

Romanian International Trade Evolution

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Abstract

This paper describes the evolution of the international trade during the first three months of 2014, compared to the similar period of 2013. The focus is set on the analysis of structure and dynamics. The results of the analysis reveal the overall evolution of foreign trade, the main factors that have contributed to the evolution, the structure on partner countries.

Key words: *trade, factor, percentage, evolution, structure*

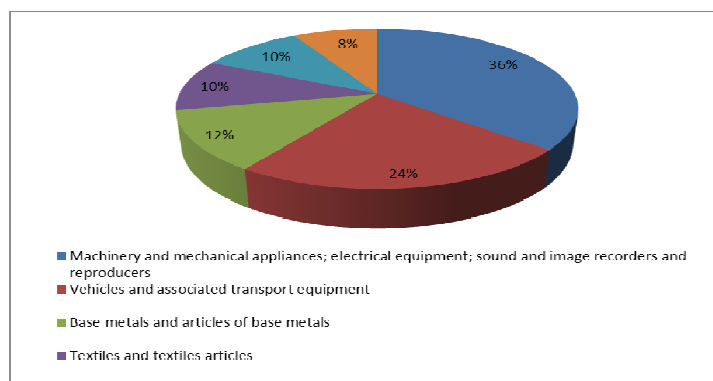
For the first three months of 2014, the value of FOB exports reached the level of 12756.5 million euro. A comparison with the similar period of 2013 reveals an increase with 10.1%

The dynamic and structural analysis of exports¹, depending on the CN sections outlines increases for sections "Mineral products"- with 2.0 percentage points, "Vegetable products" - with 1.5 percentage points and decreases for "Base metals and articles of base metals" - with 1.9 percentage points, "Chemicals products" - with 1.1 percentage points.

The exports belonging to the sector "machinery and mechanical appliances; electrical equipment; sound and image recorders and reproducers", takes the first position in the hierarchy, with a quota of 25.8% of total exports for the first trimester of 2014. Compared to the period 1.I-31.III 2013, an increase of 10.7% was recorded. The sector has the leading position in total section, with a percentage of 61.2% and also in total exports, with a percentage of 15.8%.

¹ Anghel, M.G. et. al. (2012) – "Production and Trade of Goods", Revista Română de Statistică – Supliment Trim II/2012

Also, it can be observed that six sections of the Combined Nomenclature hold 71.5% of total exports, as seen in the chart below:



Data source: National Institute of Statistics, International Trade Statistics no. 3/2014

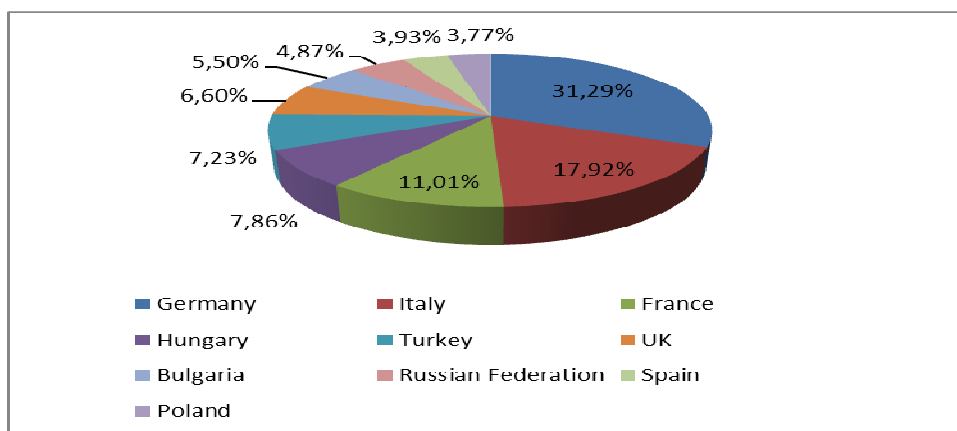
The second position is held by the section “Vehicles and associated transport equipment” with a weight of 16.8% in total exports. Inside this section, the sector “Vehicles, tractors and other ground vehicles” accounted for 88.1% of total section and 14.8% of total exports.

The section “Base metals and articles of base metals” has the third place as weight in total exports. The comparison with Q1 2013 reveals a decrease of 9.9%.

The main position in the structure of this section is taken by the chapters “Pig-iron, iron and steel”, a weight of 30.7% of total section and 2.7% of total exports and, respectively, “Pig-iron, iron and steel products”, with a percentage of 35.6% of total section and a weight of 3.1% in total exports.

Furthermore, the comparison between data recorded during Q1 2014 as against Q1 2013 allows to draw the conclusion that exports to the other 27 European Union (EU28) countries increased with 10.3%, registering a weight of 71.1% in total exports.

The structure of export by partner countries includes a dataset related to 10 partner states accounting for 63.6% of total exports. These countries and their related weights are the following: Germany (19.9% of total exports), Italy (11.4%), France (7.0%), Hungary (5.0%), Turkey (4.6%), United Kingdom of Great Britain and Northern Ireland (4.2%), Bulgaria (3.5%), Russian Federation (3.1%), Spain (2.5%) and Poland (2.4%). These data are also synthesized in the chart below as relative weights:

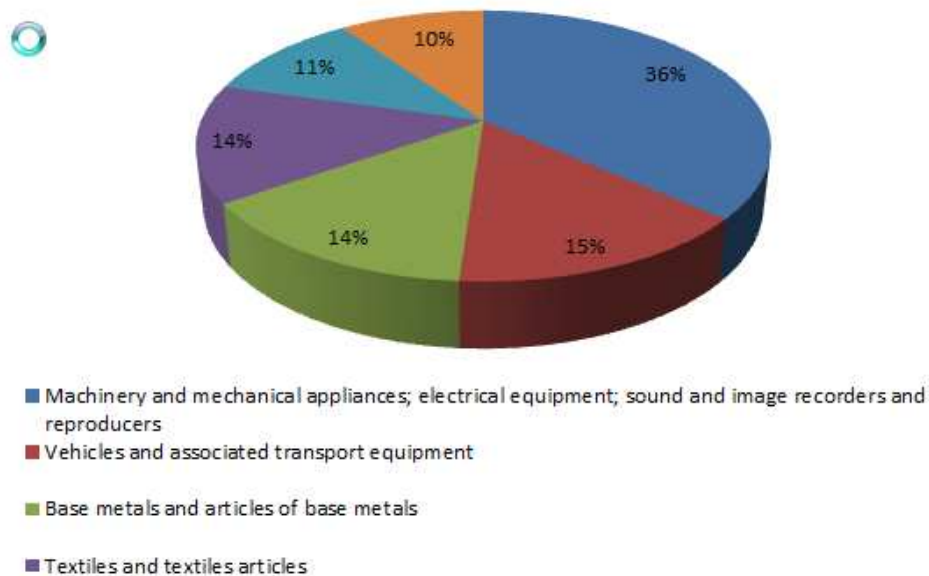


Data source: National Institute of Statistics, International Trade Statistics no. 3/2014

In March 2014, FOB exports reached the level of 4480.4 million euro, which represents an increase 11.8% more compared with March 2013.

During the first trimester of 2014, CIF imports accounted for 13871.7 million euro, increasing with 9.6% as against the corresponding period of 2013.

The structural analysis of imports, shows the fact that six sections of the Combined Nomenclature hold 74.3% of total imports, as described in the chart below:



Data source: National Institute of Statistics, International Trade Statistics no. 3/2014

The two chapters of this section hold the following weights: the products in the chapter "Boilers, turbines, engines, mechanical devices and apparatus and parts thereof" hold 43.5% of total section and 11.8% of total imports, while the products under the chapter "Electric machinery, appliances and equipment, TV sound and video reproduction and recording apparatus" recorded a weight of 56.5%, when considering the total section and 15.3% as compared to imports.

As regarding the imports of chemicals products, an increase is observed when comparing with the corresponding period from the previous year, having a relative value of 3.7%. The share of this sector is 10.9% (in total imports).

There is to be noted that the sector "Pharmaceutical products" holds a significant share of the total section and imports, accounting for 41.7% and respectively 4.5%. The section related to imports of mineral products recorded a value by 22.0% than the amount for the first trimester of the previous year. The highest contributor to this evolution is the chapter "Fuel and mineral oils", with a quota of 94.3%, and 10.0% in total imports.

The data related to the section "Base metals and articles of base metals", reveal a share of 10.4% in total imports, and also an increase with 9.3% compared to the similar period of the previous year. A special remark, however, regarding the contribution of the chapter "Pig-iron, iron and steel", whose percentage quota is 34.1% of total section and respectively 3.6% of total imports, and also for the chapter "Pig-iron, iron and steel products", who accounted for a share of 28.1% (in total section) and 2.9% of total imports.

The section "vehicles and associated transport equipment" recorded an increase of 10.5% as against the first trimester of 2013. The chapter "Cars, tractors, other vehicles" has a significant share, which is 95.9% of total section and 7.7% of total imports. Another section that recorded increase was the "plastics, rubber, and articles thereof", a growth with 6.9% as against Q1 2013. The weight of this sector in total imports is 7.2%.

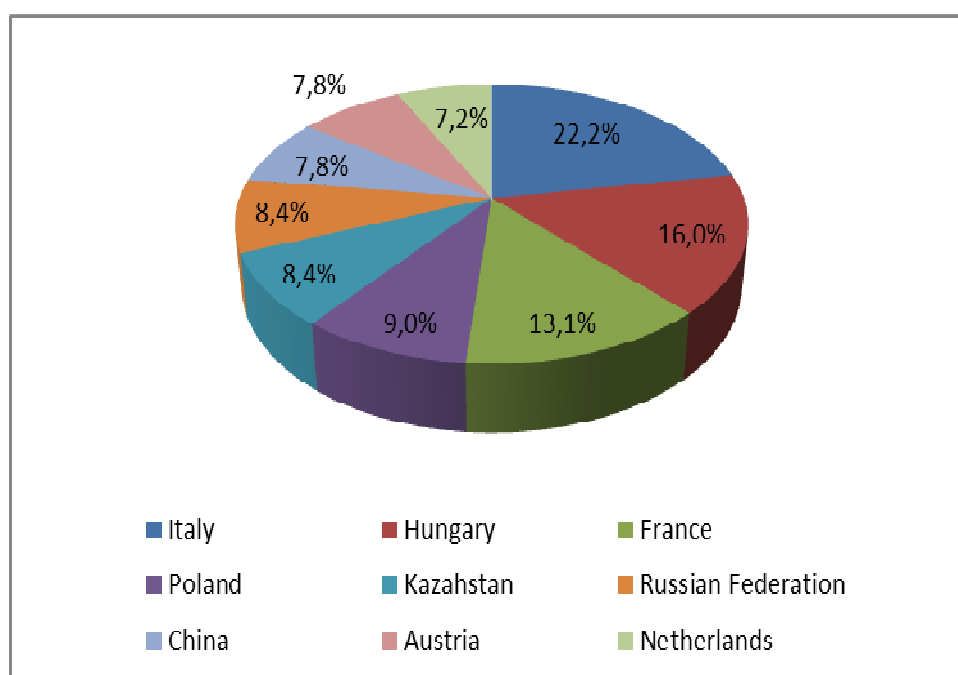
Depending on the CN sections, the structural analysis reveals the major evolution in the import activity (comparison Q1 2014 as against Q1 2013):

- increasing weight for section: "Mineral products" - with 1.1 percentage points;
- decreasing weight for section "Chemical products"- with 0.6 percentage points.”²

² National Institute of Statistics, International Trade Statistical Bulletin no. 3/2014

The European position of Romania's imports is characterized by a greater percentage than during the 1st trimester of 2013 (an increase by 8.1%). The share of imports from other 27 countries in the Eu28 panel was 75.4% in Q1 2014.

The most important international trade partners during the 1st trimester of 2014 were Germany (18.8% of total imports), Italy (10.8%), Hungary (7.8%), France (6.4%), Poland (4.4%), Kazakhstan /4.1%), Russian Federation (4.1%), China (3.8%), Austria (3.8%), Netherlands (3.5%). The partners listed in "top 10" amount for 67.5% of total imports. The relative contribution of partner countries is shown in the chart below:



Data source: National Institute of Statistics, International Trade Statistics no. 3/2014

In March 2014, the evolution of CIF imports represented a value of 5029.6 million euro, with 9.9% more compared with the corresponding period in 2013.

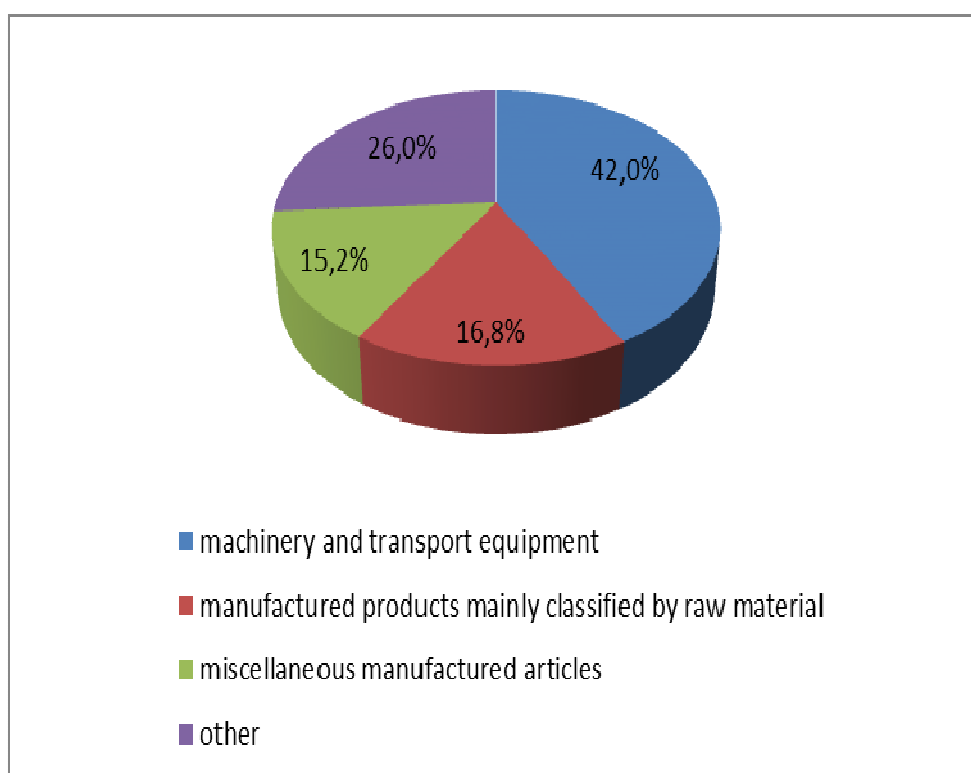
The FOB-CIF trade balance during the 1st trimester of 2014 increased with 37.8 million euro compared with Q1 2013, reaching a value of 1115.2 million euro.

In 2013, the FOB exports indicator reached a value of 219121.6 million lei (49562.6 million euro), which represents an increase by 9.1%

from the year 2012, as value in Romanian lei and respectively by 10% as value in euro currency.

The analysis of dynamics and structure of exports³ outlines the contribution of three sections in Standard International Trade Classification (SITC Rev. 4), which together hold a share of 74.0% of total exports. Their contribution is reflected in the following chart:

The most important contributors to the structure of imports, according to SITC rev. 4, hold a quota of 79.8% of total imports. Their shares are presented in the following chart:



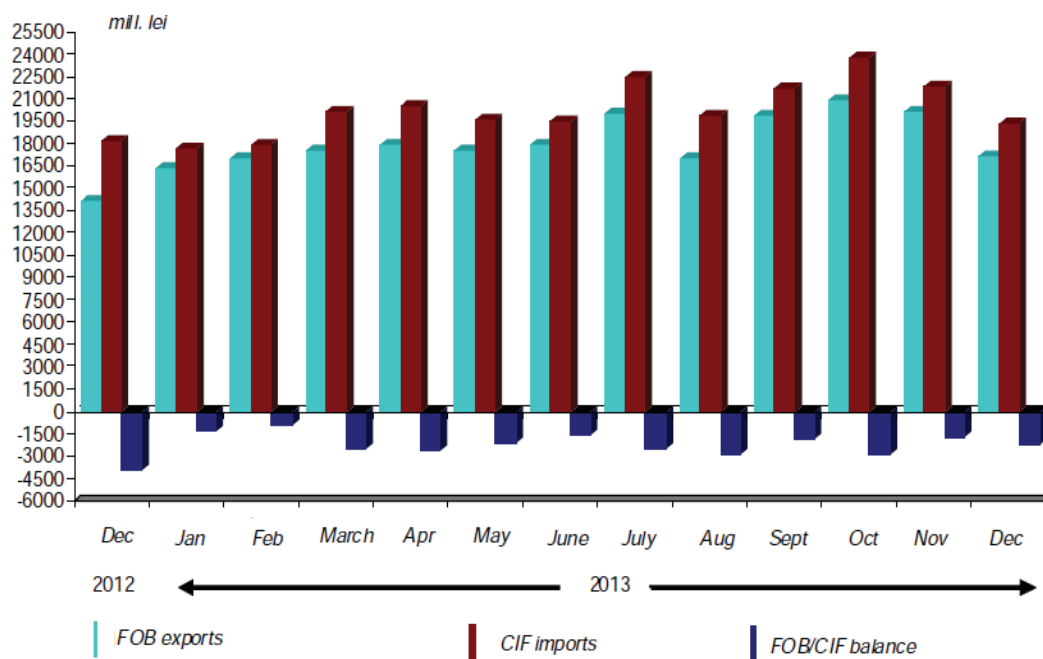
Data source: National Institute of Statistics, Statistical Bulletin no. 1/2014

The value of CIF imports indicator is 244334.7 million lei for the year 201, corresponding to 55264.5 million euro. Therefore, the indicator increased from 2012, by 0.2% as values in lei and by 1.0% as values in euro.

³ Anghel, M.G. (2010) – “*Utilizarea modelelor econometrice în analizele economice*”, Simpozionul științific internațional „Necesitatea reformei economico – sociale a României în contextul crizei globale”, Editura Artifex, București, 2010, pg. 145-151, ISBN 978-973-7631-71-8

Machinery and transport equipment (35.0%), manufactured products mainly classified by raw material (20.8%), chemicals and related products not elsewhere specified (14.1%) and mineral fuel, lubricants and connected materials (9.9%).

FOB exports, CIF imports and foreign trade operation balance during December 2012 – December 2013



Data source: National Institute of Statistics, Statistical Bulletin no. 1/2014

In 2013, the international trade recorded a deficit of 25213.1 million lei (5701.9 million euro) in FOB/CIF prices. The comparison with the previous year reveals a decrease of 17774.9 million lei, corresponding to 3932.4 million euro.

Acknowledgement

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