

NATIONAL
BANK OF
ROMANIA

Romania's Balance
of Payments
and International
Investment Position
Annual Report 2015

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NOTE

The drafting of Annual Report 2015 – Romania’s Balance of Payments and International Investment Position was completed by the Statistics Department based on data available at end-November 2016.

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

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I. External environment¹

World economy continued its recovery in 2015, albeit at a slower rate than a year earlier, amid persistently diverging developments across the major world regions. Economic activity strengthened in the advanced economies, thanks to a further favourable financial environment, improved labour market conditions and lower energy prices. On the other hand, growth slowed down in the emerging economies, amid the persistence of structural problems and tighter external financing conditions.

On the whole, financial markets benefitted from relatively low levels of volatility and risk aversion, except for a steep price correction on China's stock markets in 2015 Q3. Conversely, the prospects for a stronger divergence between the monetary policy stances of major advanced economies and the market concerns over the obstacles to the resumption of growth in the emerging economies caused the depreciation of local currencies and sizeable capital outflows across the economies already facing significant domestic and external imbalances. Global production growth lost momentum to reach 3.2 percent in 2015, from 3.4 percent in the previous year, entailing slower growth in global trade in goods and services (up 2.6 percent versus 3.9 percent in 2014). Average annual inflation rate² went down to 0.6 percent in 2015, from 1.7 percent in 2014, against the backdrop of a decline in commodity prices. The average Brent oil price remained on a downward drift in 2015, touching about USD 37 per barrel at year-end, against approximately USD 57 per barrel at the end of 2014, amid the lingering oversupply. Commodity prices kept falling in 2015, with food prices down 18 percent (amid larger supply) and metal prices shedding 17 percent (as a result of weaker global demand).

In the United States of America, the rate of increase of the gross domestic product rose to 2.6 percent in 2015, from 2.4 percent in 2014, bolstered primarily by domestic demand, whereas net exports had a negative contribution to growth. Private consumption was fuelled by further accommodative financing conditions, the plunge in the oil price and greater consumer confidence. Labour market conditions remained favourable, pushing unemployment rate down to 5.3 percent at the end of 2015, compared with 6.2 percent a year before. Average annual inflation rate stood at 0.1 percent in 2015, over 1.6 percent in the previous year, owing to lower energy prices and a stronger US dollar in nominal effective terms. The federal budget deficit narrowed to 3.5 percent of GDP, versus 4.2 percent a year earlier, while the federal debt rose to 105.2 percent of GDP, from 104.6 percent of GDP. The current account deficit³ went up to 2.6 percent in 2015, against 2.3 percent in 2014.

Japan's economy posted subdued growth of 0.5 percent, driven by the rebound in domestic consumption and exports, thus overcoming the year-earlier stalemate of 0 percent. Average annual inflation rate came in at 0.8 percent (from 2.8 percent

¹ Source: Annual Report 2015, Economic Bulletin 7/2016, ECB; World Economic Outlook – October 2016, IMF.

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

³ BPM6 methodology.

in 2014, as a result of the consumption tax hike), despite the quantitative and qualitative monetary policy easing meant to lift inflation rate to the 2 percent target. Unemployment rate went down to 3.4 percent, against 3.6 percent in the prior year.

Euro area economy⁴ expanded by 2 percent in 2015, from 1.1 percent in 2014, the highest reading since 2011, reflecting the positive and rising contribution of domestic demand, as well as of net exports, which were underpinned by the softer euro. The drop in the oil price and the improved labour market conditions were, in turn, supportive of economic growth. All components therefore had positive contributions to GDP growth, most notably private consumption and investment. Domestic demand contributed 1.8 percentage points to GDP growth, i.e. a record high from 2007 onwards. The accommodative monetary policy, which translated into an easing of financing conditions, also for small- and medium-sized enterprises, fostered investment that made a positive contribution to GDP growth for the second year in a row (0.6 percent, compared with 0.3 percent a year earlier). Euro area government consumption contributed positively to economic growth (0.3 percent, against 0.1 percent in 2014).

Net exports of goods and services resumed their positive contribution to GDP growth, after having a neutral effect in 2014, given the significant weakening of the effective exchange rate of the euro, causing the euro area exports to increase their market share. In 2015, both exports and imports of goods and services expanded by 6.3 percent, after having risen by 4.4 percent and 4.8 percent respectively in the year before.

The breakdown by sector shows that euro area's economic recovery was more broad-based than in the preceding year. The advance in gross value added hovered around the pre-crisis rates. The largest positive contributions to GDP growth came from manufacturing, trade, transport, communications, computer and information services.

Average annual inflation rate, as measured by the Harmonised Index of Consumer Prices (HICP), slipped to 0 percent, from 0.4 percent in 2014, given the very low levels of commodity prices.

The labour market in the euro area improved further in 2015, with the number of persons employed climbing 1.1 percent and the unemployment rate⁵ declining to 10.9 percent, from 11.6 percent in 2014.

In 2015, the general government deficit for the euro area narrowed to 2.1 percent of GDP⁶, from 2.6 percent of GDP in 2014, amid favourable developments in the business cycle and lower interest costs. The general government deficit narrowed year on year in 14 out of the 19 euro area members, with four countries exceeding the 3 percent-of-GDP reference value, namely Greece, Spain, France and Portugal. The lowest deficit-to-GDP ratios exhibited Lithuania and Austria (0.2 percent of GDP and 1 percent of GDP respectively), whereas Luxembourg, Germany and

⁴ The countries referred to herein are the 19 EU Member States making up the monetary union at end-2015: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Spain, Slovakia, and Slovenia.

⁵ According to ILO (International Labour Office) methodology.

⁶ Newsrelease Euroindicators 204/2016: *Provision of deficit and debt data for 2015 – second notification*, Eurostat, 21 October 2016.

Estonia registered surpluses (1.6 percent of GDP, 0.7 percent of GDP and 0.1 percent of GDP respectively). The euro area public debt ratio contracted by 1.6 percentage points against the previous year to 90.4 percent of GDP, overstepping the 60 percent-of-GDP reference value in 14 countries and remaining above 100 percent in Greece, Italy, Belgium, Cyprus and Portugal.

The aggregate current account of the euro area ended 2015 on a surplus of EUR 324 billion, or 3.1 percent of GDP, up by one-third from a year earlier, on the back of the surplus on trade in goods driven by a stronger export performance.

Non-euro area EU Member States⁷ reported economic growth of 2.7 percent in 2015, against 2.9 percent in 2014, spurred by domestic demand, especially gross fixed capital formation and general government consumption. All the nine EU Member States under review posted economic growth, with the best performers being the Czech Republic, Sweden and Romania, with rates of increase ranging from 3.7 percent to 4.5 percent.

In 2015, average annual inflation rate fell overall to -0.1 percent, from 0.8 percent in 2014, but also in most of these countries (except Sweden), reflecting mainly the drop in commodity prices and certain indirect taxes. Sweden posted the highest average annual inflation rate, i.e. 0.7 percent, while four out of the nine countries reported deflation.

The fiscal position improved in seven of the nine non-euro area EU Member States, broadly on account of fiscal consolidation efforts. On the whole, the deficit-to-GDP ratio narrowed to 3.1 percent in 2015 from 4.1 percent a year earlier. The 3 percent-of-GDP reference value was exceeded by two of the nine countries, namely the United Kingdom and Croatia. Government debt accounted for 71.9 percent of GDP in 2015, down from 73 percent of GDP in 2014. It surpassed 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 2 percent of GDP in 2015, against 1.8 percent of GDP in 2014, driven by the United Kingdom that experienced a larger shortfall on trade in goods. Direct investment displayed net inflows tantamount to around EUR 100 billion, or 2.3 percent of GDP in the nine countries as a whole (versus 4 percent of GDP in 2014), as a result of declines in all EU Member States in this group, save Bulgaria and Romania. Portfolio investment posted a net inflow worth approximately EUR 390 billion (9.2 percent of GDP, compared with 3.3 percent of GDP in 2014), with the United Kingdom being accountable for more than 90 percent. Other investment (largely loans and deposits) reported a net outflow of more than EUR 400 billion, i.e. 9.6 percent of GDP (against 5.6 percent of GDP in 2014), with the United Kingdom making up nearly 85 percent of this figure and stemming from the decrease in liabilities in the form of loans from non-residents.

⁷ The countries referred to herein are the nine non-euro area EU Member States at end-2015: Bulgaria, Croatia, the Czech Republic, Denmark, Hungary, Poland, Romania, Sweden, and the United Kingdom.

II. Romania's balance of payments and international investment position in 2015

A. Balance of payments

In 2015, the current account deficit almost doubled year on year to reach EUR 1,943 million, while the capital account surplus stayed flat at the previous year's level. The combined current and capital account posted a surplus of approximately EUR 2 billion. More than half of the current account deficit from intra-EU trade, which amounted to EUR 4 billion, was offset by the extra-EU trade surplus. Looking at the relations with the EU, Romania's current account deficit was more than 90 percent offset by the capital account surplus. Out of the current account deficit with EU countries, the EUR 3,298 million deficit with the euro area (EA⁸) accounted for approximately 80 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	-1,943	-4,078	2,135	-3,298	1,355
Goods	-7,794	-8,350	556	-5,243	-2,551
Services	6,794	5,553	1,241	5,020	1,774
Primary income	-3,738	-3,363	-375	-4,476	738
Secondary income	2,795	2,082	713	1,401	1,394
Capital account	3,901	3,724	177	460	3,441
Financial account, of which:	2,280	3,319	-1,039	2,911	-631
Direct investment	-2,955	-2,342	-613	-2,036	-919
Assets	929	931	-2	935	-6
Liabilities	3,884	3,273	611	2,971	913
Portfolio investment	-5	639	-644	776	-781
Assets	300	203	97	400	-100
Liabilities	305	-436	741	-376	681
Financial derivatives	-24	-36	12	-36	12
Other investment	5,864	4,041	1,823	3,434	2,430
Assets	934	366	568	563	371
Liabilities	-4,930	-3,675	-1,255	-2,871	-2,059

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

In the course of 2015, the financial account recorded EUR 2,280 million in net outflows triggered by a net decrease in "other investment" liabilities, reflecting chiefly the changes in deposits of non-residents in Romania and developments in

⁸ European institutions not included.

foreign borrowings. As for the geographical breakdown, the transactions with the EU impacted the financial account, as well as the combined current and capital account, except the liabilities in the form of portfolio investment, which mirrored a keener interest of investors outside the EU in Romania's bond issues.

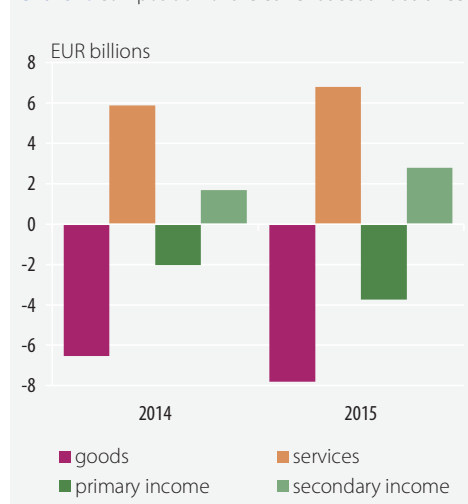
1. CURRENT ACCOUNT

In 2015, Romania's balance-of-payments recorded a current account deficit of EUR 1,943 million, compared with EUR 1,012 million in 2014. The share of the current account deficit in GDP⁹ equalled 1.2 percent, compared with 0.7 percent in the previous year (Table 2). The 0.5 percentage point increase was attributed to the widening of the deficit on the primary income (up 1 percentage point of GDP) and of that on trade in goods (up 0.4 percentage points of GDP).

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

	percent of GDP				
	Current account	Goods	Services	Primary income	Secondary income
2015	-1.2	-4.8	4.2	-2.3	1.7
2014	-0.7	-4.4	3.9	-1.3	1.1
Difference (pp)	-0.5	-0.4	0.3	-1.0	0.6

Chart 1. Composition of the current account balance



The developments in the current account and its components (Chart 1) point to the widening deficit on primary income (by 84.2 percent; Table 3) in 2015 versus a year earlier, stemming widely from the profits made by direct investment enterprises and from the rise in the shortfall under trade in goods (by 19.2 percent), due especially to stronger imports of chemicals, plastic products and base metals. In 2015, the surplus on trade in services expanded by 15.8 percent year on year, spurred by the advance in road freight transport, telecommunications, computer and

information services. Secondary income displayed a surplus that was 65.8 percent higher than in 2014, amid the increase in EU funds under current transfers.

⁹ Source: NIS (final data for 2014 and provisional data for 2015).

Table 3. Current account			
	EUR millions		Indices (%)
	2014	2015	2015/2014
Current account	-1,012	-1,943	192.0
Credit	68,768	73,795	107.3
Debit	69,780	75,738	108.5
Goods	-6,537	-7,794	119.2
Credit	46,814	49,099	104.9
Debit	53,351	56,893	106.6
Services	5,868	6,794	115.8
Credit	15,102	16,642	110.2
Debit	9,234	9,848	106.6
Primary income	-2,029	-3,738	184.2
Credit	2,300	2,353	102.3
Debit	4,329	6,091	140.7
Secondary income	1,686	2,795	165.8
Credit	4,552	5,701	125.2
Debit	2,866	2,906	101.4

1.1. Balance on goods and services

In 2015, the balance on goods and services witnessed a deficit of EUR 1 billion, i.e. nearly 50 percent higher than the year-earlier reading, owing to the roughly one-fifth increase in the deficit on trade in goods.

1.1.1. Balance on trade in goods¹⁰

The deficit on trade in goods came in at EUR 7,794 million in 2015, up 19.2 percent year on year, as exports and imports increased by 4.9 percent and 6.6 percent respectively. The trade deficit-to-GDP ratio added 0.4 percentage points to 4.8 percent (Table 4).

Over the reported period, the highest monthly trade deficit came in at EUR 1,139 million in December and the lowest was of EUR 176 million in January.

The breakdown of trade balance by the eight groups of goods in the Combined Nomenclature shows deficits for chemical and plastic products (EUR 5,275 million), base metals (EUR 1,671 million), mineral products (EUR 1,589 million), textiles, wearing apparel and footwear (EUR 719 million), agrifoodstuffs (EUR 142 million) and surpluses for machinery, apparatus, equipment and transport means (EUR 709 million), wood and paper products (EUR 688 million), and other goods (EUR 195 million)¹¹.

¹⁰ According to the BPM6 methodology, the balance on trade in goods does not include goods 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.

¹¹ The difference between the sum of components (EUR 7,804 million) and the balance on goods in Table 4 (EUR 7,794 million) is reflected in the surplus under merchanting (EUR 10 million).

Table 4. Balance on trade in goods

	2014	2015	Difference (+/-)
EUR millions			
Exports (FOB), of which:	46,814	49,099	2,285
General merchandise	46,703	49,089	2,386
Net exports of goods under merchanting	111	10	-101
Imports (FOB)	53,351	56,893	3,542
Balance on trade in goods (FOB/FOB)	-6,537	-7,794	-1,257
Current account balance	-1,012	-1,943	-931
percent			
Share of exports in GDP	31.1	30.6	-0.5
Share of imports in GDP	35.5	35.5	0.0
Share of balance on trade in goods in GDP	-4.4	-4.8	-0.4
Coverage of imports by exports (FOB/FOB)	87.7	86.3	-1.4
Economy openness (exports+imports)/GDP	66.6	66.1	-0.5

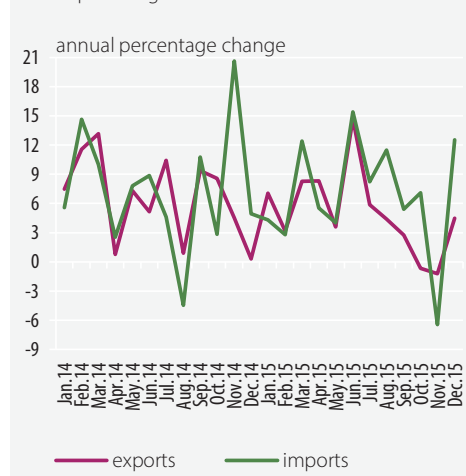
Source: NIS, NBR calculations

By geographical breakdown, intra-EU trade was the only source of the deficit under the balance on trade in goods, with extra-EU trade recording a EUR 556 million surplus.

The coverage of imports by exports moved down 1.4 percentage points to 86.3 percent, while the openness of the Romanian economy diminished by 0.5 percentage points to 66.1 percent.

Exports of goods amounted to EUR 49,099 million, up 4.9 percent against a year earlier, 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 2,285 million higher than in 2014, but their share in GDP dropped from 31.1 percent to 30.6 percent.

December witnessed the lowest monthly exports in 2015, i.e. EUR 3,531 million, while the highest value was EUR 4,476 million in September (Chart 2). The monthly average of exports equalled EUR 4,092 million, up EUR 191 million against the prior year.

Chart 2. Monthly developments in exports and imports of goods

Imports of goods (FOB) reached EUR 56,893 million, up 6.6 percent, i.e. by EUR 3,542 million, year on year, with their share in GDP holding steady at 35.5 percent. The lowest monthly import level of 2015 equalled EUR 3,935 million in January and the highest was of EUR 5,303 million in October. The monthly average of imports amounted to EUR 4,741 million, up EUR 295 million against a year earlier.

Structure and geographical breakdown of exports of goods

a) Structure of exports of goods

In 2015, three groups of goods reported larger contributions to Romania's exports than in 2014 (Table 5): machinery, apparatus, equipment and transport means (by 2.7 percentage points), other goods (by 0.3 percentage points) and agrifoodstuffs (by 0.2 percentage points). The remaining five groups had smaller contributions to exports than in the previous year, as follows: mineral products (by 1.7 percentage points), base metals (by 0.5 percentage points), chemical and plastic products (by 0.3 percentage points), wood and paper products (by 0.3 percentage points), and textiles, wearing apparel and footwear (by 0.2 percentage points).

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

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Goods	46,814	49,099	104.9	100.0	100.0
General merchandise	46,703	49,089	105.1	99.8	100.0
Agrifoodstuffs	5,535	5,879	106.2	11.8	12.0
Mineral products	3,253	2,556	78.6	6.9	5.2
Chemical and plastic products	4,974	5,058	101.7	10.6	10.3
Wood and paper products	2,192	2,170	99.0	4.7	4.4
Textiles, wearing apparel and footwear	2,596	2,621	101.0	5.5	5.3
Base metals	4,528	4,532	100.1	9.7	9.2
Machinery, apparatus, equipment and transport means	19,925	22,223	111.5	42.6	45.3
Other	3,700	4,050	109.5	7.9	8.2
Net exports of goods under merchandising*	111	10	9.0	0.2	0.0

* 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 2015, intra-EU exports added 9.7 percent year on year to EUR 35,510 million (Table 6). The share of intra-EU exports in total exports stood at 72.3 percent, up 3.2 percentage points versus 2014, due to larger foreign sales to Germany, Italy, Hungary, the United Kingdom and Poland.

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

The following groups of goods posted larger contributions to intra-EU exports in 2015: machinery, apparatus, equipment and transport means (by 2.2 percentage points) and agrifoodstuffs (by 0.3 percentage points).

Table 6. Exports of goods, by group of countries

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Total	46,814	49,099	104.9	100.0	100.0
1. Intra-EU exports, of which:	32,363	35,510	109.7	69.1	72.3
1.1. Euro area, of which:	23,151	25,364	109.6	49.5	51.7
Germany	8,474	9,418	111.1	18.1	19.2
Italy	4,331	4,885	112.8	9.3	9.9
France	3,286	3,396	103.3	7.0	6.9
1.2. Extra-euro area, of which:	9,212	10,146	110.1	19.7	20.7
Hungary	2,491	2,778	111.5	5.3	5.7
United Kingdom	1,741	1,978	113.6	3.7	4.0
Bulgaria	1,756	1,782	101.5	3.8	3.6
Poland	1,311	1,454	110.9	2.8	3.0
2. Extra-EU exports, of which:	14,451	13,589	94.0	30.9	27.7
Turkey	2,355	2,142	91.0	5.0	4.4
USA	941	1,004	106.7	2.0	2.0
Russian Federation	1,447	986	68.1	3.1	2.0
Ukraine	549	251	45.7	1.2	0.5

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 (%)	
	2014	2015	2015/2014	2014	2015
Goods	32,363	35,510	109.7	100.0	100.0
General merchandise	32,266	35,502	110.0	99.7	100.0
Agrifoodstuffs	3,427	3,851	112.4	10.6	10.9
Mineral products	1,010	964	95.4	3.1	2.7
Chemical and plastic products	3,519	3,668	104.2	10.9	10.3
Wood and paper products	1,058	1,083	102.4	3.3	3.0
Textiles, wearing apparel and footwear	2,327	2,328	100.0	7.2	6.6
Base metals	2,957	3,117	105.4	9.1	8.8
Machinery, apparatus, equipment and transport means	15,027	17,259	114.9	46.4	48.6
Other	2,941	3,232	109.9	9.1	9.1
Net exports of goods under merchandising*	97	8	8.2	0.3	0.0

* 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

Extra-EU exports amounted to EUR 13,589 million, down 6 percent year on year, holding 27.7 percent of total exports, 3.2 percentage points lower than in 2014.

In 2015, the top ten export destinations, making up 62.4 percent of the total figure, were as follows: Germany (19.2 percent of total exports), Italy (9.9 percent), France (6.9 percent), Hungary (5.7 percent), Turkey (4.4 percent), the United Kingdom (4 percent), Bulgaria (3.6 percent), Spain (3.1 percent), Poland (3 percent), and the Czech Republic (2.6 percent).

Structure and geographical breakdown of imports (FOB)

a) Structure of imports of goods

Imports of goods were accounted for in a proportion of more than 77 percent by four groups of goods: machinery, apparatus, equipment and transport means, chemical and plastic products, base metals, agrifoodstuffs (Table 8).

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

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Total	53,351	56,893	106.6	100.0	100.0
Agrifoodstuffs	5,312	6,021	113.3	9.9	10.6
Mineral products	5,462	4,145	75.9	10.2	7.3
Chemical and plastic products	9,626	10,333	107.3	18.0	18.1
Wood and paper products	1,334	1,482	111.1	2.5	2.6
Textiles, wearing apparel and footwear	3,003	3,340	111.2	5.6	5.9
Base metals	5,772	6,203	107.5	10.8	10.9
Machinery, apparatus, equipment and transport means	19,511	21,514	110.3	36.6	37.8
Other	3,331	3,855	115.7	6.2	6.8

Source: NIS, NBR calculations

Compared to 2014, all groups of goods, except for mineral products, posted larger shares in total imports, with increases ranging between 0.1 percentage points and 1.2 percentage points.

b) Geographical breakdown of imports of goods

In 2015, intra-EU imports amounted to EUR 43,860 million, up 8.9 percent year on year (Table 9). The share of intra-EU imports in total imports of goods rose by 1.6 percentage points versus 2014 to stand at 77.1 percent, with Germany and Italy accounting particularly for this pick-up.

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

Extra-EU imports amounted to EUR 13,033 million, a level comparable to that seen in 2014, accounting for 22.9 percent of total imports of goods, i.e. 1.6 percentage points lower than in 2014.

In 2015, Romania's imports came mainly from the following ten countries: Germany (19.7 percent), Italy (9.3 percent), Hungary (8.4 percent), France (5.5 percent), Poland (5.2 percent), China (4.7 percent), the Netherlands (4.1 percent), Austria (4 percent), Turkey (3.7 percent) and the Russian Federation (3.2 percent). Imports from these countries took 67.8 percent of total imports.

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

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Total	53,351	56,893	106.6	100.0	100.0
1. Intra-EU imports, of which:	40,258	43,860	108.9	75.5	77.1
1.1. Euro area, of which:	27,474	30,624	111.5	51.5	53.8
Germany	9,778	11,201	114.6	18.3	19.7
Italy	4,741	5,308	112.0	8.9	9.3
France	2,998	3,149	105.0	5.6	5.5
1.2. Extra-euro area, of which:	12,784	13,236	103.5	24.0	23.3
Hungary	4,458	4,788	107.4	8.4	8.4
Poland	3,367	2,941	87.3	6.3	5.2
Bulgaria	1,668	1,796	107.7	3.1	3.2
Czech Republic	1,522	1,704	112.0	2.9	3.0
United Kingdom	1,083	1,306	120.6	2.0	2.3
2. Extra-EU imports, of which:	13,093	13,033	99.5	24.5	22.9
China	2,183	2,698	123.6	4.1	4.7
Turkey	1,827	2,111	115.5	3.4	3.7
Russian Federation	2,136	1,842	86.2	4.0	3.2
Kazakhstan	2,149	949	44.2	4.0	1.7
USA	622	601	96.6	1.2	1.1
Ukraine	367	456	124.3	0.7	0.8

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 (%)	
	2014	2015	2015/2014	2014	2015
Total	40,258	43,860	108.9	100.0	100.0
Agrifoodstuffs	4,465	4,946	110.8	11.1	11.3
Mineral products	996	1,009	101.3	2.4	2.3
Chemical and plastic products	7,962	8,686	109.1	19.8	19.8
Wood and paper products	1,048	1,134	108.2	2.6	2.6
Textiles, wearing apparel and footwear	2,332	2,565	110.0	5.8	5.8
Base metals	4,346	4,652	107.0	10.8	10.6
Machinery, apparatus, equipment and transport means	16,462	17,761	107.9	40.9	40.5
Other	2,647	3,107	117.4	6.6	7.1

Source: NIS, NBR calculations

Energy trade balance

In 2015, the energy trade balance ended on a deficit of EUR 1,145 million, down 42.9 percent from the previous year (Table 11). As a share of the deficit on trade in goods, net energy imports diminished from 30.7 percent in 2014 to 14.7 percent in 2015. Crude oil, reporting net imports worth EUR 2,112 million, made further the largest contribution to the energy trade deficit in 2015.

Table 11. Energy exports and imports (FOB)

EUR millions

	Exports		Imports		Net imports (-)/ Net exports (+)	
	2014	2015	2014	2015	2014	2015
Total	3,139	2,675	5,145	3,820	-2,006	-1,145
Natural gas	0	227	156	50	-156	177
Electricity	321	403	40	129	281	274
Mineral fuels	375	211	504	476	-129	-265
Crude oil	25	14	3,350	2,126	-3,325	-2,112
Petroleum products	2,418	1,820	1,095	1,039	1,323	781

Source: NIS, NBR calculations

Energy exports totalled EUR 2,675 million, down 14.8 percent (EUR 464 million) from 2014, carrying 5.4 percent of total exports of goods, compared to 6.7 percent in 2014. Energy imports came in at EUR 3,820 million, standing by more than one quarter lower than in 2014 (EUR 5,145 million), with a EUR 1,325 million drop in terms of value. As a share in total imports of goods, energy imports declined from 9.6 percent in 2014 to 6.7 percent in 2015.

The coverage of imports of energy resources by exports thereof expanded by 9 percentage points to 70 percent.

1.1.2. Balance on trade in services

In 2015, the balance on trade in services posted a EUR 6,794 million surplus compared to EUR 5,868 million in 2014, on account of the increase in receipts from road freight transport, communications, computer, and information services, research and development services (Table 12). Most main components of the balance on trade in services witnessed a favourable evolution compared to 2014, with transport, communications, computer, and information services, processing of goods recording higher surpluses.

Receipts from services totalled EUR 16,642 million (up 10.2 percent from 2014), with about one third of them coming from transport (especially from road haulage). The breakdown of receipts is relatively stable, with a more noticeable change versus 2014 consisting in the pick-up in the share of receipts from transport (from 29.1 percent to 31.3 percent) and from communications, computer, and information services (from 15 percent to 16.2 percent), to the detriment of receipts from the processing of goods (whose share shrank from 16.7 percent to 15.4 percent) and from professional consulting (from 10.3 percent to 9.4 percent).

Payments for services stood at EUR 9,848 million (up 6.6 percent from 2014), with miscellaneous 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 payments for communications, computer, and information services and those for transport posted an expansion (by 1.6 percentage points to 12.1 percent and by 1.1 percentage points to 18.2 percent respectively).

Table 12. Balance on trade in services

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Credit	15,102	16,642	110.2	100.0	100.0
Processing of goods	2,525	2,567	101.7	16.7	15.4
Transport	4,391	5,204	118.5	29.1	31.3
Travel	1,378	1,542	111.9	9.1	9.3
Communications, computer, and information services	2,269	2,693	118.7	15.0	16.2
Professional consulting	1,559	1,571	100.8	10.3	9.4
Other	2,980	3,065	102.9	19.7	18.4
Debit	9,234	9,848	106.6	100.0	100.0
Processing of goods	163	172	105.5	1.8	1.7
Transport	1,577	1,796	113.9	17.1	18.2
Travel	1,824	1,855	101.7	19.8	18.8
Communications, computer, and information services	969	1,195	123.3	10.5	12.1
Professional consulting	1,000	1,121	112.1	10.8	11.4
Other	3,701	3,709	100.2	40.1	37.7
Balance	5,868	6,794	115.8		
Processing of goods	2,362	2,395	101.4		
Transport	2,814	3,408	121.1		
Travel	-446	-313	70.2		
Communications, computer, and information services	1,300	1,498	115.2		
Professional consulting	559	450	80.5		
Other	-721	-644	89.3		

Trade in services is mainly carried out with 11 countries, with roughly 80 percent 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, Belgium, Hungary and Switzerland.

1.2. Balance on primary income

The balance on primary income ended the year 2015 on a EUR 3,738 million deficit, with the 84.2 percent rise versus the previous year being ascribable to investment income, which reported an approximately 50 percent wider deficit (to EUR 5,591 million; Table 13). The compensation of employees, representing income from activities provided based on a work contract for less than one year, reported a 15.7 percent higher surplus, to EUR 561 million. The same trend was posted by the surplus on other primary income, which picked up by 6 percent, to EUR 1,292 million, as a result of larger subsidies from the European Agricultural Guarantee Fund – EAGF (up by about EUR 100 million than in 2014).

In 2015, investment income saw further an unfavourable evolution, in the context of larger deficits reported by direct and portfolio investment income. The deficit under direct investment income doubled to reach EUR 3,815 million, especially as direct investment enterprises moved from losses in 2014 to profit in 2015. Portfolio investment income recorded a EUR 910 million deficit, 11.8 percent higher than

in 2014, owing primarily to interest payments on securities issued by the general government, the same as in the previous year. The deficit reported by other investment income shrank by 22.6 percent to EUR 1,054 million, on account of lower interest payments on foreign loans.

Table 13. Balance on primary income

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Credit	2,300	2,353	102.3	100.0	100.0
Compensation of employees	545	606	111.2	23.7	25.8
Investment income	429	311	72.5	18.7	13.2
Direct investment income	-84	-34	40.5	-3.7	-1.4
Portfolio investment income	127	107	84.3	5.5	4.5
Other investment income - interest	97	50	51.5	4.2	2.1
Income on reserve assets	289	188	65.1	12.6	8.0
Other primary income	1,326	1,436	108.3	57.7	61.0
Debit	4,329	6,091	140.7	100.0	100.0
Compensation of employees	60	45	75.0	1.4	0.7
Investment income	4,163	5,902	141.8	96.2	96.9
Direct investment income	1,763	3,781	214.5	40.7	62.1
Portfolio investment income	941	1,017	108.1	21.7	16.7
Other investment income - interest	1,459	1,104	75.7	33.7	18.1
Income on reserve assets	-	-	-	-	-
Other primary income	106	144	135.8	2.4	2.4
Balance	-2,029	-3,738	184.2		
Compensation of employees	485	561	115.7		
Investment income	-3,734	-5,591	149.7		
Direct investment income	-1,847	-3,815	206.6		
Portfolio investment income	-814	-910	111.8		
Other investment income - interest	-1,362	-1,054	77.4		
Income on reserve assets	289	188	65.1		
Other primary income	1,220	1,292	105.9		

1.3. Balance on secondary income

The balance on secondary income ended the year 2015 on a EUR 2,795 million surplus, approximately two thirds above the previous year's level, mainly reflecting the advance in EU fund inflows under current transfers¹² (Table 14). The balance on secondary income of the general government ended the year on a EUR 149 million surplus, compared with a EUR 990 million deficit seen in 2014, given EUR 1 billion larger EU fund inflows under current transfers. The balance on private secondary income posted a EUR 2,646 million surplus, a level comparable to that recorded in 2014. Workers' remittances from abroad stood 10.5 percent above the 2014 level against the background of the economic recovery in the main destination countries for Romanian workers (Italy, Spain, France, the United Kingdom).

¹² Current transfers include European funds other than subsidies (included under primary income) or than those for gross fixed capital formation (included under capital transfers).

Table 14. Balance on secondary income

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Credit	4,552	5,701	125.2	100.0	100.0
General government	801	1,866	233.0	17.6	32.7
Other sectors	3,751	3,835	102.2	82.4	67.3
Debit	2,866	2,906	101.4	100.0	100.0
General government	1,791	1,717	95.9	62.5	59.1
Other sectors	1,075	1,189	110.6	37.5	40.9
Balance	1,686	2,795	165.8		
General government	-990	149	x		
Other sectors	2,676	2,646	98.9		

Payments from the EU budget to Romania in 2015, recorded as current transfers received by the general government, totalled EUR 1,720 million¹³, with approximately 47 percent of this amount coming from the European Social Fund (ESF) and 43 percent from the European Agricultural Fund for Rural Development (EAFRD), and the remaining from miscellaneous secondary income. Payments to the European Union amounted to EUR 1,531 million, representing almost entirely Romania's contribution to the EU budget.

2. CAPITAL ACCOUNT

The capital account saw net inflows of EUR 3,901 million, down by 1.3 percent from 2014 (Table 15), on account of the contraction in the capital transfer surplus¹⁴, brought about by the fall in inflows from EU funds included under capital transfers, mainly from the European Regional Development Fund and the Cohesion Fund.

Table 15. Capital account

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Credit	4,047	4,013	99.2	100.0	100.0
Capital transfers	3,927	3,781	96.3	97.0	94.2
General government	3,922	3,298	84.1	96.9	82.2
Other sectors	5	483	-	0.1	12.0
Acquisitions/disposals of non-produced non-financial assets	120	232	193.3	3.0	5.8
Debit	93	112	120.4	100.0	100.0
Capital transfers	81	63	77.8	87.1	56.3
General government	0	1	-	0.0	0.9
Other sectors	81	62	76.5	87.1	55.4
Acquisitions/disposals of non-produced non-financial assets	12	49	-	12.9	43.7

¹³ Source: Ministry of Public Finance.

¹⁴ Capital transfers include European funds which contribute to gross fixed capital formation.

continued

	EUR millions		Indices (%)	Composition (%)	
	2014	2015	2015/2014	2014	2015
Balance	3,954	3,901	98.7		
Capital transfers	3,846	3,718	96.7		
General government	3,922	3,297	84.1		
Other sectors	-76	421	-		
Acquisitions/disposals of non-produced non-financial assets	108	183	169.4		

3. FINANCIAL ACCOUNT¹⁵

In 2015, the financial account witnessed net outflows worth EUR 2,280 million, compared with EUR 3,068 million in the previous year (Table 16), with the downward trend being driven, on the one hand, by the decline in net outflows reported by other investment (mainly loans and deposits) and, on the other hand, by the advance in net inflows in the form of direct investment.

Table 16. Financial account

	EUR millions	
	2014	2015
Financial account	3,068	2,280
Net acquisition of assets	202	1,539
Net incurrence of liabilities	-2,866	-741
Direct investment	-2,702	-2,955
Net acquisition of assets	228	929
Net incurrence of liabilities	2,930	3,884
Portfolio investment	-2,859	-5
Net acquisition of assets	105	300
Net incurrence of liabilities	2,964	305
Financial derivatives	-26	-24
Net acquisition of assets	-26	-24
Other investment	9,890	5,864
Net acquisition of assets	1,130	934
Net incurrence of liabilities	-8,760	-4,930
Reserve assets	-1,235	-600
Net acquisition of assets	-1,235	-600

Note: "+" increase, "-" decrease for both net acquisition of assets and net incurrence of liabilities.

Relative to loans, the moderation in the net outflows reflected the pick-up in loans received by the general government. The deposits contributed to the drop in net outflows recorded in the financial account, both through the expansion of withdrawals from deposits made abroad by resident monetary financial institutions and through the increase in deposits made by non-residents with resident monetary financial

¹⁵ 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 (+).

institutions. To these added the developments in direct investment, which saw higher net inflows, as incurrence of liabilities in the form of reinvestment of earnings by non-residents in direct investment enterprises in Romania.

3.1. Direct investment

In 2015, direct investment recorded net inflows in amount of EUR 2,955 million, up 9.4 percent from the 2014 value, i.e. EUR 2,702 million (Table 17), chiefly due to reinvestment of earnings by foreign-owned companies in Romania, including equally monetary financial institutions and enterprises in the real sector.

Table 17. Direct investment

	EUR millions					
	2014			2015		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total	228	2,930	-2,702	929	3,884	-2,955
Equity	-203	2,851	-3,054	-139	3,591	-3,730
Equity other than reinvestment of earnings	12	4,226	-4,214	9	3,080	-3,071
Deposit-taking corporations except the central bank	4	404	-400	1	-24	25
Other sectors	8	3,822	-3,814	8	3,104	-3,096
Reinvestment of earnings	-215	-1,375	1,160	-148	511	-659
Deposit-taking corporations except the central bank	1	-1,185	1,186	3	272	-269
Other sectors	-216	-190	-26	-151	239	-390
Debt instruments	431	79	352	1,068	293	775
Deposit-taking corporations except the central bank	6	1	5	-3	5	-8
Other sectors	425	77	348	1,071	288	783

Direct investment by non-residents in Romania¹⁶ totalled EUR 3,461 million (Table 18), of which equity (consolidated with the net reinvestment of earnings) amounted to EUR 3,595 million and intercompany lending was worth EUR -134 million in net terms.

Direct investment by residents abroad amounted to EUR 506 million, including mainly intercompany lending (EUR 642 million, in net terms), while the equity of non-resident enterprises was diminished by their net loss.

¹⁶ For details on the presentation of data according to the directional principle, see *Foreign Direct Investment in Romania* on the NBR website.

Table 18. Direct investment under the directional principle

EUR millions

	2014			2015		
	Credit	Debit	Net	Credit	Debit	Net
Total	39,119	36,417	2,702	41,454	38,499	2,955
Direct investment by non-residents in Romania	38,851	36,430	2,421	40,940	37,479	3,461
Equity other than reinvestment of earnings	5,575	1,353	4,222	5,246	2,162	3,084
Deposit-taking corporations except the central bank	723	319	404	507	531	-24
Other sectors	4,852	1,034	3,818	4,739	1,631	3,108
Reinvestment of earnings	-1,375	0	-1,375	511	0	511
Deposit-taking corporations except the central bank	-1,185	0	-1,185	272	0	272
Other sectors	-190	0	-190	239	0	239
Debt instruments	34,651	35,077	-426	35,183	35,317	-134
Deposit-taking corporations except the central bank	3	7	-4	8	0	8
Other sectors	34,648	35,069	-421	35,175	35,317	-142
Direct investment by residents abroad	268	-13	281	514	1,020	-506
Equity other than reinvestment of earnings	49	57	-8	55	68	-13
Deposit-taking corporations except the central bank	2	6	-4	0	1	-1
Other sectors	47	51	-4	55	67	-12
Reinvestment of earnings	1	-215	216	0	-149	149
Deposit-taking corporations except the central bank	0	1	-1	0	3	-3
Other sectors	1	-216	217	0	-152	152
Debt instruments	218	145	73	459	1,101	-642
Other sectors	218	144	74	459	1,101	-642

3.2. Portfolio investment

Portfolio investment recorded in 2015 net inflows amounting to EUR 5 million, compared to EUR 2,859 million in 2014 (Table 19), with issues of long-term debt securities by the general government being lower than those in the preceding year.

Table 19. Portfolio investment

EUR millions

	2014			2015		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total	105	2,964	-2,859	300	305	-5
Equity and investment fund shares	3	436	-433	184	328	-144
Deposit-taking corporations except the central bank	17	249	-232	-25	92	-117
Other sectors	-14	187	-201	209	236	-27
Debt securities	102	2,528	-2,426	116	-23	139
Short term	36	27	9	-5	-181	176
Deposit-taking corporations except the central bank	20	0	20	-17	0	-17
General government	0	27	-27	0	-181	181
Other sectors	16	0	16	12	0	12
Long term	66	2,501	-2,435	121	158	-37
Deposit-taking corporations except the central bank	42	35	7	-297	-37	-260
General government	0	2,458	-2,458	0	195	-195
Other sectors	24	8	16	418	0	418

3.3. Other investment

In 2015, other investment recorded net outflows worth EUR 5,864 million, accounting for approximately 60 percent of the outflows recorded in the previous year (Table 20). The net outflows reflected net acquisition of assets tantamount to EUR 934 million and net incurrence of liabilities worth EUR -4,930 million.

Table 20. Other investment

EUR millions

	2014			2015		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Total, of which:	1,130	-8,760	9,890	934	-4,930	5,864
Other equity	5	0	5	11	0	11
Currency and deposits	1,003	-2,856	3,859	602	-1,743	2,345
Central bank	0	-6	6	0	183	-183

continued

	EUR millions					
	2014			2015		
	Net acquisition of assets	Net incurrence of liabilities	Net	Net acquisition of assets	Net incurrence of liabilities	Net
Deposit-taking corporations except the central bank	975	-2,980	3,955	325	-1,800	2,125
General government	-6	130	-136	-1	-126	125
Other sectors	34	0	34	278	0	278
Loans	342	-5,495	5,837	264	-3,180	3,444
Central bank	0	-3,426	3,426	0	-1,376	1,376
Deposit-taking corporations except the central bank	213	0	213	30	0	30
General government	1	-1,248	1,249	0	-1,358	1,358
Other sectors	128	-821	949	234	-446	680
Trade credit and advances	-238	-385	147	-271	17	-288
General government	-29	-3	-26	-32	-1	-31
Other sectors	-209	-382	173	-239	18	-257
Other accounts receivable/payable	16	-24	40	327	-24	351
Deposit-taking corporations except the central bank	-47	28	-75	212	-21	233
Other sectors	63	-51	114	115	-2	117

Net acquisition of assets (Table 21) dropped to EUR 934 million from EUR 1,130 million in 2014, showing mainly the decrease in new deposits abroad made by non-financial corporations (EUR 10,530 million compared to EUR 12,433 million in 2014).

Table 21. Other investment – net acquisition of assets

	EUR millions					
	2014			2015		
	Increase in assets	Decrease in assets	Net acquisition of assets	Increase in assets	Decrease in assets	Net acquisition of assets
Total, of which:	25,424	24,294	1,130	27,441	26,507	934
Other equity	5	0	5	16	5	11
Currency and deposits	21,236	20,233	1,003	20,956	20,354	602
Deposit-taking corporations except the central bank	8,781	7,806	975	10,406	10,081	325
General government	22	28	-6	20	21	-1
Other sectors	12,433	12,399	34	10,530	10,252	278
Loans	1,454	1,112	342	2,371	2,107	264
Deposit-taking corporations except the central bank	1,241	1,028	213	2,105	2,075	30
General government	1	0	1	1	1	0
Other sectors	212	84	128	265	31	234
Trade credit and advances	2,061	2,299	-238	3,214	3,485	-271
General government	23	52	-29	27	59	-32
Other sectors	2,038	2,247	-209	3,187	3,426	-239

continued

	EUR millions					
	2014			2015		
	Increase in assets	Decrease in assets	Net acquisition of assets	Increase in assets	Decrease in assets	Net acquisition of assets
Other accounts receivable	666	650	16	883	556	327
Deposit-taking corporations except the central bank	465	512	-47	504	292	212
Other sectors	201	138	63	379	264	115

The negative net incurrence of liabilities (Table 22) fell to EUR 4,930 million in 2015 from EUR 8,760 million in 2014, as a result of the increase in deposits made by non-residents with resident monetary financial institutions (EUR 11,677 million in 2015 compared with EUR 8,483 million in the previous year) and of the drop in repayments made by the central bank under the Stand-By Arrangement signed in 2009 (EUR 1,376 million compared to EUR 3,426 million).

Table 22. Other investment – net incurrence of liabilities

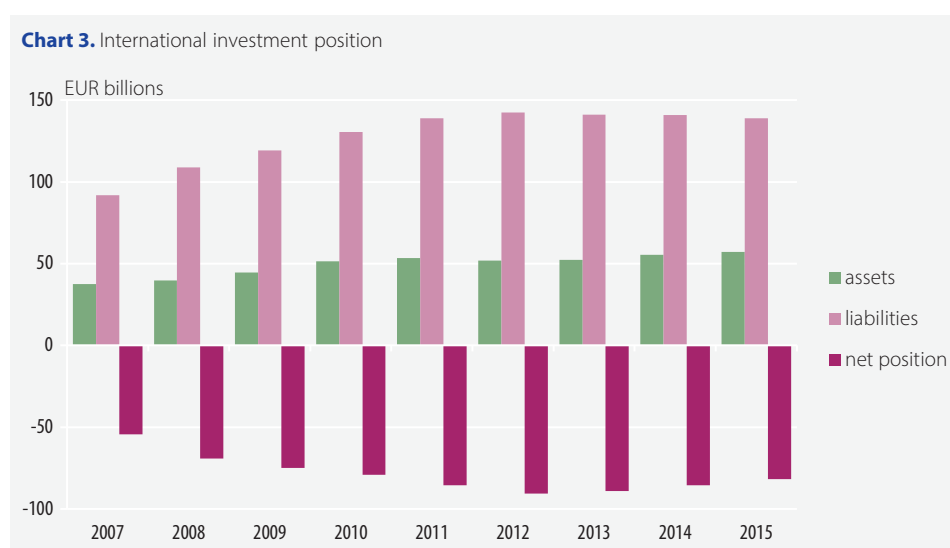
	EUR millions					
	2014			2015		
	Increase in liabilities	Decrease in liabilities	Net incurrence of liabilities	Increase in liabilities	Decrease in liabilities	Net incurrence of liabilities
Total	24,852	33,612	-8,760	28,125	33,055	-4,930
Currency and deposits	17,264	20,120	-2,856	19,786	21,529	-1,743
Central bank	7,176	7,182	-6	6,670	6,487	183
Deposit-taking corporations except the central bank	8,483	11,463	-2,980	11,677	13,477	-1,800
General government	1,605	1,475	130	1,439	1,565	-126
Loans	5,801	11,296	-5,495	6,341	9,521	-3,180
Central bank	0	3,426	-3,426	0	1,376	-1,376
General government	557	1,805	-1,248	1,192	2,550	-1,358
Other sectors	5,244	6,065	-821	5,149	5,595	-446
Trade credit and advances	1,588	1,973	-385	1,848	1,831	17
General government	0	3	-3	0	1	-1
Other sectors	1,588	1,970	-382	1,848	1,830	18
Other accounts payable	199	223	-24	150	174	-24
Deposit-taking corporations except the central bank	126	98	28	63	84	-21
General government	0	1	-1	0	1	-1
Other sectors	73	124	-51	87	89	-2

To sum up, in 2015, the balance of payments posted a net volume of transactions in real assets in amount of EUR 1,958 million (shown under the combined current and capital account surplus), having as counterpart net outflows in the form of financial transactions worth EUR 2,280 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

The international investment position saw its debit balance decrease by 4.4 percent to EUR 82 billion at end-2015, an evolution similar to that in the previous years (Chart 3).

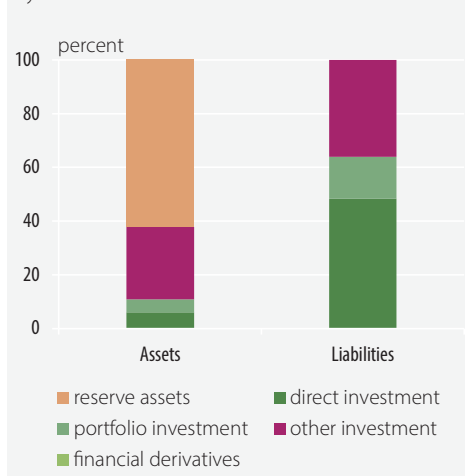
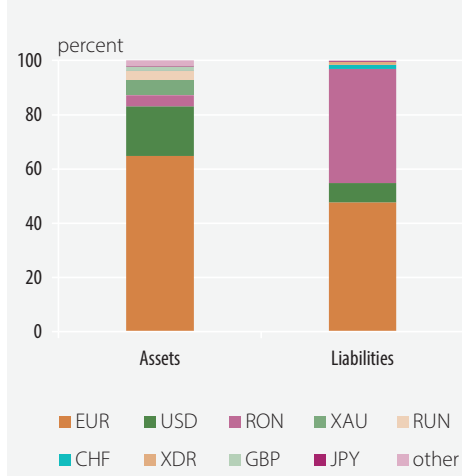


The financing need in 2008-2012 led to the worsening of the net position, amid the steady incurrence of liabilities. Subsequently, the external debt repayments brought about a contraction in the stock of foreign liabilities, with a favourable impact on the net position.

Table 23. Foreign assets and liabilities by instrument

	EUR millions		
	Assets	Liabilities	Net
Direct investment	3,478	67,165	-63,687
Portfolio investment	2,764	21,617	-18,853
Financial derivatives	5	3	2
Other investment	15,348	50,034	-34,686
Reserve assets	35,485		35,485
Total	57,080	138,819	-81,739

Foreign funding featured the same breakdown by financial instrument as in the previous year, coming 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 23). Direct and portfolio investment reported larger shares unlike other investment, whose contribution to foreign funding posted further a downward trend (Chart 4).

Chart 4. Foreign assets and liabilities by instrument**Chart 5.** Currency composition of foreign assets and liabilities

Loans and deposits by non-residents made a lower contribution to foreign funding, given the steady pace of external debt repayments, as well as the liquidation of deposits and the low share of renewals, with roll-over rates reported by deposit-taking corporations except the central bank coming in at only 49 percent for long-term deposits. For short-term deposits, roll-over rates amounted to roughly 117 percent and led to a 38 percent rise in the stock of deposits.

In 2015, the currency composition of foreign assets revealed further the prevalence of the euro and the US dollar, whose share totalled 83.1 percent, being comparable to that in 2014. The foreign liabilities of the investment position were mainly denominated in euro and lei, which jointly accounted for 89.7 percent, taking roughly similar shares (47.6 percent and 42.1 percent respectively). Foreign liabilities expressed in US dollars, special drawing rights and Swiss francs accounted for 9.7 percent of total (Table 24; Chart 5).

Table 24. Currency composition of foreign assets and liabilities

	31 December 2015			
	Foreign assets		Foreign liabilities	
	EUR millions	%	EUR millions	%
Total	57,080	100.0	138,819	100.0
EUR	37,031	64.9	66,119	47.6
USD	10,371	18.2	9,892	7.1
RON	2,379	4.2	58,471	42.1
XAU	3,247	5.7	0	0.0
RUN	1,800	3.2	0	0.0
CHF	144	0.3	2,158	1.6
XDR	64	0.1	1,392	1.0
GBP	796	1.4	55	0.0
JPY	185	0.3	489	0.4
Other currencies	1,063	1.9	243	0.2

At end-2015, gross external debt totalled EUR 90.4 billion (from EUR 94.7 billion at end-2014), down 4.5 percent, due to repayments carrying on steadily, as in the previous year.

Intercompany lending went up to EUR 22.1 billion from EUR 19.3 billion in December 2014, driven by long-term instruments (EUR 13.6 billion compared to EUR 10.5 billion at end-2014), partly counterbalanced by the loans from parent undertakings with maturity shorter than one year (EUR 8.5 billion versus EUR 8.8 billion). Equity rose by EUR 1.8 billion (to EUR 45.1 billion at end-2015), which shows that non-resident partners continued to make long-term investment in shares and fund units issued by Romanian companies.

Table 25. Foreign reserve assets

	EUR millions	
	31 December 2014	31 December 2015
Romania's international reserves	35,506	35,485
Gold	3,290	3,247
Foreign currency	32,216	32,238
Credit institutions	3,285	3,325
Foreign currency	3,285	3,325
Foreign reserve assets, of which:	38,791	38,810
Foreign currency	35,501	35,563

At end-2015, the monetary authority's foreign assets stood at the previous year's level (EUR 35.5 billion; Table 25); the net position of the central bank rose to EUR 34 billion compared with EUR 32.9 billion in 2014 as a result of the drop in the external debt of this sector. Romania's international reserves remained at the level recorded in 2014, covering 6.4 months of imports of goods and services. The breakdown shows net capital outflows (EUR -0.6 billion) and amounts arising from revaluations due to changes in the prices of gold and securities (EUR -0.2 billion), offset by changes in the exchange rates (EUR 0.8 billion).

The foreign assets of credit institutions remained at a level comparable to that seen in 2014.

The breakdown of the international investment position by institutional sector in 2015 (Table 26) shows that the sector of deposit-taking corporations except the central bank continued to record a decreasing net debit balance, from EUR 19 billion to EUR 18 billion, driven by the decline in foreign liabilities, mainly on account of a lower share of deposits as a means of funding.

Table 26. International investment position

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
Total	-85,478	100.0	-81,739	100.0
General government	-29,808	34.9	-28,283	34.6
Central bank	32,942	-38.5	33,963	-41.5
Deposit-taking corporations except the central bank	-18,996	22.2	-17,963	22.0
Other sectors	-69,616	81.4	-69,456	85.0

The net debit position of the general government decreased from EUR 29.8 billion to EUR 28.3 billion, down 5.1 percent versus 31 December 2014, amid the contraction in this sector's external debt balance, through the redemption of maturing securities.

The real sector (non-financial corporations, non-bank financial institutions, households) saw a EUR 69.5 billion net debit position, the same as in 2014, with equity in companies operating in Romania and intercompany lending being further the main financing sources.

2. INTERNATIONAL INVESTMENT POSITION

2.1. Foreign assets

At end-2015, foreign assets stood at EUR 57,080 million, up 2.9 percent year on year.

The composition of foreign assets by main component of the investment position remained similar to that at end-2014. Specifically, reserve assets further prevailed (Table 27), albeit with a slightly lower share of 62.2 percent, ahead of other investment (26.9 percent), direct investment (up 1.4 percentage points to 6.1 percent) and portfolio investment (4.8 percent).

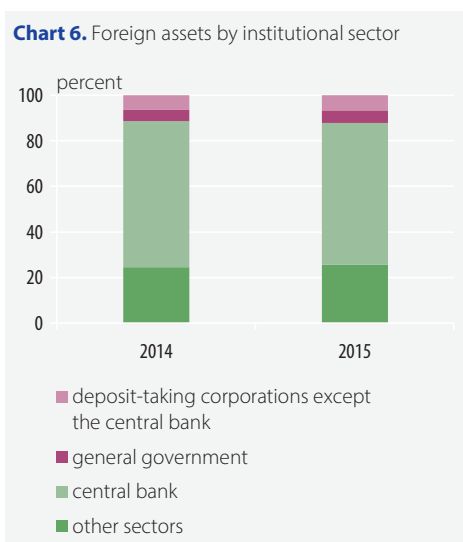
Table 27. Foreign assets by instrument

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
Total	55,465	100.0	57,080	100.0
Direct investment	2,583	4.7	3,478	6.1
Equity	107	0.2	-101	-0.2
Debt instruments	2,475	4.5	3,579	6.3
Portfolio investment	2,435	4.4	2,764	4.8
Equity and investment fund shares	829	1.5	1,054	1.8
Debt securities (long-term)	1,569	2.8	1,685	3.0
Debt securities (short-term)	37	0.1	25	0.0
Financial derivatives	10	0.0	5	0.0
Other investment	14,931	26.9	15,348	26.9
Other equity	979	1.8	1,063	1.9
Loans	3,831	6.9	4,183	7.3
Trade credit and advances	4,374	7.9	4,442	7.8
Currency and deposits	5,391	9.7	5,220	9.1
Other accounts receivable	357	0.6	439	0.8
Reserve assets	35,506	64.0	35,485	62.2

At end-2015, the balance on direct investment by residents abroad came in at EUR 3,478 million¹⁷, above the 2014 level, as a result of the increase in the volume of intercompany lending to non-resident enterprises.

¹⁷ 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.

The balance on portfolio investment of resident investors came in at EUR 2,764 million, adding 0.4 percentage points in terms of share. The breakdown of portfolio investment by instrument shows that resident investors further purchased bonds and other long-term securities, as well as shares of foreign companies.



During the period under review, the balance on other investment went up 2.8 percent year on year, to stand at EUR 15.3 billion.

At end-2015, Romania's international reserves (foreign exchange plus gold) came in at EUR 35,485 million, a level comparable to that seen at end-2014, while principal repayments and interest payments were further made in relation to external public debt falling due over the reported period.

The breakdown of foreign assets by institutional sector (Table 28; Chart 6) shows that, at 31 December 2015, the central bank continued to hold the largest share (62.2 percent) via reserve assets, ahead of the real sector (25.6 percent), deposit-taking corporations except the central bank (6.7 percent), and the general government (5.4 percent).

Table 28. Foreign assets by institutional sector

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
Total	55,465	100.0	57,080	100.0
General government	2,833	5.1	3,096	5.4
Central bank	35,539	64.1	35,522	62.2
Deposit-taking corporations except the central bank	3,538	6.4	3,826	6.7
Other sectors	13,555	24.4	14,636	25.6

2.2. Foreign liabilities

At end-2015, foreign liabilities amounted to EUR 138,819 million, down 1.5 percent from the end of the previous year (Table 29).

The breakdown of foreign liabilities by main financial instrument shows that the major change in ranking that had occurred in 2014 – when the two large contributors to financing had switched positions – consolidated during 2015. Specifically, the share of foreign direct investment widened by 4.0 percentage points, to 48.4 percent, and further exceeded that of other investment, which narrowed 4.6 percentage points to 36.0 percent. 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), which trended visibly downwards. Ongoing external debt repayments, as well as the diminishing roll-over rates in the case of long-term deposits with credit institutions, had a negative impact on foreign financing.

Table 29. Foreign liabilities by instrument

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
Total	140,943	100.0	138,819	100.0
Direct investment	62,517	44.4	67,165	48.4
Equity	43,264	30.7	45,103	32.5
Debt instruments	19,253	13.7	22,062	15.9
Portfolio investment	21,146	15.0	21,617	15.6
Equity and investment fund shares	2,929	2.1	3,280	2.4
Debt securities (long-term)	18,023	12.8	18,322	13.2
Debt securities (short-term)	194	0.1	15	0.0
Financial derivatives	5	0.0	3	0.0
Other investment	57,275	40.6	50,034	36.0
Other equity	0	0.0	0	0.0
Loans	38,253	27.1	32,439	23.4
Trade credit and advances	1,516	1.1	1,683	1.2
Currency and deposits	16,070	11.4	14,410	10.4
Other accounts payable	262	0.2	250	0.2
SDR allocations	1,173	0.8	1,252	0.9

At end-2015, the balance on direct investment stood at EUR 67,165 million¹⁸ (up 7.4 percent against end-2014) or 41.9 percent as a share in GDP versus 41.6 percent a year earlier. The weight of equity held by non-residents went up 1.8 percentage points, while that of debt instruments in the form of intercompany lending widened 2.2 percentage points.

Direct investment in the form of intercompany lending further targeted the main economic sectors, predominantly manufacturing, financial intermediation, insurance, trade, construction and real estate transactions, electricity, gas and water, all of which added up to EUR 22.1 billion.

Foreign investors increased their portfolio of unlisted shares in non-financial corporations, banks, insurance undertakings and other financial intermediaries, equalling EUR 40.2 billion at end-2015. The value of non-resident investors' shares listed on the domestic capital market diminished to EUR 4.2 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 661.6 million at end-2015, i.e. double the volume recorded a year earlier.

¹⁸ 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.

The geographical composition of foreign capital remained unchanged from the previous year, with investors coming from countries with financial potential such as the Netherlands, Austria, Germany, Cyprus, France, Italy, Luxembourg and Switzerland.

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.

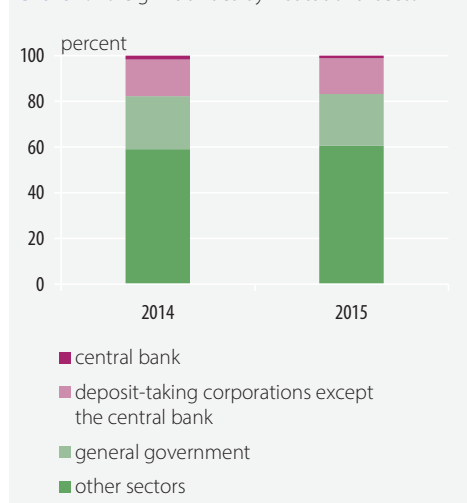
At end-2015, portfolio investment saw its share in total foreign liabilities moving ahead 0.6 percentage points. The balance on investment in equity and investment fund shares stood at EUR 3,280 million at the end of the period under review, while that on investment in long-term debt securities (bonds and government securities) came in at EUR 18,322 million.

The stable outlook on the investment rating, as confirmed by rating agencies, ensured a favourable position on capital markets. In this context, the Ministry of Public Finance continued to launch government security issues on the domestic and foreign capital markets, at low costs and with sustainable maturities, seeking to increase the average maturity and lower the stock of short-term debt. The balance on euro-denominated bonds issued on the domestic market trended downwards, whereas that on leu-denominated securities rose, with resident credit institutions prevailing among the holders. As a novelty, the MPF launched in the year under review a government bond issue on the domestic market, with a two-year maturity, aimed exclusively at households. In May 2015, the Bucharest City Hall launched a new issue of municipal bonds on the local capital market, worth lei 2.22 billion, targeting resident investors in particular. This ensured the refinancing of a previous issue by the local government, consisting in Eurobonds worth EUR 500 million, which would mature in June 2016.

The favourable sentiment vis-à-vis the domestic economy enabled the Government of Romania to further tap foreign capital markets. Specifically, October 2015 saw the launch of a Eurobond issue in two tranches, one in amount of EUR 1,250 million, with a coupon set at 2.75 percent and a 10-year maturity and the other worth EUR 750 million, a coupon rate of 3.875 percent and a 20-year maturity.

Table 30. Foreign liabilities by institutional sector

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
Total	140,943	100.0	138,819	100.0
General government	32,641	23.2	31,380	22.6
Central bank	2,598	1.8	1,560	1.1
Deposit-taking corporations except the central bank	22,534	16.0	21,788	15.7
Other sectors	83,170	59.0	84,091	60.6

Chart 7. Foreign liabilities by institutional sector

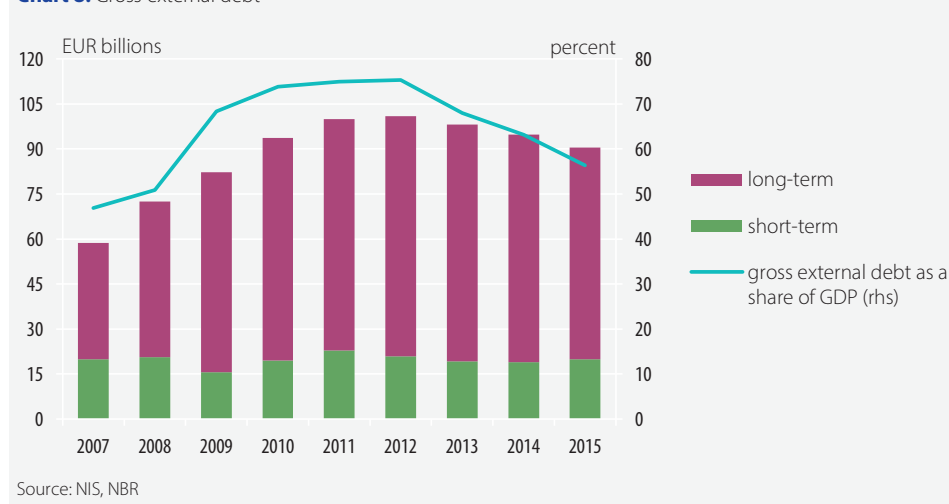
Other investment amounted to EUR 50,034 million at end-2015, down 12.6 percent from a year earlier, amid further capital outflows in the form of principal repayments related to loans and of deposits. Under other investment, the balance on SDR allocations rose slightly due to exchange rate changes.

The breakdown of foreign liabilities by institutional sector (Table 30) indicates that, at end-2015, the real sector still held the largest share (60.6 percent), followed by general government, with a slightly

declining share (from 23.2 percent to 22.6 percent) due to maturing government securities. Deposit-taking corporations except the central bank recorded a share of 15.7 percent, down 0.3 percentage points, following a drop in the volume of deposits and the low roll-over rates of long-term deposits, while the share of the central bank narrowed 0.7 percentage points, to 1.1 percent, 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, reflecting heightened financing requirements. Starting 2013, gross external debt has displayed a diminishing trend (Chart 8), amid steady principal repayments on both long- and short-term external debt. The balance on the latter remained around the EUR 20 billion mark.

Chart 8. Gross external debt

Source: NIS, NBR

At end-2015, gross external debt¹⁹ totalled EUR 90,434 million, down 4.5 percent from end-2014, due to the visible reduction in the long-term component by 7 percent, whereas the short-term component added 5.1 percent.

Long-term external debt fell during 2015 following the year-on-year reduction in public external debt²⁰ by 3.7 percent and in private external debt by 7 percent, while the central bank's external debt shrank 47.1 percent. At end-2015, the balance on external debt to the IMF dropped more than 90 percent for the central bank commitment, whereas the MPF commitment was fully repaid (Table 31).

Table 31. Gross external debt

	EUR millions	
	31 December 2014	31 December 2015
Long-term external debt	75,829	70,557
Public debt, of which:	32,833	31,610
Loans from the IMF	162	0
Private debt	40,402	37,574
Central bank debt, of which:	2,595	1,373
Loans from the IMF	1,421	122
SDR allocations from the IMF	1,173	1,251
Short-term external debt	18,915	19,876
Gross external debt	94,744	90,433

Long-term external debt ran at EUR 70,557 million at end-2015, down 7 percent against end-2014, diminished by net capital outflows (EUR -6,389.4 million), by changes in the prices of government securities held (EUR -385.9 million), and by debt-to-equity swaps (EUR -328.4 million). The contraction in external debt was contained during the period under review by the influence of exchange rate changes (EUR 1,831.7 million).

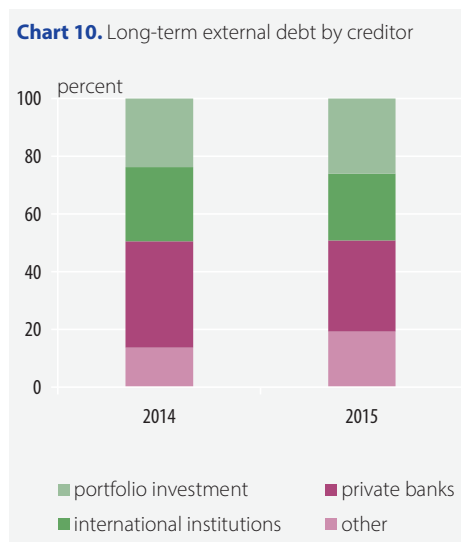
Table 32. Currency composition of the NBR's foreign exchange reserve and of external debt

	31 December 2015			
	NBR's foreign exchange reserve		External debt	
	EUR millions	%	EUR millions	%
Total	32,238	100.0	90,434	100.0
EUR	25,501	79.1	66,118	73.1
USD	5,353	16.6	9,864	10.9
GBP	657	2.0	55	0.1
JPY	125	0.4	489	0.5
XDR	11	0.0	1,392	1.5
RON	0	0.0	10,115	11.2
Other	591	1.9	2,401	2.7

¹⁹ Gross external debt balance is cash-based, net of accrued unmatured interest.

²⁰ 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 73.1 percent and the US dollar for 10.9 percent) was proportionally replicated in the NBR's foreign exchange reserve, where the euro and the US dollar jointly held 95.7 percent (Table 32; Chart 9).



Long-term external debt by creditor at end-2015 (Table 33) shows that private banks further held the largest share (57.7 percent, albeit edging down 2.9 percentage points), while official creditors saw their share decrease by 2.5 percentage points, to 23.1 percent, owing to debt repayments on the financial arrangement signed in 2009 with the IMF, the European Commission and the World Bank. Among private creditors, foreign credit institutions further supported the long-term lending to the economy, as well as general government financing via purchasing a new Eurobond issue that increased the balance on portfolio investment, thus outpacing foreign companies and other financial institutions (Chart 10).

Table 33. Long-term gross external debt by creditor

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
Total	75,829	100.0	70,557	100.0
Loans from international institutions, of which:	19,446	25.6	16,295	23.1
IBRD	3,414	4.5	4,002	5.7
EIB	4,881	6.4	4,318	6.1
EBRD	1,525	2.0	1,316	1.9
EU	5,000	6.6	3,500	5.0
IMF	2,757	3.6	1,374	1.9
SDS-EC	862	1.1	825	1.2
OECD	405	0.5	436	0.6
Portfolio investment of private banks, of which:	18,023	23.8	18,322	26.0
Credit Suisse/EFG/UBS	1,139	1.5	1,141	1.6
HSBC/Deutsche Bank/EFG	593	0.8	0	0.0

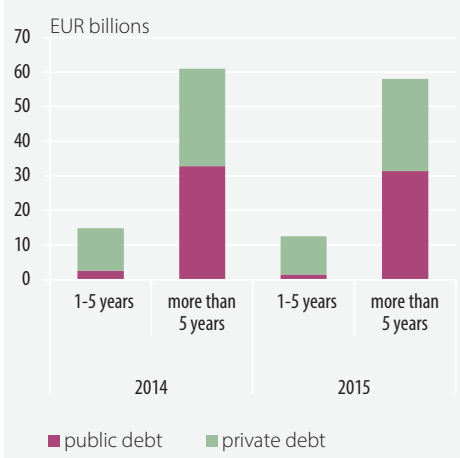
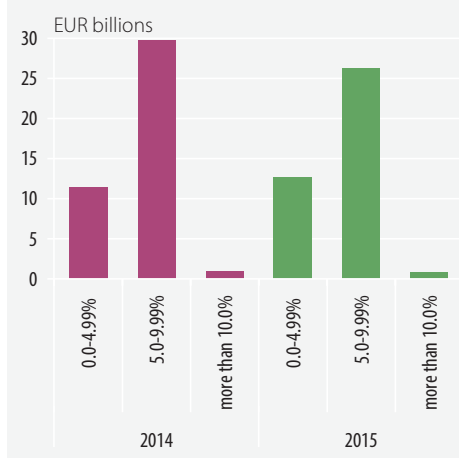
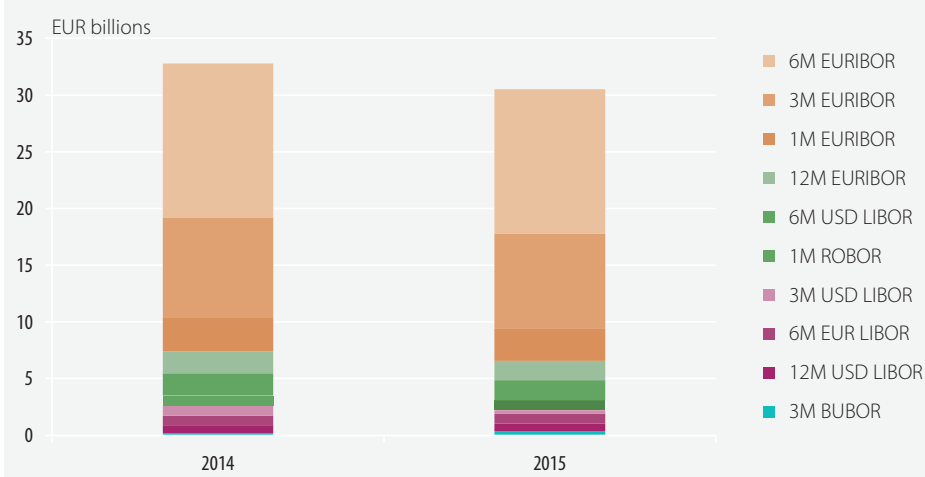
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	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
ABN/JP Morgan	373	0.5	0	0.0
Erste Bank/Société Générale	1,033	1.4	989	1.4
Citigroup/Deutsche Bank/HSBC	2,112	2.8	2,150	3.0
Barclays/Deutsche Bank/Citigroup/HSBC	880	1.2	828	1.2
Barclays/BNP Paribas/Citigroup/HSBC	1,129	1.5	1,216	1.7
Citibank/HSBC/Soc GEN/Deutsche Bank	1,333	1.8	988	1.4
BNP Paribas/Citigroup/JP Morgan Securities	1,797	2.4	1,922	2.7
Citibank/ING/Société Générale/Unicredit	965	1.3	971	1.4
HSBC/RBI/Société Générale/Unicredit	1,127	1.5	1,033	1.5
Loans from private banks, by country:	27,924	36.8	22,343	31.7
Austria	9,703	12.8	6,863	9.7
The Netherlands	4,423	5.8	3,422	4.8
Greece	2,986	3.9	2,789	4.0
France	1,228	1.6	1,276	1.8
United Kingdom	2,059	2.7	1,566	2.2
Germany	1,642	2.2	1,449	2.1
Luxembourg	1,018	1.3	754	1.1
Ireland	467	0.6	264	0.4
Hungary	674	0.9	428	0.6
Cyprus	1,037	1.4	538	0.8
Italy	691	0.9	644	0.9
Other	10,436	13.8	13,598	19.3

Long-term external debt by maturity at end-2015 (Table 34) highlights a further reduction in the external debt balance across both maturity types. Although the balance on public and private external debt diminished against the previous year, mention should be made of the focus on debt management strategies whereby maturities are set so as to ensure avoiding any peak debt repayments. Hence, as a result of the adjustments carried out, the share of external debt with more than 5 years maturity exceeded that of debt with a maturity between 1 and 5 years across both components (Chart 11).

Table 34. Long-term external debt by maturity

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
Total	75,829	100.0	70,557	100.0
1-5 years	14,856	19.6	12,519	17.7
Public debt	2,578	3.4	1,548	2.2
Private debt	12,279	16.2	10,971	15.5
more than 5 years	60,973	80.4	58,038	82.3
Public debt	32,850	43.3	31,413	44.5
Private debt	28,123	37.1	26,625	37.7

Chart 11. Long-term external debt by maturity**Chart 12.** Long-term external debt by fixed interest rate**Chart 13.** Long-term external debt by floating 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 35). Fixed-rate loans were on an upward path in the 0-5 percent range, whereas those in the immediately consecutive ranges contracted. The concern for a debt service as predictable as possible in relation to long-term loan agreements was further visible, through a narrower share of floating rates (Chart 13) and a wider share of fixed rates (Chart 12).

Table 35. Long-term external debt by type of interest rate

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
Total	75,829	100.0	70,557	100.0
Floating rates, of which:	33,740	44.5	30,811	43.7
3M BUBOR	177	0.2	377	0.5
12M USD LIBOR	704	0.9	667	0.9
6M EUR LIBOR	855	1.1	850	1.2

continued

	31 December 2014		31 December 2015	
	EUR millions	%	EUR millions	%
3M USD LIBOR	885	1.2	308	0.4
1M ROBOR	890	1.2	872	1.2
6M USD LIBOR	1,940	2.6	1,786	2.5
12M EURIBOR	1,951	2.6	1,701	2.4
1M EURIBOR	2,951	3.9	2,880	4.1
3M EURIBOR	8,812	11.6	8,328	11.8
6M EURIBOR	13,632	18.0	12,741	18.1
Fixed rates	42,089	55.5	39,746	56.3
0.0-4.99%	11,444	15.1	12,686	18.0
5.0-9.99%	29,667	39.1	26,183	37.1
over 10.0%	979	1.3	877	1.2

Long-term external debt incurred by the central bank and the credit institutions witnessed a renewed contraction during 2015 (Table 36) due to principal repayments and withdrawals on deposits by non-residents at a roll-over rate displaying a reduction trend, while general government debt continued to increase, primarily via the new securities issues on capital markets. The balance on companies' long-term debt was comparable to that recorded at end-2014, although its share in total debt added 2.6 percentage points to 39.9 percent (Chart 14).

Table 36. Long-term external debt by institutional sector

	2014		2015	
	EUR millions	%	EUR millions	%
Total	75,829	100.0	70,557	100.0
General government	32,231	42.5	31,359	44.4
Central bank	2,595	3.4	1,374	1.9
Deposit-taking corporations except the central bank	12,737	16.8	9,704	13.8
Other sectors	28,266	37.3	28,120	39.9

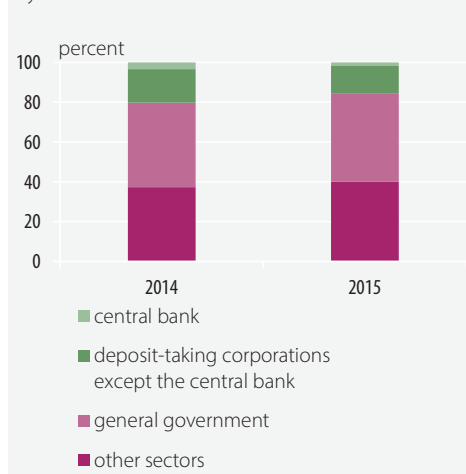
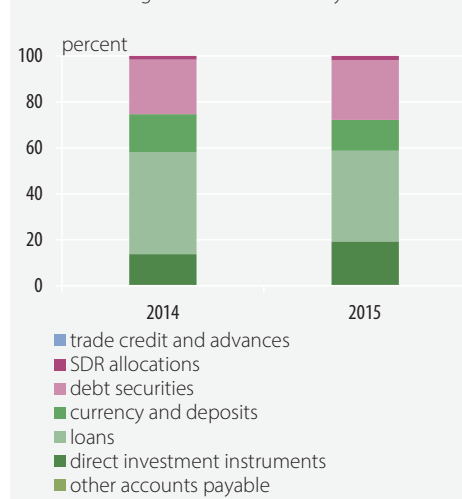
Chart 14. Long-term external debt by institutional sector**Chart 15.** Long-term external debt by instrument

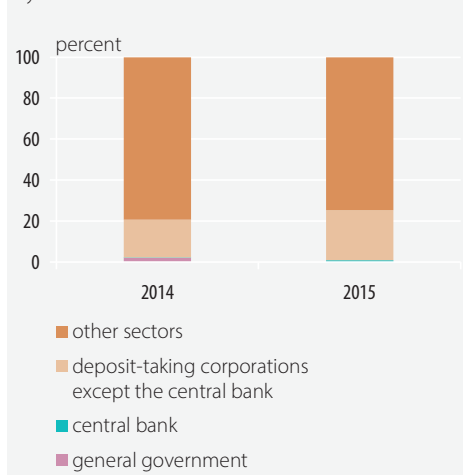
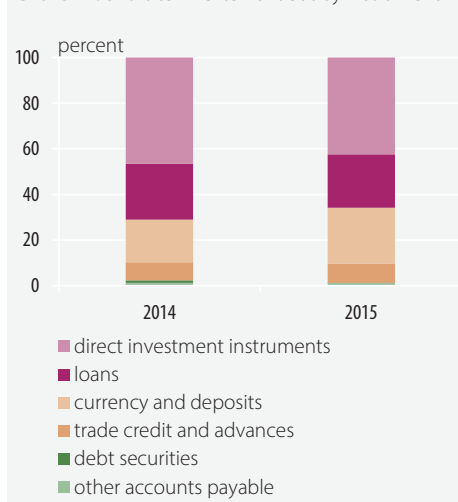
Table 37. Long-term external debt by instrument

	2014		2015	
	EUR millions	%	EUR millions	%
Total	75,829	100.0	70,557	100.0
Direct investment instruments	10,454	13.8	13,608	19.3
Loans	33,614	44.3	27,816	39.4
Trade credit and advances	11	0.0	10	0.0
Currency and deposits	12,531	16.5	9,526	13.5
Debt securities	18,023	23.8	18,322	26.0
SDR allocations	1,173	1.5	1,251	1.8
Other accounts payable	23	0.0	24	0.0

The composition of long-term external debt by instrument (Table 37) witnessed a change, given the declining shares of loans and deposits by 4.9 percentage points and 3 percentage points respectively in favour of non-residents' direct investment instruments and portfolio investment instruments in the form of debt securities, whose shares widened by 5.5 percentage points and 2.2 percentage points respectively (Chart 15).

Table 38. Short-term external debt by institutional sector

	2014		2015	
	EUR millions	%	EUR millions	%
Total	18,915	100.0	19,876	100.0
Government sector	409	2.2	20	0.1
Central bank	3	0.0	186	0.9
Deposit-taking corporations except the central bank	3,496	18.5	4,854	24.4
Other sectors	15,007	79.3	14,816	74.5

Chart 16. Short-term external debt by institutional sector**Chart 17.** Short-term external debt by instrument

Throughout 2015, the balance on short-term external debt reached EUR 19,876 million, making up 22 percent of total gross external debt. Institutional sectors held uneven weights in the short-term external debt, with the real sector further making

the largest contribution (74.5 percent, down from 79.3 percent), with considerable roll-over rates, ahead of deposit-taking corporations except the central bank, and the central bank (Table 38).

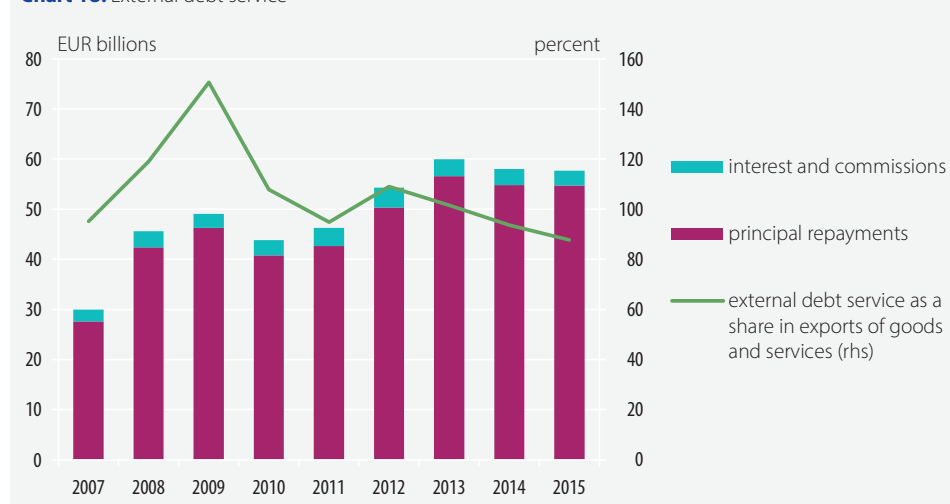
The real sector and deposit-taking corporations except the central bank resorted to short-term external loans in 2015 as well, as pointed out by roll-over rates of 113.8 percent and 116.8 percent respectively (Chart 16).

Table 39. Short-term external debt by instrument

	2014		2015	
	EUR millions	%	EUR millions	%
Total	18,915	100.0	19,876	100.0
Direct investment instruments	8,799	46.5	8,454	42.5
Loans	4,639	24.5	4,623	23.3
Trade credit and advances	1,505	8.0	1,673	8.4
Currency and deposits	3,539	18.7	4,885	24.6
Debt securities	194	1.0	15	0.1
Other accounts payable	239	1.3	226	1.1

Debt instruments in the form of deposits taken by credit institutions, as a means of short-term funding, had a significant contribution, with their share rising 5.9 percentage points from 2014, to 24.6 percent (Table 39). A downward shift occurred with respect to direct investment instruments, whose share narrowed 4 percentage points, and to other components, such as loans, securities, and other accounts payable (Chart 17).

Chart 18. External debt service



The external debt service doubled in the period from 2007 to 2015, having posted significant increases during 2008-2009, followed by a moderate easing in 2010 and considerable rises 2011 through 2012, with a peak of EUR 60 billion in 2013 (Chart 18). In 2015, the external debt service declined to EUR 57.7 billion and continued to reflect the servicing of the outstanding debt to the IMF (EUR 1,545 million) under the Stand-By Arrangement signed in 2009 and to the European Union (EUR 1,500 million),

the transactions in government securities, liquidation of deposits by non-residents, and other payments to multilateral and private creditors in line with commitments falling due.

In 2015, the external debt service amounted to EUR 57,680 million, of which principal repayments equalled EUR 54,751 million and payments of interest and commissions totalled EUR 2,929 million. The composition by maturity changed against the previous year, as the share of short-term external debt service narrowed from 58.5 percent in 2014 to 56.1 percent in 2015 and that of long-term external debt service widened from 41.5 percent to 43.9 percent.

Table 40. External debt service (EDS)

	2014	2015
EDS (EUR millions)	58,019	57,680
EDS/GDP (%)	38.6	36.0
EDS/EXP* (%)	93.7	87.7
EXP* (EUR millions)	61,917	65,741

*) exports of goods and services

During the period under review, the external debt service declined and stood lower than exports of goods and services, taking 87.7 percent of their value (Table 40). In relation to GDP, the external debt service saw its share diminish by 2.6 percentage points against 2014, to 36 percent.

Net external debt²¹ came in at EUR 38.6 billion at end-2015, down from EUR 44.5 billion in 2014, amid the drop in net external debt of the central bank, deposit-taking corporations except the central bank (credit institutions), as well as of the general government (Table 41). The net external debt of the real sector shrank to EUR 10.7 billion, whereas that stemming from direct investment (intercompany lending) rose to EUR 18.5 billion.

Table 41. Net external debt at end-2015

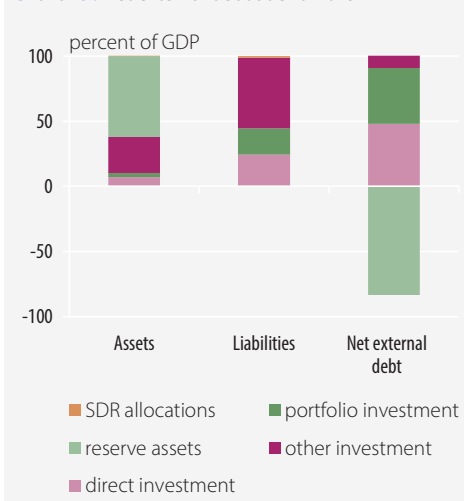
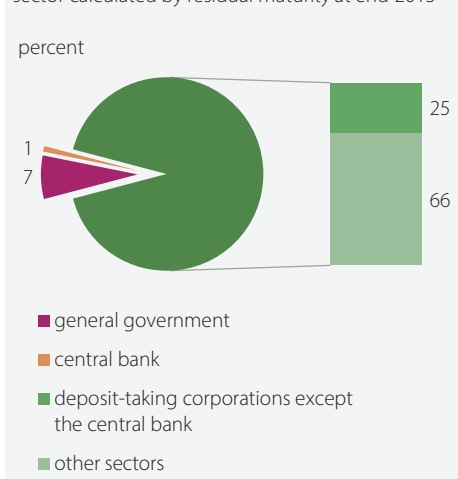
	EUR millions		
	Gross external debt	Foreign assets based on debt instruments	Net external debt
General government	31,380	2,070	29,310
Currency and deposits	5	6	-1
Debt securities	18,153	0	18,153
Loans	13,197	0	13,197
Trade credit and advances	2	1,985	-1,982
Other accounts receivable/payable	23	79	-57
Central bank	1,560	32,238	-30,678
Special drawing rights (SDR)	1,252	11	1,241
Currency and deposits	186	4,378	-4,192
Debt securities	0	27,849	-27,849

²¹ Calculated as the difference between foreign liabilities and foreign assets related to all debt instruments (loans, currency and deposits, bonds and money market instruments, trade credit).

continued

	EUR millions		
	Gross external debt	Foreign assets based on debt instruments	Net external debt
Loans	122	0	122
Other accounts receivable/payable	0	136,802	
Deposit-taking corporations except the central bank	14,550	3,781	10,769
Currency and deposits	14,220	2,789	11,431
Debt securities	171	293	-122
Loans	0	475	-475
Other accounts receivable/payable	160	224	-64
Other sectors	20,882	10,143	10,739
Currency and deposits	0	2,425	-2,425
Debt securities	14	1,417	-1,403
Loans	19,120	3,708	15,412
Trade credit and advances	1,681	2,457	-777
Other accounts receivable/payable	68	135	-68
Direct investment, debt instruments (intercompany lending)	22,062	3,579	18,483
Total	90,434	51,811	38,623

At 31 December 2015, net external debt accounted for 24.1 percent of GDP, against 29.6 percent at end-2014²², which led to a reduction in the debit balance of the international investment position from 56.9 percent to 51 percent of GDP (Chart 19).

Chart 19. Net external debt at end-2015

Chart 20. Short-term external debt by institutional sector calculated by residual maturity at end-2015


The balance on short-term external debt calculated at residual value²³ totalled EUR 32,942.3 million, of which real sector debt accounted for over 91 percent (Chart 20). The general government and the central bank reported declining shares, with a

²² During the same period, gross external debt declined from 63 percent to 56.4 percent as a share of GDP.

²³ Short-term external debt outstanding at end-2015 plus the principal and/or interest on long-term gross external debt payable over the following 12 months.

favourable impact on the sustainability of the public sector's short-term external debt. Hence, the ratio of the foreign exchange reserve to short-term external debt calculated at residual maturity improved in 2015, reaching 97.9 percent from 88.9 percent a year earlier.

The analysis of the main indebtedness indicators in 2015 shows that the share of long-term external debt in GDP narrowed to 44 percent, the share of short-term external debt in GDP remained at 12 percent, the ratio of gross external debt to exports of goods and services was 137.5 percent, while the share of interest in total exports of goods and services decreased to 4.5 percent. At end-2015, Romania's international reserves (foreign currency and gold) covered 6.4 months of imports of goods and services. The ratio of the National Bank of Romania's foreign exchange reserve to short-term external debt²⁴ fell to 162.2 percent at end-2015, compared with 170.3 percent at end-2014.

²⁴ Gross external debt with an original maturity of up to and including one year.

Statistical section

Balance of payments, 2014 – 2015

Item	EUR millions					
	2014			2015		
	Credit	Debit	Balance	Credit	Debit	Balance
1. Current account	68,768	69,780	-1,012	73,795	75,738	-1,943
A. Goods and services	61,916	62,585	-669	65,741	66,741	-1,000
a. Goods	46,814	53,351	-6,537	49,099	56,893	-7,794
general merchandise on a balance of payments basis	46,703	53,351	-6,648	49,089	56,893	-7,804
net exports of goods under merchandising	111	0	111	10	0	10
goods acquired under merchandising	-178	0	-178	-232	0	-232
goods sold under merchandising	289	0	289	242	0	242
b. Services	15,102	9,234	5,868	16,642	9,848	6,794
processing services	2,525	163	2,362	2,567	172	2,395
transport	4,391	1,577	2,814	5,204	1,796	3,408
travel	1,378	1,824	-446	1,542	1,855	-313
other	6,808	5,670	1,138	7,329	6,025	1,304
B. Primary income	2,300	4,329	-2,029	2,353	6,091	-3,738
compensation of employees	545	60	485	606	45	561
investment income	429	4,163	-3,734	311	5,902	-5,591
other primary income	1,326	106	1,220	1,436	144	1,292
C. Secondary income	4,552	2,866	1,686	5,701	2,906	2,795
general government	801	1,791	-990	1,866	1,717	149
other sectors	3,751	1,075	2,676	3,835	1,189	2,646
2. Capital account	4,047	93	3,954	4,013	112	3,901
A. Capital transfers	3,927	81	3,846	3,781	63	3,718
general government	3,922	0	3,922	3,298	1	3,297
other sectors	5	81	-76	483	62	421
B. Acquisitions/disposals of non-produced non-financial assets	120	12	108	232	49	183
	Net acquisition of assets*	Net incurrence of liabilities*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net
3. Financial account	202	-2,866	3,068	1,539	-741	2,280
A. Direct investment	228	2,930	-2,702	929	3,884	-2,955
equity	-203	2,851	-3,054	-139	3,591	-3,730
equity other than reinvestment of earnings	12	4,226	-4,214	9	3,080	-3,071
reinvestment of earnings	-215	-1,375	1,160	-148	511	-659
debt instruments	431	79	352	1,068	293	775
B. Portfolio investment	105	2,964	-2,859	300	305	-5
equity and investment fund shares	3	436	-433	184	328	-144
debt securities	102	2,528	-2,426	116	-23	139
C. Financial derivatives	-26	0	-26	-24	0	-24
D. Other investment	1,130	-8,760	9,890	934	-4,930	5,864
other equity	5	0	5	11	0	11
currency and deposits	1,003	-2,856	3,859	602	-1,743	2,345
loans	342	-5,495	5,837	264	-3,180	3,444
trade credit and advances	-238	-385	147	-271	17	-288
other accounts receivable/payable	16	-24	40	327	-24	351
special drawing rights	0	0	0	0	0	0
E. NBR's reserve assets	-1,235	0	-1,235	-600	0	-600
4. Net errors and omissions	x	x	126	x	x	322

*) "+" increase; "-" decrease

Note: Totals may not add up due to rounding.

Quarterly balance of payments, 2015

EUR millions

Item	Q1			Q2		
	Credit	Debit	Balance	Credit	Debit	Balance
1. Current account	18,956	17,559	1,397	18,041	19,682	-1,641
A. Goods and services	15,901	15,661	240	16,407	16,365	42
a. Goods	12,066	13,319	-1,253	12,280	13,958	-1,678
general merchandise on a balance of payments basis	12,052	13,319	-1,267	12,278	13,958	-1,680
net exports of goods under merchanting	14	0	14	2	0	2
goods acquired under merchanting	-52	0	-52	-55	0	-55
goods sold under merchanting	66	0	66	57	0	57
b. Services	3,835	2,342	1,493	4,127	2,407	1,720
processing services	608	38	570	635	41	594
transport	1,196	431	765	1,296	447	849
travel	332	440	-108	374	416	-42
other	1,699	1,433	266	1,822	1,503	319
B. Primary income	1,499	1,057	442	314	2,553	-2,239
compensation of employees	137	8	129	149	11	138
investment income	77	1,021	-944	86	2,511	-2,425
other primary income	1,285	28	1,257	79	31	48
C. Secondary income	1,556	841	715	1,320	764	556
general government	712	567	145	296	466	-170
other sectors	844	274	570	1,024	298	726
2. Capital account	1,580	48	1,532	654	15	639
A. Capital transfers	1,527	21	1,506	582	10	572
general government	1,046	0	1,046	581	0	581
other sectors	481	21	460	1	10	-9
B. Acquisition/disposal of non-produced non-financial assets	53	27	26	72	5	67
	Net acquisition of assets*	Net incurrence of liabilities*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net
3. Financial account	-752	-3,650	2,898	-373	-1	-372
A. Direct investment	118	1,107	-989	536	1,161	-625
equity	-59	207	-266	-46	1,073	-1,119
equity other than reinvestment of earnings	-22	108	-130	-9	450	-459
reinvestment of earnings	-37	99	-136	-37	623	-660
debt instruments	177	900	-723	582	88	494
B. Portfolio investment	-194	-1,048	854	75	-879	954
equity and investment fund shares	38	-152	190	30	-97	127
debt securities	-232	-896	664	45	-782	827
C. Financial derivatives	5	0	5	-16	0	-16
D. Other investment	1,881	-3,709	5,590	-822	-283	-539
other equity	9	0	9	0	0	0
currency and deposits	1,353	-802	2,155	-379	-362	-17
loans	158	-3,099	3,257	25	116	-91
trade credit and advances	345	208	137	-608	-60	-548
other accounts receivable/payable	16	-16	32	140	23	117
special drawing rights	0	0	0	0	0	0
E. NBR's reserve assets	-2,562	0	-2,562	-146	0	-146
4. Net errors and omissions	x	x	-31	x	x	630

*) "+" increase; "-" decrease

Note: Totals may not add up due to rounding.

EUR millions						Item
Q3			Q4			
Credit	Debit	Balance	Credit	Debit	Balance	
18,166	19,021	-855	18,632	19,476	-844	1. Current account
16,760	17,053	-293	16,673	17,662	-989	A. Goods and services
12,534	14,633	-2,099	12,219	14,983	-2,764	a. Goods
12,531	14,633	-2,102	12,228	14,983	-2,755	general merchandise on a balance of payments basis
3	0	3	-9	0	-9	net exports of goods under merchanting
-48	0	-48	-77	0	-77	goods acquired under merchanting
51	0	51	68	0	68	goods sold under merchanting
4,226	2,420	1,806	4,454	2,679	1,775	b. Services
621	45	576	703	48	655	processing services
1,352	459	893	1,360	459	901	transport
452	545	-93	384	454	-70	travel
1,801	1,371	430	2,007	1,718	289	other
288	1,449	-1,161	252	1,032	-780	B. Primary income
158	12	146	162	14	148	compensation of employees
72	1,398	-1,326	76	972	-896	investment income
58	39	19	14	46	-32	other primary income
1,118	519	599	1,707	782	925	C. Secondary income
171	227	-56	687	457	230	general government
947	292	655	1,020	325	695	other sectors
920	28	892	859	21	838	2. Capital account
866	17	849	806	15	791	A. Capital transfers
866	0	866	805	1	804	general government
0	17	-17	1	14	-13	other sectors
54	11	43	53	6	47	B. Acquisition/disposal of non-produced non-financial assets
	Net acquisition of assets*	Net	Net acquisition of assets*	Net incurrence of liabilities*	Net	
106	-283	389	2,558	3,193	-635	3. Financial account
138	963	-825	137	653	-516	A. Direct investment
-25	1,122	-1,147	-9	1,189	-1,198	equity
12	1,048	-1,036	28	1,474	-1,446	equity other than reinvestment of earnings
-37	74	-111	-37	-285	248	reinvestment of earnings
163	-159	322	146	-536	682	debt instruments
349	-174	523	70	2,406	-2,336	B. Portfolio investment
65	-262	327	51	839	-788	equity and investment fund shares
284	88	196	19	1,567	-1,548	debt securities
-17	0	-17	4	0	4	C. Financial derivatives
509	-1,072	1,581	-634	134	-768	D. Other investment
-3	0	-3	5	0	5	other equity
825	-675	1,500	-1,197	96	-1,293	currency and deposits
7	-436	443	74	239	-165	loans
-515	57	-572	507	-188	695	trade credit and advances
195	-18	213	-24	-13	-11	other accounts receivable/payable
0	0	0	0	0	0	special drawing rights
-873	0	-873	2,981	0	2,981	E. NBR's reserve assets
x	x	352	x	x	-629	4. Net errors and omissions

Romania's international investment position, 2008 – 2015								
Institutional sectors	EUR millions, end of period							
	2008	2009	2010	2011	2012	2013	2014	2015
I. Central bank	27,911	24,051	25,738	25,831	25,585	29,644	32,942	33,963
Foreign assets, of which:	28,297	30,888	35,982	37,283	35,444	35,464	35,540	35,522
Foreign exchange reserve	26,221	28,303	32,432	33,193	31,206	32,525	32,216	32,238
Monetary gold	2,049	2,556	3,518	4,058	4,207	2,910	3,290	3,247
Foreign liabilities, of which:	386	6,838	10,244	11,452	9,859	5,820	2,598	1,560
Currency and deposits	303	79	22	53	57	10	3	186
Loans from the IMF	0	5,686	9,083	10,231	8,654	4,708	1,421	122
SDR allocations	83	1,073	1,139	1,168	1,148	1,102	1,173	1,252
II. General government	-7,888	-11,241	-15,965	-20,288	-22,998	-27,298	-29,807	-28,283
Foreign assets, of which:	2,391	2,366	2,592	2,734	2,575	2,567	2,834	3,096
Other investment, of which:	2,391	2,366	2,592	2,734	2,575	2,567	2,834	3,096
other equity	622	630	713	797	785	868	945	1,027
trade credits and advances	1,654	1,623	1,761	1,781	1,715	1,625	1,810	1,985
Foreign liabilities, of which:	10,279	13,607	18,557	23,022	25,573	29,865	32,641	31,380
Portfolio investment	2,706	3,329	4,275	6,098	9,500	14,214	17,999	18,153
debt securities	2,706	3,329	4,275	6,098	9,500	14,214	17,999	18,153
Other investment, of which:	7,573	10,278	14,282	16,923	16,072	15,652	14,641	13,227
currency and deposits	37	80	115	132	92	92	215	5
loans	7,507	10,172	14,139	16,062	15,952	15,535	14,403	13,197
III. Deposit-taking corporations except the central bank	-30,916	-26,020	-27,912	-28,749	-27,094	-23,875	-18,996	-17,963
Foreign assets, of which:	1,648	3,156	2,722	1,975	2,303	2,208	3,538	3,825
Direct investment	155	191	109	36	41	42	42	44
equity	155	191	109	36	41	40	42	41
debt instruments	0	0	0	0	0	2	0	3
Portfolio investment	146	301	557	403	414	578	641	294
equity and investment fund shares	2	2	82	33	31	19	23	1
debt securities	144	299	475	370	383	559	618	293
Other investment, of which:	1,347	2,664	2,056	1,536	1,848	1,588	2,855	3,488
currency and deposits	1,117	2,318	1,721	1,158	1,369	1,348	2,401	2,789
loans	209	311	285	344	413	214	439	475
other accounts receivable	21	35	50	34	66	26	14	224
Foreign liabilities, of which:	32,564	29,176	30,634	30,724	29,397	26,083	22,534	21,789
Direct investment	6,386	6,476	6,571	6,501	7,137	6,658	5,625	6,257
equity	6,386	6,476	6,571	6,501	7,137	6,657	5,623	6,249
debt instruments	0	0	0	0	0	1	3	8
Portfolio investment	299	233	162	93	278	560	882	1,152
equity and investment fund shares	67	56	36	50	60	394	678	982
debt securities	232	177	126	43	218	166	204	171
Other investment, of which:	25,879	22,467	23,901	24,130	21,982	18,866	16,027	14,380
currency and deposits	25,516	22,256	23,854	24,098	21,321	18,724	15,852	14,220
other accounts payable	364	211	47	31	661	141	175	160

continued

Institutional sectors	EUR millions, end of period							
	2008	2009	2010	2011	2012	2013	2014	2015
IV. Other sectors	-58,196	-61,604	-60,856	-62,352	-66,121	-67,421	-69,617	-69,455
Foreign assets, <i>of which:</i>	7,398	8,067	10,237	11,419	11,570	11,978	13,554	14,636
Direct investment	1,586	1,528	1,800	1,939	1,641	1,657	2,540	3,434
equity	303	120	272	337	304	394	65	-142
debt instruments	1,283	1,408	1,528	1,602	1,337	1,263	2,475	3,577
Portfolio investment	936	892	1,025	1,206	1,640	1,770	1,795	2,470
equity and investment fund shares	554	402	502	692	879	844	806	1,054
debt securities	382	490	523	514	761	926	989	1,417
Other investment, <i>of which:</i>	4,876	5,647	7,422	8,274	8,289	8,550	9,208	8,726
currency and deposits	1,349	1,313	1,747	2,173	2,446	2,614	2,984	2,425
loans	2,325	2,539	2,994	3,188	3,162	3,163	3,391	3,708
trade credit and advances	1,114	1,751	2,612	2,767	2,468	2,573	2,562	2,457
other accounts receivable	88	43	70	147	214	201	271	136
Foreign liabilities, <i>of which:</i>	65,594	69,671	71,093	73,771	77,691	79,399	83,170	84,091
Direct investment	40,841	42,624	45,012	47,637	50,925	54,381	56,892	60,909
equity	28,505	29,124	28,961	30,503	32,131	34,057	37,641	38,854
debt instruments	12,336	13,500	16,051	17,134	18,794	20,325	19,250	22,055
Portfolio investment	1,412	1,357	1,377	1,330	2,334	1,994	2,265	2,312
equity and investment fund shares	1,398	1,332	1,336	1,289	2,334	1,990	2,251	2,298
debt securities	14	25	41	41	0	4	14	14
Other investment, <i>of which:</i>	23,341	25,690	24,704	24,804	24,431	23,022	24,009	20,868
loans	20,567	24,273	22,956	22,764	22,565	21,362	22,429	19,120
trade credit and advances	2,770	1,417	1,744	1,972	1,847	1,564	1,514	1,680
other accounts payable	4	0	4	69	19	95	64	68
Net position	-69,090	-74,814	-78,995	-85,558	-90,628	-88,950	-85,478	-81,739
Foreign assets	39,734	44,477	51,533	53,411	51,892	52,218	55,465	57,080
Foreign liabilities	108,824	119,291	130,528	138,969	142,520	141,168	140,943	138,819

Romania's gross international reserve, 2008 – 2015

	EUR millions, end of period							
	2008	2009	2010	2011	2012	2013	2014	2015
National Bank of Romania	28,270	30,859	35,951	37,252	35,413	35,435	35,506	35,485
Gold	2,049	2,556	3,518	4,058	4,207	2,910	3,290	3,247
Foreign exchange reserve	26,221	28,303	32,432	33,194	31,206	32,525	32,216	32,238
Credit institutions	1,344	2,716	2,298	1,639	1,892	2,035	3,285	3,325
Foreign currency	1,344	2,716	2,298	1,639	1,892	2,035	3,285	3,325
Gross international reserve, of which:	29,614	33,575	38,249	38,891	37,305	37,470	38,791	38,810
Gross foreign exchange reserve	27,565	31,019	34,731	34,833	33,098	34,559	35,501	35,563

External debt indicators, 2008 – 2015

	2008	2009	2010	2011	2012	2013	2014	2015
	EUR millions							
External debt (ED)	72,467	82,304	93,624	99,926	100,857	98,069	94,744	90,434
Long-term (LT)	51,875	66,715	74,075	77,131	79,936	78,860	75,829	70,557
Short-term (ST)	20,592	15,589	19,549	22,795	20,921	19,209	18,915	19,876
GDP	142,393	120,483	126,816	133,344	133,610	144,254	150,327	160,367
Exports of goods and services (EXP)	38,285	32,562	40,573	48,799	49,777	57,308	61,916	65,741
Imports of goods and services (IMP)	57,370	40,631	48,697	56,526	56,568	58,422	62,585	66,741
External debt service (EDS)	45,576	49,038	43,775	46,232	54,268	59,961	58,019	57,680
Principal repayments	42,338	46,252	40,745	42,631	50,339	56,583	54,768	54,751
long-term (LT)	10,958	10,164	12,756	12,932	16,391	24,254	21,879	23,358
short-term (ST)	31,380	36,088	27,989	29,699	33,948	32,329	32,889	31,393
Interest payments (INT)	3,237	2,786	3,030	3,601	3,929	3,378	3,251	2,929
long-term (LT)	2,098	2,108	1,940	2,207	2,273	2,032	2,224	1,977
short-term (ST)	1,139	678	1,090	1,394	1,656	1,346	1,026	952
Romania's international reserves (IR)	28,270	30,859	35,951	37,252	35,413	35,435	35,506	35,485
	percent							
ED/GDP	50.9	68.3	73.8	74.9	75.5	68.0	63.0	56.4
LT/GDP	36.4	55.4	58.4	57.8	59.8	54.7	50.4	44.0
ED/EXP	189.3	252.8	230.8	204.8	202.6	171.1	153.0	137.5
LT/EXP	135.5	204.9	182.6	158.1	160.6	137.6	122.5	107.6
EDS/EXP	119.0	150.6	107.9	94.7	109.0	104.6	93.7	87.7
EDS/GDP	32.0	40.7	34.5	34.7	40.6	41.6	38.6	36.0
EDS/IR	161.2	158.9	121.8	124.1	153.2	169.2	163.4	162.5
INT/EXP	8.5	8.6	7.5	7.4	7.9	5.9	5.3	4.5
ST/ED	28.4	18.9	20.9	22.8	20.7	19.6	20.0	22.0
Multilateral/ED	9.1	13.4	26.8	29.5	27.8	24.2	20.5	18.2
	months							
IR/IMP	5.9	9.1	8.9	7.9	7.5	7.3	6.8	6.4

Romania's international investment position at end-2015 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	-29,808	1,450	384	53	-362	-28,283
Foreign assets	2,833	-22	0	0	286	3,096
Financial derivatives	0	0	0	0	0	0
Other investment	2,833	-22	0	0	286	3,096
Other equity	945	10	0	0	71	1,026
Trade credit and advances	1,810	-32	0	0	206	1,985
long-term trade credit and advances	1,810	-32	0	0	206	1,985
Loans	0	0	0	0	0	0
Deposits	6	-1	0	0	0	6
Other accounts receivable	72	0	0	0	8	79
other long-term accounts receivable	0	0	0	0	0	0
other short-term accounts receivable	72	0	0	0	8	79
Foreign liabilities	32,641	-1,472	-384	-53	648	31,380
Portfolio investment	17,999	14	-384	0	524	18,153
Long-term debt securities	17,805	195	-386	0	524	18,138
Short-term debt securities	194	-181	2	0	0	15
Other investment	14,641	-1,486	0	-53	125	13,227
Trade credit and advances	2	-1	0	1	0	2
long-term trade credit and advances	2	-1	0	1	0	2
Loans	14,403	-1,358	0	25	128	13,197
long-term loans	14,403	-1,358	0	25	128	13,197
short-term loans	0	0	0	0	0	0
Deposits	215	-126	0	-80	-5	5
Other accounts payable	21	-1	0	1	1	23
other long-term accounts payable	21	-1	0	1	1	23
other short-term accounts payable	0	0	0	0	0	0
II. Central bank	32,942	594	-221	-1	649	33,963
Foreign assets	35,540	-600	-221	-1	804	35,522
Other investment	34	1	0	0	3	37
Other equity	34	0	0	0	3	37
Other accounts receivable	0	0	0	0	0	0
other short-term accounts receivable	0	0	0	0	0	0
Reserve assets	35,506	-600	-221	-1	801	35,485
Monetary gold	3,290	0	-42	-1	0	3,247
Foreign exchange reserve	32,216	-600	-179	0	801	32,238
Foreign liabilities	2,598	-1,194	0	0	155	1,560
Other investment	2,598	-1,194	0	0	155	1,560
Loans	1,421	-1,376	0	0	77	122
long-term loans (IMF)	1,421	-1,376	0	0	77	122
Deposits	3	183	0	0	0	186
SDR allocations	1,173	0	0	0	78	1,252

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	-18,996	1,756	-623	-84	-15	-17,963
Foreign assets	3,538	198	-27	34	82	3,826
Direct investment	42	0	0	1	0	44
Equity	42	3	0	-4	0	41
Debt instruments	0	-3	0	6	0	3
Portfolio investment	641	-339	-27	0	19	294
Equity and investment fund shares	23	-25	0	0	3	1
Long-term debt securities	598	-297	-26	0	16	290
Short-term debt securities	20	-17	0	0	0	3
Financial derivatives	0	-30	0	30	0	0
Other investment	2,855	567	0	3	64	3,488
Loans	439	30	0	0	6	475
long-term loans	187	85	0	0	6	278
short-term loans	252	-55	0	0	-1	197
Deposits	2,401	325	0	3	61	2,789
Other accounts receivable	14	212	0	0	-2	224
other long-term accounts receivable	14	33	0	0	-1	46
other short-term accounts receivable	0	180	0	0	-1	178
Foreign liabilities	22,534	-1,558	597	118	98	21,788
Direct investment	5,625	253	369	74	-65	6,257
Equity	5,623	248	369	74	-65	6,249
Debt instruments	3	5	0	0	0	8
Portfolio investment	882	55	227	0	-12	1,152
Equity and investment fund shares	678	92	222	0	-10	982
Long-term debt securities	204	-37	5	0	-1	171
Short-term debt securities	0	0	0	0	0	0
Financial derivatives	0	-44	0	44	0	0
Other investment	16,027	-1,821	0	0	174	14,380
Deposits	15,852	-1,800	0	0	168	14,220
long-term deposits	12,531	-3,111	0	0	105	9,526
short-term deposits	3,321	1,310	0	0	63	4,694
Other accounts payable	175	-21	0	0	6	160
other short-term accounts payable	175	-21	0	0	6	160
IV. Other sectors	-69,615	-1,520	695	932	52	-69,455
Foreign assets	13,555	1,496	38	-580	128	14,636
Direct investment	2,540	929	0	-42	7	3,434
Equity	65	-143	0	-67	3	-142
Debt instruments	2,475	1,073	0	25	4	3,577
Portfolio investment	1,795	640	35	4	-2	2,470
Equity and investment fund shares	806	208	34	4	2	1,054
Long-term debt securities	971	418	1	8	-4	1,395
Short-term debt securities	17	14	0	-8	0	22
Financial derivatives	10	-462	3	454	0	5

continued

	EUR millions					
	Beginning-of-period position	Transactions	Revaluation due to price changes	Other revaluation	Revaluation due to exchange rate changes	End-of-period position
Institutional sector						
Other investment	9,210	389	0	-996	124	8,726
Trade credit and advances	2,564	-239	0	34	99	2,457
long-term trade credit and advances	0	-43	0	43	0	0
short-term trade credit and advances	2,563	-197	0	-9	100	2,457
Loans	3,391	234	0	-10	93	3,708
long-term loans	382	1	0	0	11	394
short-term loans	3,009	233	0	-10	82	3,314
Deposits	2,984	278	0	-970	133	2,425
Other accounts receivable	271	116	0	-50	-202	135
other long-term accounts receivable	14	1	0	0	0	15
other short-term accounts receivable	256	115	0	-50	-201	120
Foreign liabilities	83,170	3,016	-658	-1,512	75	84,092
Direct investment	56,892	3,631	-476	1,094	-233	60,909
Equity	37,641	3,343	-476	-1,262	-392	38,854
Debt instruments	19,250	288	0	2,357	159	22,055
Portfolio investment	2,265	237	-184	0	-6	2,312
Equity and investment fund shares	2,251	237	-184	0	-6	2,298
Long-term debt securities	14	0	0	0	0	14
Short-term debt securities	0	0	0	0	0	0
Financial derivatives	5	-423	3	420	-1	3
Other investment	24,009	-429	0	-3,026	315	20,868
Trade credit and advances	1,514	18	0	92	58	1,681
long-term trade credit and advances	9	-95	0	93	0	8
short-term trade credit and advances	1,505	112	0	-2	58	1,673
Loans	22,429	-446	0	-3,101	238	19,120
long-term loans	17,790	-852	0	-2,597	156	14,496
short-term loans	4,639	406	0	-504	82	4,623
Deposits	0	0	0	0	0	0
Other accounts payable	65	-1	0	-16	19	68
other long-term accounts payable	2	0	0	0	0	2
other short-term accounts payable	64	-1	0	-16	20	66
Total	-56,047	-24	733	352	180	-54,805

Note: Totals may not add up due to rounding.

Romania's international investment position at end-2015 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:	-85,477	2,280	235	900	323	-81,739
Foreign assets	55,465	1,072	-210	-546	1,299	57,080
Direct investment	2,583	930	0	-41	6	3,478
Portfolio investment	2,436	300	8	4	16	2,764
Financial derivatives	10	-492	3	484	0	5
Other investment	14,931	933	0	-993	476	15,348
Reserve assets	35,506	-600	-221	-1	801	35,485
Foreign liabilities	140,943	-1,208	-445	-1,446	976	138,819
Direct investment	62,517	3,884	-107	1,169	-297	67,165
Portfolio investment	21,146	305	-341	0	507	21,617
Financial derivatives	5	-468	3	464	-2	3
Other investment	57,275	-4,930	0	-3,079	769	50,034
Net position	-85,477	2,280	235	900	323	-81,739
Direct investment	-59,934	-2,955	107	-1,209	304	-63,687
Portfolio investment	-18,710	-5	349	4	-490	-18,853
Financial derivatives	5	-24	1	20	1	3
Other investment	-42,344	5,864	0	2,086	-292	-34,686
Reserve assets	35,506	-600	-221	-1	801	35,485
Foreign assets	55,465	1,072	-210	-546	1,299	57,080
Direct investment	2,583	930	0	-41	6	3,478
Equity	107	-140	0	-71	3	-101
Other equity	2,475	1,070	0	30	4	3,579
Portfolio investment	2,436	300	8	4	16	2,764
Equity and investment fund shares	829	184	33	4	5	1,054
Long-term debt securities	1,569	121	-25	8	12	1,685
Short-term debt securities	37	-4	0	-8	0	25
Financial derivatives	10	-492	3	484	0	5
Other investment	14,931	933	0	-993	476	15,348
Other equity	979	11	0	0	74	1,063
Loans and trade credit	8,205	-7	0	23	404	8,625
long-term loans and trade credit	2,380	11	0	43	223	2,657
short-term loans and trade credit	5,825	-18	0	-19	181	5,968
Currency and deposits	5,391	602	0	-967	194	5,220
Other accounts receivable	357	328	0	-50	-196	439
long-term	29	34	0	0	-1	62
short-term	328	294	0	-50	-195	378
Reserve assets (NBR)	35,506	-600	-221	-1	801	35,485
Monetary gold	3,290	0	-42	-1	0	3,247
Foreign exchange reserve	32,216	-600	-179	0	801	32,238
Foreign liabilities	140,943	-1,208	-445	-1,446	976	138,819
Direct investment	62,517	3,884	-107	1,169	-297	67,165
Equity	43,264	3,591	-107	-1,188	-457	45,103
Other equity	19,253	293	0	2,357	159	22,062
Portfolio investment	21,146	305	-341	0	507	21,617

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
Equity and investment fund shares	2,929	329	38	0	-16	3,280
Long-term debt securities	18,023	158	-381	0	522	18,322
Short-term debt securities	194	-181	2	0	0	15
Financial derivatives	5	-468	3	464	-2	3
Other investment	57,275	-4,930	0	-3,079	769	50,034
Loans and trade credit	39,769	-3,163	0	-2,984	500	34,122
long-term loans and trade credit	33,626	-3,682	0	-2,478	360	27,826
short-term loans and trade credit	6,144	519	0	-506	140	6,297
Currency and deposits	16,070	-1,743	0	-80	163	14,410
Other accounts payable	262	-24	0	-15	27	250
long-term	23	-1	0	1	1	24
short-term	239	-22	0	-16	25	226
SDR allocations	1,173	0	0	0	78	1,252

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