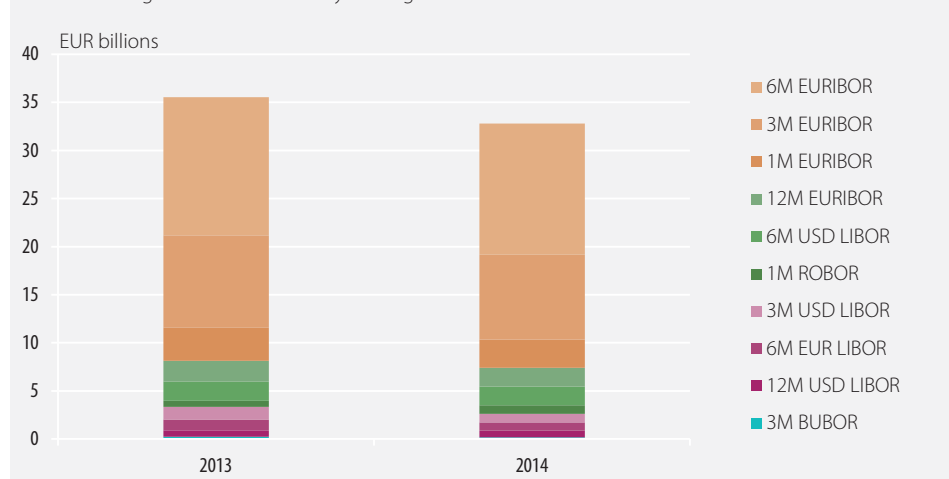
Long-term external debt by type of interest rate shows that floating-rate loans followed a downtrend versus a year earlier across all interest rate types (Table 34; Chart 14), especially for EUR-denominated loan agreements. Fixed-rate loans remained on an upward path solely in the 5-10 percent range, whereas those at both

ends of the spectrum either had a low, albeit declining share or were significant and contracted (Chart 13). The concern for a debt service as predictable as possible in relation to long-term loan agreements was further visible.

Table 34. Long-term external debt by type of interest rate

	31 December 2013		31 December 2014	
	EUR millions	%	EUR millions	%
Total	78,860	100.0	75,829	100.0
Floating rates, of which:	36,590	46.4	33,740	44.5
3M BUBOR	243.2	0.3	176.7	0.2
12M USD LIBOR	653.8	0.8	704.1	0.9
6M EUR LIBOR	1,123.9	1.4	854.8	1.1
3M USD LIBOR	1,313.2	1.7	884.8	1.2
1M ROBOR	631.5	0.8	890.4	1.2
6M USD LIBOR	2,021.1	2.6	1,940.4	2.6
12M EURIBOR	2,145.9	2.7	1,951.0	2.6
1M EURIBOR	3,447.2	4.4	2,950.7	3.9
3M EURIBOR	9,602.5	12.2	8,811.9	11.6
6M EURIBOR	14,364.9	18.2	13,631.7	18.0
Fixed rates	42,270	53.6	42,090	55.5
0.0-4.99%	13,661	17.3	11,444	15.1
5.0-9.99%	27,591	35.0	29,667	39.1
over 10.0%	1,018	1.3	979	1.3

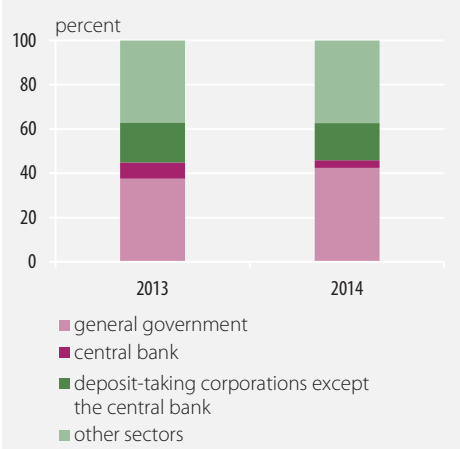
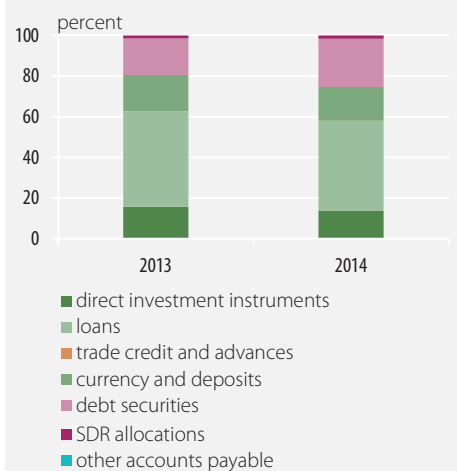
Chart 14. Long-term external debt by floating interest rate



Long-term external debt incurred by the central bank and the credit institutions witnessed a renewed contraction during 2014 (Table 35) due to repayments and withdrawals on deposits by non-residents with the roll-over displaying a reduction trend, while general government debt (Chart 15) continued to increase, in line with developments in the sector's financing requirements, primarily via the new securities issues on capital markets. The balance on companies' long-term debt trended downwards, although its share in total debt rose slightly.

Table 35. Long-term external debt by institutional sector

	2013		2014	
	EUR millions	%	EUR millions	%
Total	78,860	100.0	75,829	100.0
General government	29,612	37.6	32,231	42.5
Central bank	5,810	7.4	2,595	3.4
Deposit-taking corporations except the central bank	14,241	18.1	12,737	16.8
Other sectors	29,197	37.0	28,266	37.3

Chart 15. Long-term external debt by institutional sector**Chart 16.** Long-term external debt by instrument

As regards the breakdown by instrument (Table 36), long-term external debt witnessed a further decrease. The breakdown points to the declining share of non-residents' loans, deposits and direct investment instruments in favour of portfolio investment instruments in the form of securities, whose share widened by 5.8 percentage points (Chart 16).

Table 36. Long-term external debt by instrument

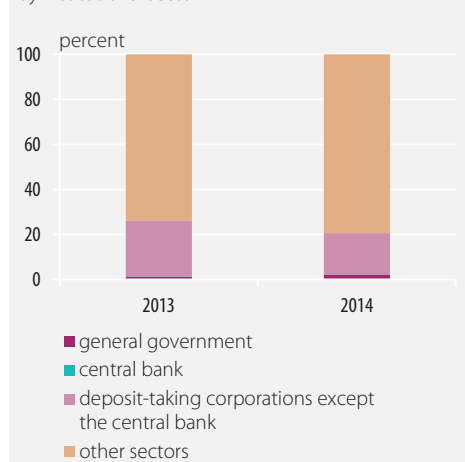
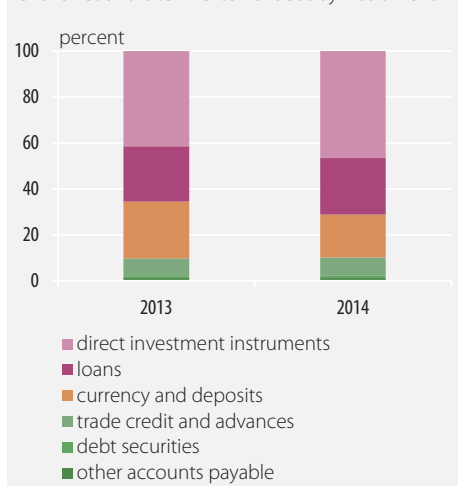
	2013		2014	
	EUR millions	%	EUR millions	%
Total	78,860	100.0	75,829	100.0
Direct investment instruments	12,387	15.7	10,454	13.8
Loans	36,975	46.9	33,614	44.3
Trade credit and advances	74	0.1	11	0.0
Currency and deposits	14,074	17.8	12,531	16.5
Debt securities	14,222	18.0	18,023	23.8
SDR allocations	1,102	1.4	1,173	1.5
Other accounts payable	26	0.0	23	0.0

Throughout 2014, the balance on short-term external debt diminished further (by 1.5 percent) to EUR 18,915 million, making up 20 percent of total gross external debt. Institutional sectors held various weights in the short-term external debt (Table 37), the real sector further making the largest contribution, with considerable roll-over rates, ahead of deposit-taking corporations except the central bank and the general government.

Table 37. Short-term external debt by institutional sector

	2013		2014	
	EUR millions	%	EUR millions	%
Total	19,209	100.0	18,915	100.0
General government	253	1.3	409	2.2
Central bank	10	0.1	3	0.0
Deposit-taking corporations except the central bank	4,791	24.9	3,496	18.5
Other sectors	14,154	73.7	15,007	79.3

The real sector resorted to short-term loans in 2014 as well, whereas deposit-taking corporations except the central bank continued to sharply reduce flows with a maturity of up to 1 year (Chart 17).

Chart 17. Short-term external debt by institutional sector**Chart 18.** Short-term external debt by instrument

Direct investment instruments in the form of loans, as a means of short-term financing, had a significant contribution, with their share rising 5.2 percentage points from 2013, to 46.5 percent (Table 38). The share of deposits taken by credit institutions fell, while those of the other components (loans, other accounts payable and securities) either remained unchanged or posted slight increases (Chart 18).

Table 38. Short-term external debt by instrument

	2013		2014	
	EUR millions	%	EUR millions	%
Total	19,209	100.0	18,915	100.0
Direct investment instruments	7,939	41.3	8,799	46.5
Loans	4,630	24.1	4,639	24.5
Trade credit and advances	1,491	7.8	1,505	8.0
Currency and deposits	4,752	24.7	3,539	18.7
Debt securities	161	0.8	194	1.0
Other accounts payable	236	1.2	239	1.3

In 2014, the external debt service amounted to EUR 57,939 million, of which principal repayments equalled EUR 54,893 million and payments of interest and commissions totalled EUR 3,046 million. The breakdown by maturity changed slightly against the previous year, as the share of long-term external debt service narrowed from 42.2 percent in 2013 to 41.3 percent and that of short-term external debt service widened from 57.8 percent to 58.7 percent in 2014.

During the period under review, following a slight reduction, the external debt service reached 93.6 percent of exports of goods and services (Table 39). In relation to GDP, the external debt service saw its share diminish by 1.8 percentage points to 38.6 percent.

Table 39. External debt service (EDS)

	2013	2014
EDS (EUR millions)	58,251	57,939
EDS/GDP (%)	40.4	38.6
EDS/EXP* (%)	101.6	93.6
EXP* (EUR millions)	57,308	61,908

*) exports of goods and services

Net external debt³¹ came in at EUR 44.5 billion, down from EUR 51 billion in 2013, amid the drop in net external debt of the central bank and deposit-taking corporations except the central bank (credit institutions), while the net external debt of the general government expanded from EUR 28.2 billion to EUR 30.8 billion (Table 40).

At 31 December 2014, net external debt accounted for 29.7 percent of GDP (Chart 19) against 35.3 percent at end-2013³², which led to a reduction in the debit balance of the international investment position from 61.7 percent to 57 percent of GDP.

Chart 19. Net external debt at end-2014

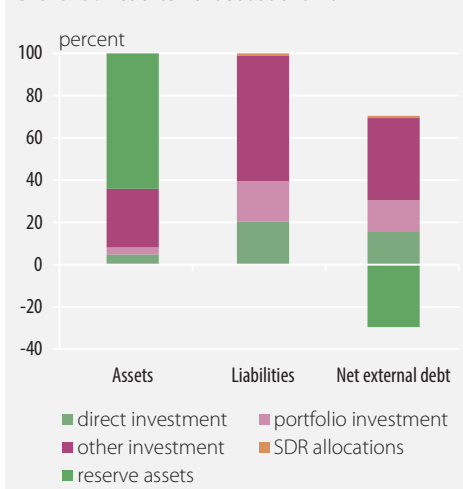
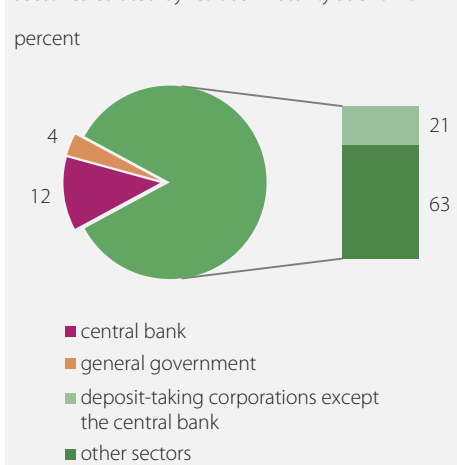


Chart 20. Short-term external debt by institutional sector calculated by residual maturity at end-2014



³¹ Calculated as the difference between foreign assets and foreign liabilities related to all debt instruments (loans, currency and deposits, bonds and money market instruments, trade credit).

³² During the same period, gross external debt declined from 68 percent to 63.2 percent as a share of GDP.

The balance on short-term external debt calculated at residual value³³ totalled EUR 36,229.1 million, of which real sector debt accounted for 84 percent. The low shares held by the general government and the central bank (Chart 20) show the sustainability of the public sector's short-term debt. Hence, the ratio of the foreign exchange reserve to short-term external debt calculated at residual maturity improved slightly in 2014, reaching 88.9 percent from 87.6 percent a year earlier.

Table 40. Net external debt at end-2014

	EUR millions		
	Gross external debt	Foreign assets based on debt instruments	Net external debt
General government	32,641	1,889	30,752
Currency and deposits	215	6	209
Debt securities	18,000	0	18,000
Loans	14,403	0	14,403
Trade credit and advances	2	1,810	-1,808
Other accounts receivable/payable	21	73	-51
Central bank	2,598	32,216	-29,618
Special drawing rights (SDR)	1,173	16	1,157
Currency and deposits	3	5,613	-5,610
Debt securities	0	26,587	-26,587
Loans	1,421	0	1,421
Deposit-taking corporations except the central bank	16,231	3,473	12,758
Currency and deposits	15,852	2,401	13,451
Debt securities	204	618	-414
Loans	0	439	-439
Other accounts receivable/payable	175	14	161
Other sectors	24,022	10,197	13,825
Currency and deposits	0	2,984	-2,984
Debt securities	14	989	-975
Loans	22,429	3,391	19,038
Trade credit and advances	1,514	2,562	-1,048
Other accounts receivable/payable	65	271	-205
Direct investment, debt instruments	19,253	2,475	16,778
Total	94,744	50,250	44,495

The analysis of the main indebtedness indicators in 2014 shows that the share of long-term external debt in GDP declined to 50.6 percent, the share of short-term external debt in GDP narrowed to 12.6 percent, the ratio of gross external debt to exports of goods and services was 153 percent, while the share of interest in total exports of goods and services decreased to 4.9 percent. At end-2014, Romania's international reserves (foreign currency and gold) covered 6.8 months of imports of goods and services. The ratio of the National Bank of Romania's foreign exchange reserve to short-term external debt³⁴ reached 170.3 percent at end-2014, compared with 169.3 percent at end-2013.

³³ Short-term external debt outstanding at end-2014 plus the principal and/or interest on long-term gross external debt payable over the following 12 months (2015).

³⁴ Gross external debt with an original maturity of up to and including one year.

Statistical section

Balance of payments, 2013 – 2014

Item	EUR millions					
	2013			2014		
	Credit	Debit	Balance	Credit	Debit	Balance
1. Current account	65,160	66,699	-1,539	68,657	69,343	-686
A. Goods and services	57,309	58,422	-1,113	61,908	62,376	-468
a. Goods	43,879	49,695	-5,816	46,807	53,142	-6,335
general merchandise on a balance of payments basis	43,826	49,695	-5,869	46,696	53,142	-6,446
net exports of goods under merchandising	53	0	53	111	0	111
goods acquired under merchandising	-236	0	-236	-178	0	-178
goods sold under merchandising	289	0	289	289	0	289
b. Services	13,430	8,727	4,703	15,101	9,234	5,867
processing services	2,275	142	2,133	2,525	163	2,362
transport	3,880	1,386	2,494	4,391	1,577	2,814
travel	1,196	1,547	-351	1,378	1,824	-446
other	6,079	5,652	427	6,807	5,670	1,137
B. Primary income	2,505	5,617	-3,112	2,197	4,100	-1,903
compensation of employees	553	68	485	545	59	486
investment income	775	5,424	-4,649	326	3,935	-3,609
other primary income	1,177	125	1,052	1,326	106	1,220
C. Secondary income	5,346	2,660	2,686	4,552	2,867	1,685
general government	1,544	1,579	-35	801	1,791	-990
other sectors	3,802	1,081	2,721	3,751	1,076	2,675
2. Capital account	3,163	125	3,038	4,047	93	3,954
A. Capital transfers	3,021	115	2,906	3,927	81	3,846
general government	3,018	11	3,007	3,922	0	3,922
other sectors	3	104	-101	5	81	-76
B. Acquisition/disposal of non-produced non-financial assets	142	10	132	120	12	108
	Net acquisition of assets*	Net incurrence of liabilities*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net
3. Financial account	2,431	758	1,673	202	-2,866	3,068
A. Direct investment	-27	2,897	-2,924	228	2,930	-2,702
equity	128	2,430	-2,302	-203	2,851	-3,054
equity other than reinvestment of earnings	127	2,768	-2,641	12	4,226	-4,214
reinvestment of earnings	1	-338	339	-215	-1,375	1,160
debt instruments	-155	467	-622	431	79	352
B. Portfolio investment	225	5,656	-5,431	105	2,964	-2,859
equity and investment fund shares	-47	781	-828	3	435	-432
debt securities	272	4,875	-4,603	102	2,529	-2,427
C. Financial derivatives	-35	0	-35	-26	0	-26
D. Other investment	125	-7,795	7,920	1,130	-8,760	9,890
other equity	57	0	57	5	0	5
currency and deposits	163	-2,625	2,788	1,003	-2,857	3,860
loans	-152	-4,490	4,338	342	-5,495	5,837
insurance, pension and standardised guarantee schemes	2	0	2	2	0	2
trade credit and advances	-33	-694	661	-238	-385	147
other accounts receivable/payable	88	14	74	16	-23	39
special drawing rights	0	0	0	0	0	0
E. NBR's reserve assets	2,143	0	2,143	-1,235	0	-1,235
4. Net errors and omissions	174	0	174	0	200	-200

*) "+" increase, "-" decrease

Note: Totals may not add up due to rounding.

Quarterly balance of payments, 2014

EUR millions

Item	Q1			Q2		
	Credit	Debit	Balance	Credit	Debit	Balance
1. Current account	17,022	17,422	-400	16,674	17,371	-697
A. Goods and services	14,753	14,432	321	15,011	15,055	-44
a. Goods	11,364	12,428	-1,064	11,285	12,837	-1,552
general merchandise on a balance of payments basis	11,343	12,428	-1,085	11,280	12,837	-1,557
net exports of goods under merchanting	21	0	21	5	0	5
goods acquired under merchanting	-49	0	-49	-32	0	-32
goods sold under merchanting	70	0	70	37	0	37
b. Services	3,389	2,004	1,385	3,726	2,218	1,508
processing services	607	44	563	646	36	610
transport	1,004	331	673	1,079	408	671
travel	256	313	-57	329	369	-39
other	1,522	1,316	206	1,672	1,405	267
B. Primary income	1,106	2,048	-942	590	1,663	-1,073
compensation of employees	120	13	107	132	17	115
investment income	52	2,012	-1,960	99	1,621	-1,522
other primary income	934	23	911	359	26	334
C. Secondary income	1,163	942	221	1,073	653	420
general government	270	686	-416	159	402	-243
other sectors	893	256	637	914	251	663
2. Capital account	1,590	16	1,574	409	14	395
A. Capital transfers	1,535	15	1,520	393	14	379
general government	1,535	0	1,535	393	0	393
other sectors	0	15	-15	0	14	-14
B. Acquisition/disposal of non-produced non-financial assets	55	1	54	16	0	16
	Net acquisition of assets*	Net incurrence of liabilities*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net
3. Financial account	-364	-1,912	1,548	216	-600	817
A. Direct investment	18	708	-690	-53	565	-618
equity	-67	587	-654	-40	679	-719
equity other than reinvestment of earnings	-13	396	-409	14	384	-370
reinvestment of earnings	-54	191	-245	-54	295	-349
debt instruments	85	121	-36	-13	-114	101
B. Portfolio investment	-105	737	-842	0	733	-732
equity and investment fund shares	-56	-186	130	-28	-115	87
debt securities	-49	923	-972	28	848	-820
C. Financial derivatives	-6	0	-6	-7	0	-7
D. Other investment	944	-3,357	4,301	420	-1,898	2,318
other equity	1	0	1	0	0	0
currency and deposits	682	-1,681	2,363	619	-257	876
loans	-9	-1,583	1,574	101	-1,460	1,561
insurance, pension and standardised guarantee schemes	0	0	0	0	0	0
trade credit and advances	173	-48	221	-190	-191	1
other accounts receivable/payable	97	-45	142	-110	10	-120
special drawing rights	0	0	0	0	0	0
E. NBR's reserve assets	-1,215	0	-1,215	-144	0	-144
4. Net errors and omissions	0	0	374	0	0	1,122

*) "+" increase, "-" decrease

Note: Totals may not add up due to rounding.

EUR millions						Item
Q3			Q4			
Credit	Debit	Balance	Credit	Debit	Balance	
17,451	17,522	-72	17,511	17,027	484	1. Current account
15,958	16,022	-64	16,186	16,867	-681	A. Goods and services
12,014	13,475	-1,461	12,144	14,402	-2,258	a. Goods
12,015	13,475	-1,460	12,058	14,402	-2,344	general merchandise on a balance of payments basis
-1	0	-1	86	0	86	net exports of goods under merchanting
-36	0	-36	-61	0	-61	goods acquired under merchanting
35	0	35	147	0	147	goods sold under merchanting
3,944	2,547	1,397	4,042	2,465	1,577	b. Services
643	42	601	629	41	588	processing services
1,155	429	726	1,153	409	744	transport
426	672	-246	367	470	-103	travel
1,720	1,404	316	1,893	1,545	348	other
360	991	-632	142	-603	745	B. Primary income
144	13	131	149	16	133	compensation of employees
195	950	-755	-20	-648	628	investment income
20	28	-8	13	29	-16	other primary income
1,133	509	624	1,183	763	420	C. Secondary income
166	243	-77	206	460	-254	general government
967	266	701	977	303	674	other sectors
441	35	407	1,607	28	1,579	2. Capital account
413	34	380	1,586	18	1,568	A. Capital transfers
413	0	413	1,581	0	1,581	general government
0	34	-34	5	18	-13	other sectors
28	1	27	21	10	11	B. Acquisition/disposal of non-produced non-financial assets
Net acquisition of assets*	Net incurrence of liabilities*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net	
-571	-1,088	517	921	734	187	3. Financial account
-135	728	-863	398	929	-531	A. Direct investment
-52	500	-552	-44	1,085	-1,129	equity
2	835	-833	9	2,611	-2,602	equity other than reinvestment of earnings
-54	-335	281	-53	-1,526	1,473	reinvestment of earnings
-83	228	-311	442	-156	598	debt instruments
125	92	33	85	1,402	-1,317	B. Portfolio investment
36	407	-371	51	329	-278	equity and investment fund shares
89	-315	404	34	1,073	-1,039	debt securities
68	0	68	-81	0	-81	C. Financial derivatives
248	-1,908	2,156	-482	-1,597	1,115	D. Other investment
0	0	0	4	0	4	other equity
-25	-379	354	-273	-540	267	currency and deposits
120	-1,672	1,792	130	-780	910	loans
0	0	0	2	0	2	insurance, pension and standardised guarantee schemes
198	105	93	-419	-251	-168	trade credit and advances
-45	38	-83	74	-26	100	other accounts receivable/payable
0	0	0	0	0	0	special drawing rights
-877	0	-877	1,001	0	1,001	E. NBR's reserve assets
0	0	182	0	0	-1,879	4. Net errors and omissions

Romania's international investment position, 2008 – 2014							
	EUR millions, end of period						
Institutional sectors	2008	2009	2010	2011	2012	2013	2014
I. Central bank	27,911	24,051	25,738	25,831	25,585	29,644	32,942
Foreign assets, of which:	28,297	30,888	35,982	37,283	35,444	35,464	35,540
Foreign exchange reserve	26,221	28,303	32,432	33,193	31,206	32,525	32,216
Monetary gold	2,049	2,556	3,518	4,058	4,207	2,910	3,290
Foreign liabilities, of which:	386	6,838	10,244	11,452	9,859	5,820	2,598
Currency and deposits	303	79	22	53	57	10	3
Loans from the IMF	0	5,686	9,083	10,231	8,654	4,708	1,421
SDR allocations	83	1,073	1,139	1,168	1,148	1,102	1,173
II. General government	-7,888	-11,241	-15,965	-20,288	-22,998	-27,298	-29,807
Foreign assets, of which:	2,391	2,366	2,592	2,734	2,575	2,567	2,834
Other investment, of which:	2,391	2,366	2,592	2,734	2,575	2,567	2,834
other equity	622	630	713	797	785	868	945
trade credits and advances	1,654	1,623	1,761	1,781	1,715	1,625	1,810
Foreign liabilities, of which:	10,279	13,607	18,557	23,022	25,573	29,865	32,641
Portfolio investment	2,706	3,329	4,275	6,098	9,500	14,214	17,999
debt securities	2,706	3,329	4,275	6,098	9,500	14,214	17,999
Other investment, of which:	7,573	10,278	14,282	16,923	16,072	15,652	14,641
currency and deposits	37	80	115	132	92	92	215
loans	7,507	10,172	14,139	16,062	15,952	15,535	14,403
III. Deposit-taking corporations except the central bank	-30,916	-26,020	-27,912	-28,749	-27,094	-23,875	-18,996
Foreign assets, of which:	1,648	3,156	2,722	1,975	2,303	2,208	3,538
Direct investment	155	191	109	36	41	42	42
equity	155	191	109	36	41	40	42
debt instruments	0	0	0	0	0	2	0
Portfolio investment	146	301	557	403	414	578	641
equity and investment fund shares	2	2	82	33	31	19	23
debt securities	144	299	475	370	383	559	618
Other investment, of which:	1,347	2,664	2,056	1,536	1,848	1,588	2,855
currency and deposits	1,117	2,318	1,721	1,158	1,369	1,348	2,401
loans	209	311	285	344	413	214	439
other accounts receivable	21	35	50	34	66	26	14
Foreign liabilities, of which:	32,564	29,176	30,634	30,724	29,397	26,083	22,534
Direct investment	6,386	6,476	6,571	6,501	7,137	6,658	5,625
equity	6,386	6,476	6,571	6,501	7,137	6,657	5,623
debt instruments	0	0	0	0	0	1	3
Portfolio investment	299	233	162	93	278	560	882
equity and investment fund shares	67	56	36	50	60	394	678
debt securities	232	177	126	43	218	166	204
Other investment, of which:	25,879	22,467	23,901	24,130	21,982	18,866	16,027
currency and deposits	25,516	22,256	23,854	24,098	21,321	18,724	15,852
other accounts payable	364	211	47	31	661	141	175

continued

Institutional sectors	EUR millions, end of period						
	2008	2009	2010	2011	2012	2013	2014
IV. Other sectors	-58,196	-61,604	-60,846	-62,352	-66,121	-67,421	-69,617
Foreign assets, <i>of which:</i>	7,398	8,067	10,247	11,419	11,570	11,978	13,554
Direct investment	1,586	1,528	1,800	1,939	1,641	1,657	2,540
equity	303	120	272	337	304	394	65
debt instruments	1,283	1,408	1,528	1,602	1,337	1,263	2,475
Portfolio investment	936	892	1,025	1,206	1,640	1,770	1,795
equity and investment fund shares	554	402	502	692	879	844	806
debt securities	382	490	523	514	761	926	989
Other investment, <i>of which:</i>	4,876	5,647	7,422	8,274	8,289	8,550	9,208
currency and deposits	1,349	1,313	1,747	2,173	2,446	2,614	2,984
loans	2,325	2,539	2,994	3,188	3,162	3,163	3,391
trade credit and advances	1,114	1,751	2,612	2,767	2,468	2,573	2,562
other accounts receivable	88	43	70	147	214	201	271
Foreign liabilities, <i>of which:</i>	65,594	69,671	71,093	73,771	77,691	79,399	83,170
Direct investment	40,841	42,624	45,012	47,637	50,925	54,381	56,892
equity	28,505	29,124	28,961	30,503	32,131	34,057	37,641
debt instruments	12,336	13,500	16,051	17,134	18,794	20,325	19,250
Portfolio investment	1,412	1,357	1,377	1,330	2,334	1,994	2,265
equity and investment fund shares	1,398	1,332	1,336	1,289	2,334	1,990	2,251
debt securities	14	25	41	41	0	4	14
Other investment, <i>of which:</i>	23,341	25,690	24,704	24,804	24,431	23,022	24,009
loans	20,567	24,273	22,956	22,764	22,565	21,362	22,429
trade credit and advances	2,770	1,417	1,744	1,972	1,847	1,564	1,514
other accounts payable	4	0	4	69	19	95	64
Net position	-69,090	-74,814	-78,985	-85,558	-90,628	-88,950	-85,478
Foreign assets	39,734	44,477	51,543	53,411	51,892	52,218	55,465
Foreign liabilities	108,824	119,291	130,528	138,969	142,520	141,168	140,943

Romania's gross international reserve, 2008 – 2014

	EUR millions, end of period						
	2008	2009	2010	2011	2012	2013	2014
National Bank of Romania	28,270	30,858	35,951	37,252	35,413	35,435	35,506
gold	2,049	2,556	3,518	4,058	4,207	2,910	3,290
foreign exchange reserve	26,221	28,302	32,432	33,194	31,206	32,525	32,216
Credit institutions	1,344	2,716	2,298	1,639	1,892	2,035	3,285
foreign currency	1,344	2,716	2,298	1,639	1,892	2,035	3,285
Gross international reserve, of which:	29,614	33,574	38,249	38,891	37,305	37,470	38,791
Gross foreign exchange reserve	27,565	31,018	34,731	34,833	33,098	34,559	35,501

External debt indicators, 2008 – 2014

	2008	2009	2010	2011	2012	2013	2014
	EUR millions						
External debt (ED)	72,467	82,304	93,624	99,926	100,857	98,069	94,744
long-term (LT)	51,875	66,715	74,075	77,131	79,936	78,860	75,829
short-term (ST)	20,592	15,589	19,549	22,795	20,921	19,209	18,915
GDP	142,393	120,483	126,816	133,344	133,905	144,254	149,988
Exports of goods and services (EXP)	38,285	32,562	40,573	48,799	49,777	57,308	61,908
Imports of goods and services (IMP)	57,370	40,631	48,697	56,526	56,568	58,422	62,376
External debt service (EDS)	45,576	49,038	43,775	46,232	54,268	58,251	57,939
Principal repayments	42,338	46,252	40,745	42,631	50,339	54,873	54,893
long-term (LT)	10,958	10,164	12,756	12,932	16,391	22,544	21,972
short-term (ST)	31,380	36,088	27,989	29,699	33,948	32,329	32,921
Interest payments (INT)	3,237	2,786	3,030	3,601	3,929	3,378	3,046
long-term (LT)	2,098	2,108	1,940	2,207	2,273	2,032	1,936
short-term (ST)	1,139	678	1,090	1,394	1,656	1,346	1,110
Romania's international reserves (IR)	28,270	30,859	35,951	37,252	35,413	35,435	35,506
	percent						
ED/GDP	50.9	68.3	73.8	74.9	75.3	68.0	63.2
LT/GDP	36.4	55.4	58.4	57.8	59.7	54.7	50.6
ED/EXP	189.3	252.8	230.8	204.8	202.6	171.1	153.0
LT/EXP	135.5	204.9	182.6	158.1	160.6	137.6	122.5
EDS/EXP	119.0	150.6	107.9	94.7	109.0	101.6	93.6
EDS/GDP	32.0	40.7	34.5	34.7	40.5	40.4	38.6
EDS/IR	161.2	158.9	121.8	124.1	153.2	164.4	163.2
INT/EXP	8.5	8.6	7.5	7.4	7.9	5.9	4.9
ST/ED	28.4	18.9	20.9	22.8	20.7	19.6	20.0
Multilateral/ED	9.1	13.4	26.8	29.5	27.8	24.2	20.5
	months						
IR/IMP	5.9	9.1	8.9	7.9	7.5	7.3	6.8

Romania's international investment position at end-2014 by institutional sector

	EUR millions					
Institutional sector	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
I. General government	-27,298	-1,393	-738	13	-391	-29,807
Foreign assets	2,567	-29	0	0	296	2,834
Financial derivatives	0	0	0	0	0	0
Other investment	2,567	-29	0	0	296	2,834
Other equity	868	4	0	0	73	945
Trade credit and advances	1,625	-29	0	0	214	1,810
long-term trade credit and advances	1,625	-29	0	0	214	1,810
Loans	0	0	0	0	0	0
Deposits	11	-6	0	0	1	6
Other accounts receivable	63	1	0	0	8	73
other long-term accounts receivable	0	0	0	0	0	0
other short-term accounts receivable	63	1	0	0	8	73
Foreign liabilities	29,865	1,364	738	-13	687	32,641
Portfolio investment	14,214	2,485	738	0	563	17,999
Long-term debt securities	14,053	2,458	734	0	561	17,805
Short-term debt securities	161	27	4	0	1	194
Other investment	15,652	-1,121	0	-13	124	14,641
Trade credit and advances	1	-3	0	4	0	2
long-term trade credit and advances	1	-3	0	4	0	2
Loans	15,535	-1,247	0	-15	130	14,403
long-term loans	15,535	-1,246	0	-17	130	14,403
short-term loans	0	-1	0	1	0	0
Deposits	92	130	0	0	-8	215
Other accounts payable	23	-1	0	-2	1	21
other long-term accounts payable	23	0	0	-3	1	21
other short-term accounts payable	0	-1	0	1	0	0
II. Central bank	29,644	2,199	149	0	950	32,942
Foreign assets	35,465	-1,234	149	0	1,160	35,540
Other investment	30	1	0	0	3	34
Other equity	30	1	0	0	3	34
Other accounts receivable	0	0	0	0	0	0
other short-term accounts receivable	0	0	0	0	0	0
Reserve assets	35,434	-1,235	149	0	1,157	35,506
Monetary gold	2,910	0	380	0	0	3,290
Foreign exchange reserve	32,525	-1,235	-231	0	1,157	32,216
Foreign liabilities	5,820	-3,433	0	0	210	2,598
Other investment	5,820	-3,433	0	0	210	2,598
Loans	4,708	-3,426	0	0	139	1,421
long-term loans (IMF)	4,708	-3,426	0	0	139	1,421
Deposits	10	-7	0	0	0	3
SDR allocations	1,102	0	0	0	71	1,173

continued

	EUR millions					
Institutional sector	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
III. Deposit-taking corporations except the central bank	-23,875	4,631	-189	453	-15	-18,997
Foreign assets	2,208	1,123	-31	131	106	3,537
Direct investment	42	11	0	-11	0	42
Equity and reinvestment of earnings	40	5	0	-3	0	42
Debt instruments	2	6	0	-8	0	0
Portfolio investment	578	79	-31	0	15	641
Equity and investment fund shares	19	17	-16	0	3	23
Long-term debt securities	559	42	-15	0	13	598
Short-term debt securities	0	20	0	0	0	20
Financial derivatives	0	-107	0	107	0	0
Other investment	1,588	1,141	0	34	91	2,855
Loans	214	213	0	0	12	439
long-term loans	94	83	0	0	10	187
short-term loans	120	131	0	0	2	252
Deposits	1,348	975	0	1	77	2,401
Other accounts receivable	26	-47	0	33	1	14
other long-term accounts receivable	16	-49	0	33	0	0
other short-term accounts receivable	11	2	0	0	1	14
Foreign liabilities	26,083	-3,507	159	-322	121	22,534
Direct investment	6,658	-780	117	-382	12	5,625
Equity and reinvestment of earnings	6,657	-781	117	-381	12	5,623
Debt instruments	1	1	0	0		2
Portfolio investment	560	284	42	0	-3	882
Equity and investment fund shares	394	249	38	0	-2	678
Long-term debt securities	166	35	4	0	-1	204
Short-term debt securities	0	0	0	0	0	0
Financial derivatives	0	-60	0	60	0	0
Other investment	18,866	-2,951	0	0	112	16,027
Deposits	18,724	-2,980	0	0	107	15,852
long-term deposits	14,074	-1,584	0	0	40	12,531
short-term deposits	4,650	-1,396	0	0	67	3,321
Other accounts payable	141	29	0	0	5	175
other short-term accounts payable	141	29	0	0	5	175
IV. Other sectors	-67,421	-2,369	-551	736	-11	-69,616
Foreign assets	11,978	-311	-11	1,550	347	13,553
Direct investment	1,657	217	0	661	4	2,539
Equity and reinvestment of earnings	394	-208	0	-124	3	65
Debt instruments	1,263	425	0	785	1	2,475
Portfolio investment	1,770	26	-19	1	17	1,795
Equity and investment fund shares	844	-14	-29	1	4	806
Long-term debt securities	926	24	8	0	13	971
Short-term debt securities	0	16	1	0	0	17
Financial derivatives	1	-571	8	574	-2	10

continued

	EUR millions					
Institutional sector	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
Other investment	8,550	17	0	314	327	9,208
Trade credit and advances	2,573	-209	0	85	113	2,562
long-term trade credit and advances	0	-87	0	87	0	0
short-term trade credit and advances	2,573	-122	0	-2	113	2,562
Loans	3,163	127	0	0	101	3,391
long-term loans	344	27	0	0	12	382
short-term loans	2,819	101	0	0	89	3,009
Deposits	2,614	34	0	218	119	2,984
Other accounts receivable	201	65	0	11	-5	271
other long-term accounts receivable	13	2	0	0	0	14
other short-term accounts receivable	188	63	0	11	-5	256
Foreign liabilities	79,399	2,058	541	814	357	83,169
Direct investment	54,381	3,710	452	-1,763	110	56,891
Equity and reinvestment of earnings	34,057	3,632	452	-491	-9	37,641
Debt instruments	20,325	78	0	-1,272	119	19,250
Portfolio investment	1,994	195	84	0	-9	2,265
Equity and investment fund shares	1,990	187	83	0	-9	2,251
Long-term debt securities	4	9	1	0	0	14
Short-term debt securities	0	0	0	0	0	0
Financial derivatives	1	-593	4	597	-5	5
Other investment	23,022	-1,254	0	1,980	261	24,009
Trade credit and advances	1,564	-381	0	267	64	1,514
long-term trade credit and advances	73	-332	0	268	0	9
short-term trade credit and advances	1,491	-49	0	-1	64	1,505
Loans	21,362	-822	0	1,709	180	22,429
long-term loans	16,732	-747	0	1,709	96	17,790
short-term loans	4,630	-75	0	0	84	4,639
Deposits	0	0	0	0	0	0
Other accounts payable	97	-51	0	3	16	65
other long-term accounts payable	2	0	0	0	0	2
other short-term accounts payable	95	-51	0	3	16	64
Total	-88,950	3,068	-1,330	1,201	533	-85,478

Note: Totals may not add up due to rounding.

Romania's international investment position at end-2014 by item						
Item	EUR millions					
	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
Total, of which:	-88,950	3,068	-1,330	1,202	533	-85,478
Foreign assets	52,218	-451	107	1,682	1,909	55,465
Direct investment	1,699	228	0	652	4	2,583
Portfolio investment	2,348	105	-50	1	32	2,436
Financial derivatives	1	-679	8	681	-2	10
Other investment	12,736	1,130	0	349	717	14,931
Reserve assets	35,434	-1,235	149	0	1,157	35,506
Foreign liabilities	141,168	-3,519	1,437	480	1,376	140,943
Direct investment	61,039	2,930	569	-2,144	122	62,517
Portfolio investment	16,768	2,964	864	-1	551	21,146
Financial derivatives	1	-653	4	657	-5	5
Other investment	63,360	-8,760	0	1,968	707	57,275
Net position	-88,950	3,068	-1,330	1,202	533	-85,478
Direct investment	-59,341	-2,702	-569	2,796	-118	-59,934
Portfolio investment	-14,420	-2,860	-914	2	-518	-18,710
Financial derivatives	0	-26	4	24	3	5
Other investment	-50,624	9,890	0	-1,619	9	-42,344
Reserve assets	35,434	-1,235	149	0	1,157	35,506
Foreign assets	52,218	-451	107	1,682	1,909	55,465
Direct investment by residents abroad	1,699	228	0	652	4	2,583
Equity	433	-203	0	-126	3	107
Other equity	1,265	431	0	777	1	2,475
Portfolio investment	2,348	105	-50	1	32	2,436
Equity and investment fund shares	863	3	-44	1	7	829
Long-term debt securities	1,485	66	-7	0	26	1,569
Short-term debt securities	0	36	2	0	0	37
Financial derivatives	1	-679	8	681	-2	10
Other investment	12,736	1,130	0	349	717	14,931
Other equity	898	5	0	0	75	979
Loans and trade credit	7,575	105	0	83	440	8,203
long-term loans and trade credit	2,064	-6	0	87	235	2,380
short-term loans and trade credit	5,511	111	0	-4	204	5,823
Currency and deposits	3,972	1,003	0	218	197	5,391
Other accounts receivable	291	16	0	47	4	358
long-term	29	-47	0	33	0	15
short-term	262	63	0	14	5	343
Reserve assets (NBR)	35,434	-1,235	149	0	1,157	35,506
Monetary gold	2,910	0	380	0	0	3,290
Foreign exchange reserve	32,525	-1,235	-231	0	1,157	32,216

continued

Item	EUR millions					
	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
Foreign liabilities	141,168	-3,519	1,437	480	1,376	140,943
Direct investment by non-residents in Romania	61,039	2,930	569	-2,144	122	62,517
Equity	40,713	2,851	569	-873	3	43,264
Other equity	20,326	79	0	-1,271	119	19,253
Portfolio investment	16,768	2,964	864	-1	551	21,146
Equity and investment fund shares	2,384	435	121	0	-11	2,929
Long-term debt securities	14,222	2,502	739	-1	561	18,023
Short-term debt securities	161	27	4	0	1	194
Financial derivatives	1	-653	4	657	-5	5
Other investment	63,360	-8,760	0	1,968	707	57,275
Loans and trade credit	43,170	-5,880	0	1,966	514	39,769
long-term loans and trade credit	37,049	-5,751	0	1,962	365	33,626
short-term loans and trade credit	6,121	-129	0	4	148	6,144
Currency and deposits	18,827	-2,857	0	1	99	16,070
Other accounts payable	261	-23	0	1	23	262
long-term	25	0	0	-3	1	23
short-term	236	-23	0	4	22	239
SDR allocations	1,102	0	0	0	71	1,173

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