

---

# IN THE TRADING BALANCE SHEET OF ROMANIA - TWO DECADES WITH AN ANNUAL ADVERSE SOLD

Synthesis\*

PhD. Univ. Professor Octavian Ghe. BOTEZ

PhD. Univ. Lecturer Simona Corina GUDEI

“Spiru Haret” University, Bucharest

## Abstract

*The current communication, expressing the entirely special importance that must be granted to the fact that for two decades, year after year, the sold of the trading balance sheet of Romania was adverse. Moreover, it has increased greatly during the decade 2000-2009 towards the previous decade 1990-1999, respectively from 20 milliards dollars to 100 milliards of dollars, with especially serious consequences both on the external and on the internal economic balance.*

**Key words:** *export/import; sold/trading balance sheet; covering degree of import with export; annual and cumulated sold of the trading balance on groups of commodities and on important trading, community and extra-community partners; The Export National Strategy (SNE).*

\*\*\*

A review on the way that the sold of trading balance sheet evolved during the last century shows that, in the first half of the 20th century, the sold of trading Balance sheet has been in excess for 32 years. On the second part of the same century, for 40 years, until 1989, the trading balance sheet had a positive sold for 10 years.

After 1990, the sold was adverse, which made that **during the 1990-2000 period, the cumulated negative value differences, between the import value and the export value to be over 20 milliards of dollars.**

During the period of 2001-2005 years, this negative tendency continued by the registration of negative solds, which cumulatively reached historical quotes of 35 milliards of euro. Remember that during the period of 2008-2009 years, the negative sold was situated at a difficult level to imagine

---

\* *The authors have presented this topic at length a valuable communication:” Two decades with an annual adverse sold in the trading Balance sheet of Romania. Possible solutions to reduce this negative phenomenon”, (debates took place Thursday, February 17, 2011 hall “Octav Onicescu”, National Statistics Institute).*

---

of 21.8 milliards of Euro, and respectively 22.7 milliards of Euro.

The short presentation of digits allows us to notice at the beginning of 21-th century, if during the first six years (2001-2006) Romania has registered a cumulated negative sold of the trading Balance sheet of 50 milliards of euro, regarding the following period, 2007-2008 - corresponding to the first years of Romania adhesion to the European Union - this cumulated negative sold was a magnitude without precedent, totalizing almost 45 milliards of euro. Analyzing the statistic data, it results that during the period of 2000-2009 years, it has been registered a cumulated deficit in the trading Balance sheet of Romania of over 100 milliards of Euro, situation that is evidently contrary to the excess sold of the trading balance sheet of the country in the decade of '80 years, of the last century, when it was 17.5 milliards of dollars.

The graphic representations come to evidence certain particular issues of this negative phenomenon of accumulation of the adverse sold in the trading Balance sheet of Romania during the last two decades (1990-2009).

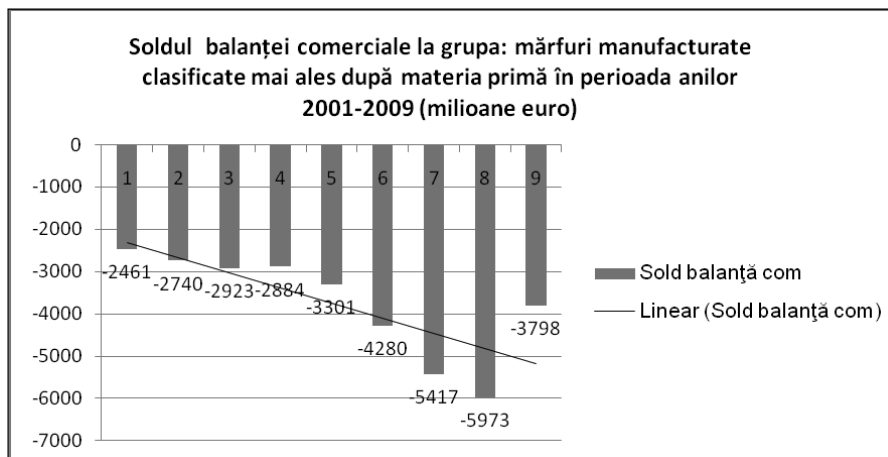
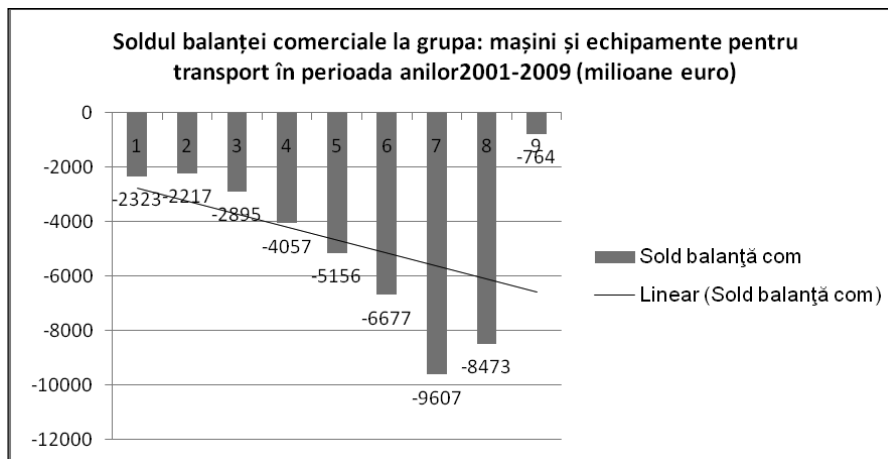
It was an acceleration of the increase of negative cumulated sold of the trading balance sheet, which during the period 2000-2004 was approximately equal to the adverse sold in the 1990-1999 decade, for during the period of 2005-2009 years to increase over 3 times towards the period of 2000-2004 years.

**EVOLUTIONS OF EXPORT, IMPORT AND SOLD OF THE  
TRADING BALANCE SHEET OF ROMANIA DURING THE  
PERIOD OF 1990-2000 AND 2001-2009 YEARS**

Year	MU	Export	Import	Annual sold	Cumulated sold	
		FOB	SRC		in dollars	in euro
1990	mil. dollars	5775,4	9202,5	-3427,1		
1991	mil. dollars	4265,7	5793,4	-1527,7		
1992	mil. dollars	4363,4	6259,6	-1896,2		
<b>Sub-total</b>					<b>-6851</b>	
1993	mil. dollars	4892,2	6521,7	-1629,5		
1994	mil. dollars	6151,3	7109	-957,7		
1995	mil. dollars	7910,1	10278	-2367,9		
1996	mil. dollars	8084,5	11435	-3350,5		
<b>Sub-total</b>					<b>-8305,6</b>	
1997	mil. dollars	8431,1	11280	-2848,9		
1998	mil. dollars	8302	11837,8	-3535,8		
1999	mil. dollars	8504,7	10392,1	-1887,4		
2000	mil. dollars	10366,5	13054,5	-2688		
<b>Sub-total</b>					<b>-10960,1</b>	
2001	mil euro	11385	15552	-4167		
2002	mil euro	13869	17857	-3988		
2003	mil euro	17618	24003	-6385		
2004	mil euro	23485	32664	-9179		
<b>Sub-total</b>						<b>-23719</b>
2005	mil euro	27596	40384	-12788		
2006	mil euro	25851	40746	-14895		
2007	mil euro	29402	50993	-21591		
2008	mil euro	33628	56337	-22709		
<b>Sub-total</b>						<b>-71983</b>
2009	mil euro	29116	38896	-9781		<b>-9781</b>
<b>Total</b>					<b>-26116,7</b>	<b>-105483</b>

*Source: Statistic bulletin of External Commerce at the end of each year 1990 - 2009*

Regarding the evolution of physical structure of trading exchanges, which characterize the qualitative aspects of the Romanian external trade, the sold of trading Balance sheet on categories of commodities presents certain positive tendencies, like: on ponder of 30% in the total of Romanian exports holds the group of machines and equipments for transport, as well as the double of export on manufactured commodities, classified especially upon the raw matter.

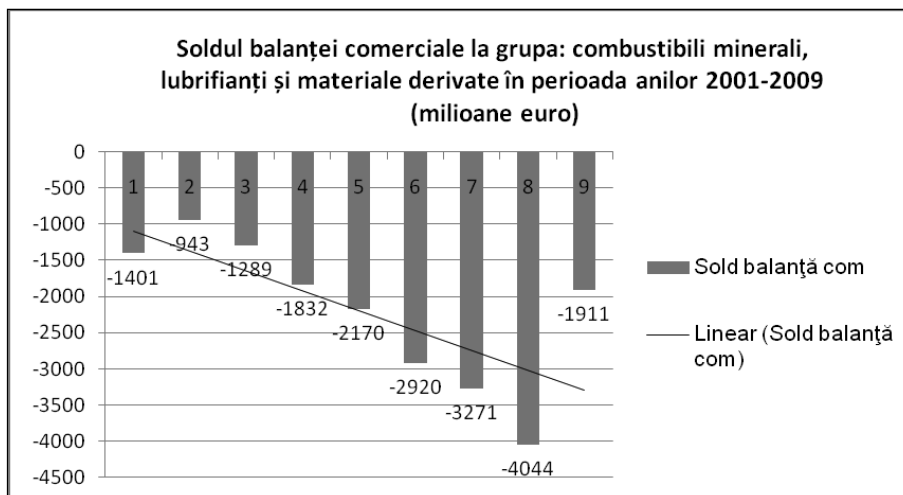


**NEGATIVE MOVEMENTS IN THE EVOLUTION OF SOLD OF THE TRADING BALANCE SHEET OF ROMANIA ON BIG GROUPS OF COMMODITIES DURING THE PERIOD OF 2001-2009 YEARS**

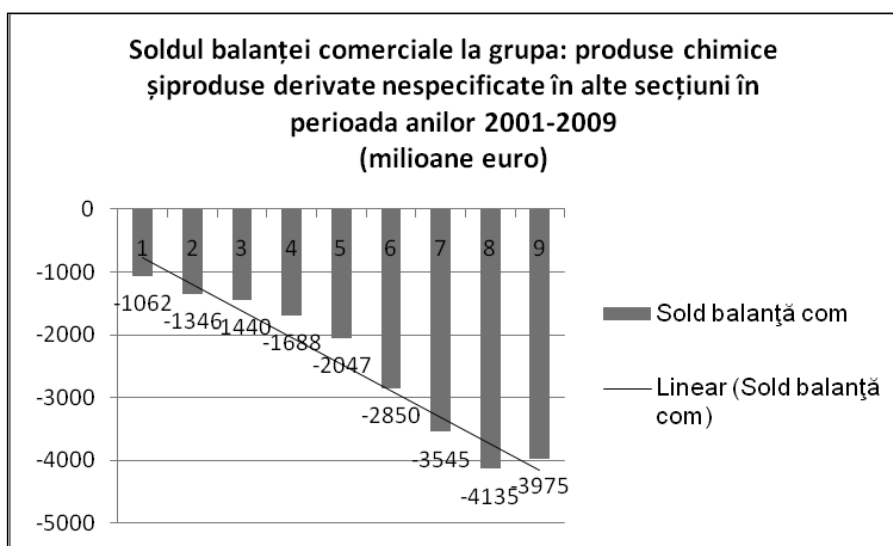
No.	Group of commodities	2001-2009 period		
		Cumulated export	Cumulated import	Cumulated sold
1	Foods and live animals	5756	16927	-11171
2	Drinks and tobacco	1184	2503	-1319
3	Crude, un-comestible materials, excluding fuels	11389	8304	3085
4	Mineral fuels, greases and derived materials	16275	36056	-19781
5	Animal and vegetal oils, greases and waxes	484	942	-458
6	Chemical products and derived products, not specified in another section	11086	33174	-22088
7	Manufactured commodities, classified especially upon the raw material	39695	73472	-33777
8	Machines and equipments for transport	61540	103709	-42169
9	Different manufactured articles	54823	29449	25374
10	Commodities and trades not classified in another section of SITC*	117	43	134

*Source: Statistic bulletin of External Commerce at the end of each year 2001 - 2009*

Is noteworthy the fact that during the 2001-2009 period, the group of mineral fuels, greases and derived materials has registered an adverse cumulated sold of 20 milliards of Euro, this representing the import of petrol and gases, necessary especially for the manufacturing industry.

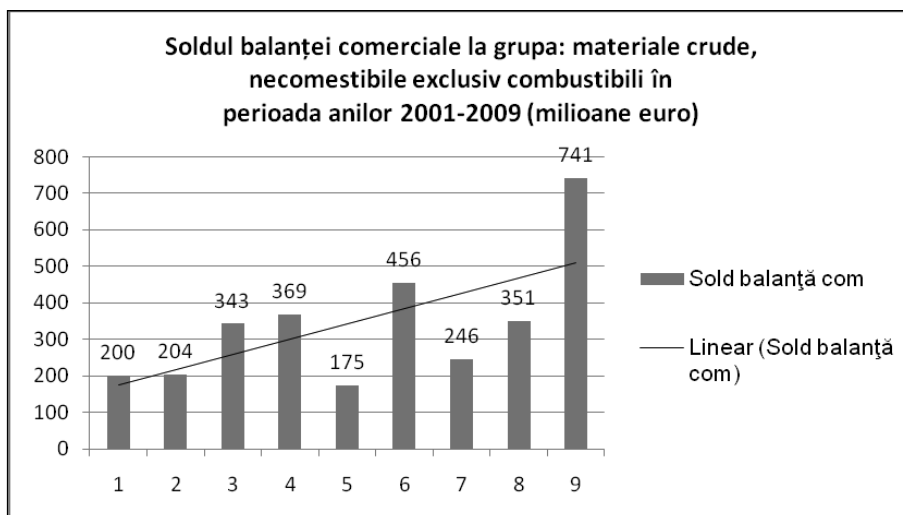


The results is a worrying development progress, especially refer to the adverse sold of the trading Balance sheet to the group of chemical products, where the cumulated adverse sold on the 2001-2009 period was over 22 milliards of euro.

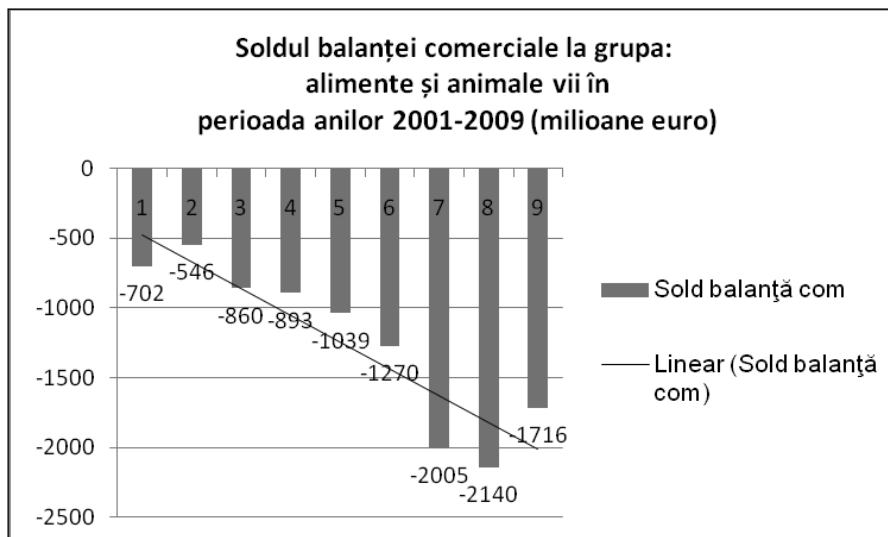


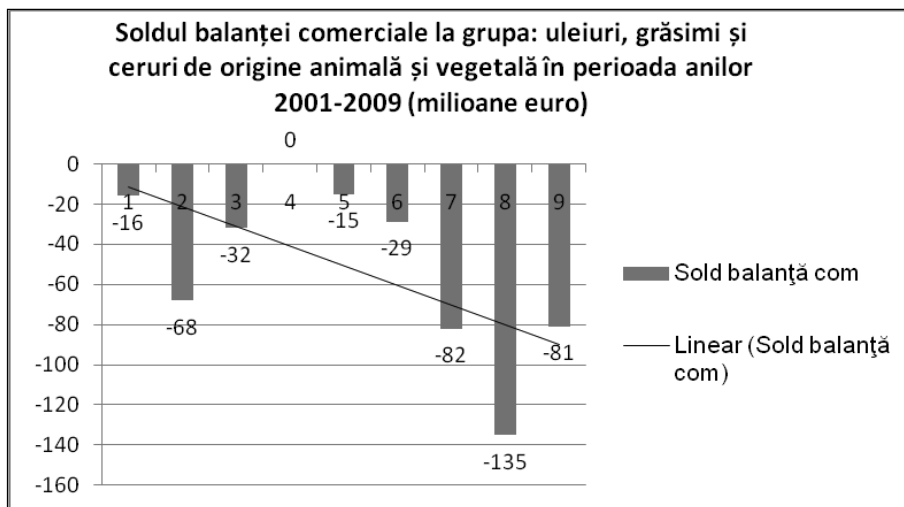
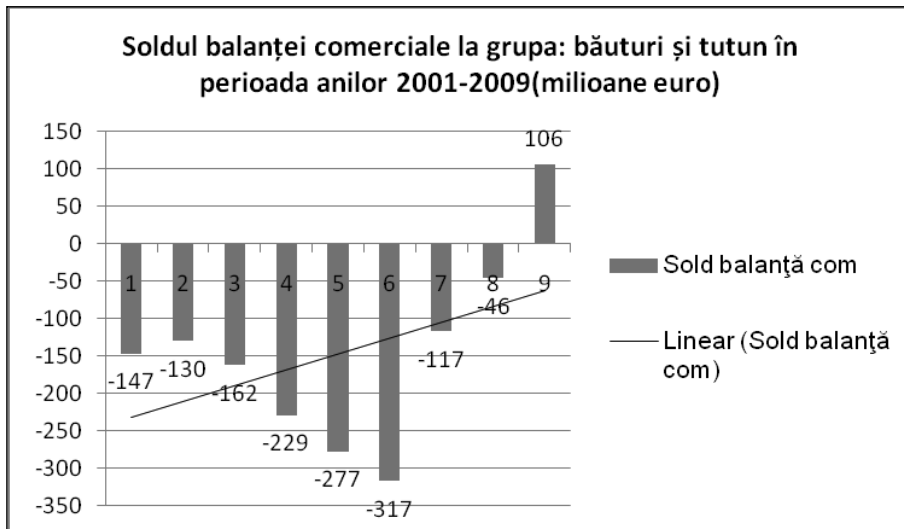
But with a smaller deficit of the sold of trading balance sheet, it is also the group of crude, non-combustible materials, excluding fuels, which proves that we export more petrol products as raw materials and preform products than we import for the manufacturing by the Romanian industry. A positive tendency is remarkable at the group of drinks and tobacco, where, after a sudden

decrease of the negative sold in 2007-2008 years from 317 to 46 millions of euro, in 2009, this sold become excess by over 100 millions of Euro.



An absolutely strange situation towards the agrarian potential of Romania is represented by **the cumulated negative sold of the trading Balance sheet at the following groups of products: foods and live animals, drinks and tobacco, as well as animal and vegetal oils and greases, which have totalized a cumulated negative sold of 13 milliards euro during the period 2001-2009.**





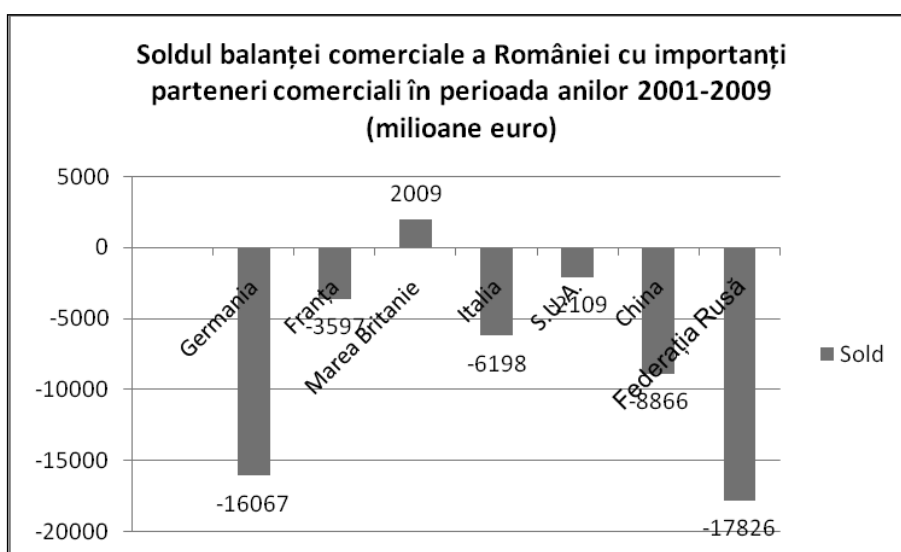
Regarding the whole analysis of geographic orientation of exterior commerce of Romania during the 2001-2009 period, this indicates the fact that the European Union is far on the first place (over 2/3 of the trading exchanges). The cumulated sold of the trading Balance sheet with the Union's member countries is negative, as also results by the relationship with our main partners, Germany, France, Italy.

We meet the same situation also in the relationship with the main extra-community trading partners: USA, The Russian Federation and China.



**Sold of the trading balance sheet of Romania with important trading partners within the 2001 - 2009 period (millions of Euro)**

Country	Sold	Import covering degree with the export (%)
<b>Community partners</b>		
Germany	-16067	67
France	-3597	81
The Great Britain	2009	127
Italy	-6198	86
<b>Extra-community partners</b>		
U.S.A.	-661	89
China	-8866	15
The Russian Federation	-17826	12



For the 2001-2009 period, this cumulated adverse sold was 16 milliards of Euro with the German partner, and with the French one, of about 3.6 milliards of Euro. Even with Italy, this cumulated deficit raised to 6.2 milliards of Euro.

It is remarkable that in the trading exchanges with the Great Britain, the cumulated sold it was positive, surpassing 2 milliards of Euro. Regarding the relationship with the extra-community countries, the biggest cumulated

---

deficit, during 2001-2009 period was registered with the Russian Federation, respectively about 18 milliards of Euro. And in the relationship with the Chinese partner, the cumulated negative sold on the analyzed period was close to 9 milliards of Euro, and in the trading exchanges with the United States of America of 650 millions of Euro.

### Conclusions

The resolution of the negative sold problem of the trading Balance sheet in our opinion, is of the highest importance for the external economic Balance of Romania and for the internal Balance.

The negative sold impact of the trading Balance sheet aims the current Account of the Balance of payments, the rate of exchange of leu, development of the industrial and agrarian production, the budget deficit, the external debt service, the consumption of population, the direct foreign investments.

We think that it is the time that all the responsible capacities to meet for a deep analysis of the danger that is represented by the lack of taking sufficient measures for the dynamics of exports, stopping the second hand imports and the dumping and subvention prices, optimizing of imports, modernization of industrial, agrarian, constructions businesses, of the activity in the tourism domain and other services, including of the productivity of foreign diplomatic offices and of the trading councilor offices.

It has to be taken also into account the measures on institution line of establishment of the External Commerce Ministry and of the Foreign Investments, of the Institute of Applicative Researches and External Commerce, assignment from the budget of additional funds for the issuance of the National Strategy of Export, concomitantly with the modernization at European standards of the high school external trade, post high school, upper education, master, doctorship and post-doctorship, also using the accession of structural funds of the European Union. A pertinent reform in this field of external trade, which contributes by many dozens of percents to the PIB formation, is a stringent need.

Such an energy and professional approach will protect us from the consequences that the genius of Romanian nation, the poet Mihai Eminescu addressed us yet from 1880 year in an article named "Balanta comerciala" (The trading balance) in Timpul newspaper, when, referring to the yearly accumulation of trading deficits, considered that **"it is really the way by which the economy of a people stricken by a powerful foreign competition is put in the state of consuming many years more than it produces and enjoying upon the free exchange theory by the uses of cheap character of**

---

**the foreign markets as much as by this cheap character, it comes to the bankruptcy.”**

Referring to Romania, Jeffrey Sachs on his turn, the recipient of the Nobel Prize for economy, concluded that “The re-launching of Romanian economy is greatly conditioned by the increment of exports.”

### **Bibliography**

- Victor Aldea, Octavian Gh. Botez, Aderarea României la Uniunea Europeană și implicațiile sale asupra comerțului exterior, AGER-Economistul Publishing House, Bucharest, 2005
- Octavian Gh. Botez, Mădălina Militaru, Politica comercială a României în perioada de pre și postaderare la Uniunea Europeană, Spiru Haret University, România de Măine Publishing House, Bucharest 2007
- Octavian Gh. Botez, Politica comercială externă a României, Spiru Haret University, România de Măine Publishing House, Bucharest, 2002
- Octavian Gh. Botez, Comerțul exterior al României în secolul XX, Spiru Haret University, România de Măine Publishing House, Bucharest, 2000
- Mihai Eminescu, Balanța comercială, Ziarul Timpul, Bucharest, 13 of October, 1880
- Simona Corina Gudei, Agricultura ecologică în România sector prioritar al Strategiei Naționale de Export 2010-2014, Proceeding to doctorship, 2010
- Simona Corina Gudei, Piața românească a produselor agroalimentare ecologice, Proceeding to doctorship, 2008
- xxx Anuarele statisticii de comerț exterior 1990-2010
- xxx Buletin statistic de Comerț Exterior la finele anilor 1990-2010