

EXTERNAL TRADE OF ROMANIA – TEN YEARS AFTER EU ACCESSION (2007-2016)

Florentina Viorica GHEORGHE*

Abstract

Advantages of the EU single market and the costs related to adaptation the Community context and requirements, the impact of the international economic and financial crisis and the difficulties in accessing EU Structural and Social Cohesion Funds are among the major factors that have influenced the economic evolution of Romania in the period 2007-2016, including the external trade in goods. There have been changes in the structure of Romania's external trade, determined, on the one hand, by the accession to the EU, and on the other hand, by the impact of the international economic crisis started in 2008.

The way in which the Romanian external trade has responded to the aforementioned factors is analyzed in this paper, on the basis of the following criteria: the evolution of specific indicators to the field of foreign exchanges of goods, in the year 2016 as compared to the year 2007; the magnitude of the economic downturn in 2009 and 2010 years as a result of the negative impact of the crisis; the decline recovery in years; resilient economic sectors. International comparisons are used in order to evaluate the position of Romania as against the neighboring EU Member States as well as its main EU trading partners in the context of the EU integration process.

Keywords: *trade balance, deficit, export, import, European Union.*

1. Introduction

The benefits and costs of the economic integration and participation in the international division of labour are well grounded in the specific literature, referring both to the static and dynamic effects, generated by the comparative advantages and by the better allocation of scarce resources, as well as, resulting from higher competition, larger scale economies, knowledge diffusion and technological progress.

In fact, the EU accession process has contributed significantly to the macroeconomic stabilization, trade opening, increased FDI flows, improved legal and institutional framework that have been the key factors for the economic success of the new EU member states, in the last decade (Zhelev&Tzanov, 2012).

Five years after the 2004 wave of the EU enlargement, the European Commission has announced that this contributes to unleashing the growth potential and increasing the resilience of the European economy by strengthening economic integration, fostering a more efficient division of labour and boosting EU competitiveness as a whole. (European Commission, 2009)

Romania's accession to the EU, more than ten years ago, on 1st of January 2007, marked the beginning of a new stage of economic development, focusing on the principle of economic and social cohesion, underlining the promotion of economic growth conditions, reducing regional disparities and ensuring high level of employment and a balanced and sustainable development.

From the external trade point of view, this new stage brought a number of advantages but also disadvantages, benefits and costs. Removing barriers to the free movement of goods and services should stimulate the creation of trade. In theory, this is beneficial for all Member States because it allows them to specialize in those goods and services that they produce relatively more efficiently. In this context, Romania's exports benefit from a market dimension over half million consumers but must face to a stronger competition, both as a price-quality ratio and as a technological level, respecting the new EU competition requirements. As far as imports are concerned, they increase the competitive pressure on domestic production.

The integration into the EU of a country like Romania that many years belonged to a different system than of the West European one, is difficult and will last for many years, due to the structural changes required (Iancu, 2010).

The changes made in the last 10 years in the Romanian economy are important and generally positive, but have been obtained under difficult conditions, marked by the market transition uncertainties and by the overlapping between the EU accession and the global financial crisis, at the end of 2008.

A review of Romania's economic development since 2007, primarily means the story of managing the impact of the global financial crisis and only to a lesser extent an assessment of the impact of EU membership itself. The Romanian economy passed through a complete "cycle of boom-bust-boom" in the last ten years. (Gabor Gunya 2017)

* PhD Candidate, National Institute of Statistics, Bucharest, Romania (e-mail: florentina.gheorghe@insse.ro);

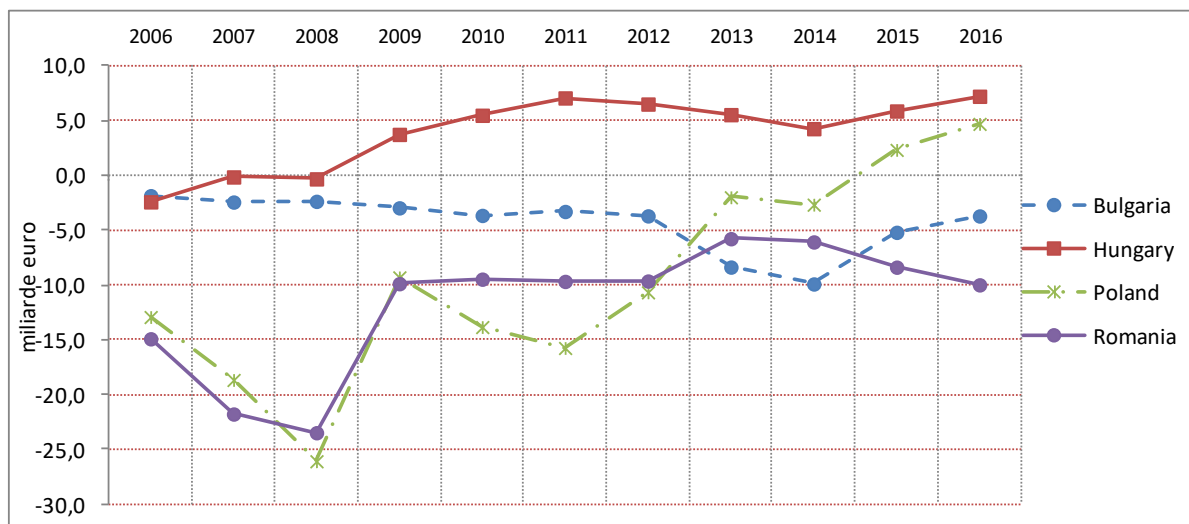
Undoubtedly, Romania's international economic relations in the post-accession period 2007-2016 were an important factor in directing the evolution of the country's external trade under the EU rigorous requirements, but also in the complex processes of globalization and increasing interdependencies between national economies. At the same time, these relations have played an important role as an interface in terms of capitalizing the potential of the national economy, on one hand and the opportunities occurred under the conditions of liberalizing external trade flows and increasing international competition, on the other hand.

The present paper analyses the Romania's international trade relations in the post-accession period 2007-2016, having as main objective the identification of the principal features, tendencies and structural changes of external trade, considered a potential factor for the sustainable development of the national economy, the benefits of integration and globalization, as well as bearing the costs and efforts they imply. The methodological approach of the research has an international comparative dimension, to highlight some similarities and peculiarities of the Romanian foreign trade regarding the tendencies of convergence and divergences manifested at EU 28 level.

2. Evolution of the external trade specific indicators before and after Romania's accession to the EU

In the ten years that followed the Romania's accession to the EU, the advantages and challenges of the membership have been partly overshadowed by the impact of the global financial crisis in 2008, which has had a strong and prolonged impact on the Romanian economy, in terms of GDP, imports and exports decline. However, the statistical figures show that exports increased 4.59 times and imports increased 4.61 times, in 2016 as compared to 2000, when the negotiations for the EU accession officially began. The value of imports of goods has always been higher than that of exports, which has led to the persistence of a weak trade balance. Romania's accession to the EU, practically, meant a (negative) trade balance of -114 billion euro in the post-accession period (2007-2016), compared to -47 billion euro during the pre-accession period (2001-2006). Romania's trade balance registered the largest deficit in 2008 when it reached the level of -23,5 billion euro, then it gradually decreased to -6 billion euro in 2014, afterwards increasing again to -10 billion euro, in 2016 (Figure 1).

Figure 1 Annual trade balance (FOB-CIF) evolution in the period 2006-2016



Source: Eurostat, New Cronos database

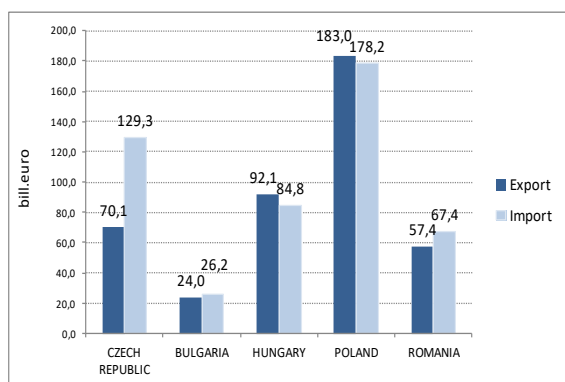
An analysis of a country's trade flows gives us a measure of its degree of openness to the external market and its competitiveness in international trade. In the case of Romania, it is interesting to see not only the evolution of the trade relations with the EU but also the performance compared to the neighbouring countries, former communist ones, which were in transition at the same time with Romania and who subsequently became EU members.

International comparisons highlight the fact that Romania, although having a population, territory and potential higher than other EU countries, from the export point of view, it is underperforming. Thus, in

2016, Romania's export was lower 3.2 times than Poland's; 2.6 times lower than Czech Republic's; 1.6 times lower than Hungary's and 1.2 times lower than of Slovakia's.

Regarding the imports, their values were in 2016, 2.7 times higher in Poland; 1.3 times higher in Hungary and 1.9 times higher in the Czech Republic compared to Romania (Figure 2).

Figure 2 Exports and imports of goods in 2016, in Romania compared to other EU Member States



Source: Eurostat, New Cronos database

The existing gaps between Romania and the compared countries highlight, on the one hand, a relatively large pressure on the trade balance, respectively on imports and, on the other hand, a lesser use of the potential of the human, natural and material resources our country has.

If the negative trade balance, with higher or lower variations in different periods, was a chronic factor in case of Romania, there are also member states for which accession to the EU had a positive impact on trade balance. For example, Hungary, since 2009 (after 5 years of 2004 EU accession) and Poland since 2015 (after more than a decade), have managed to maintain an upward trend in the positive trade balance (Figure 1). In the case of Poland, a detailed analysis may be needed to identify the factors that have led to such remarkable evolution of the trade balance, considering that this country had a quite similar trade pattern as Romania up to 2011.

Countries having trade deficit fail to capitalize on imports by export efficiency and competitiveness. In these countries, foreign currency earnings resulted from export do not cover the corresponding expenditure, reason for which the exports cannot be considered as a source of currency for diminishing the negative current account balance and paying foreign debt.

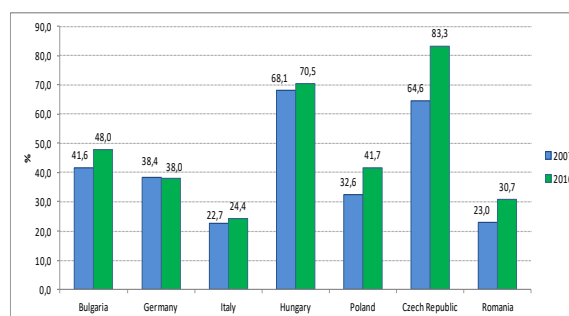
According to Zaman, most experts believe that a country's persistent trade deficit is unfavourable and not proper to sustainable GDP growth, as trade deficit is a component of the current account deficit and requires external loans or sales of assets to finance the procurement of goods and services. Others consider as damaging only those deficits generated by the loans for financing current consumption to a large extent rather than financing long-term investments. As beneficial, and even acceptable are regarded those trade deficits supporting long-term investments, generate jobs, incomes and other investments as well as economic credibility. (Zaman, 2013)

The diversity of views on the impact of trade deficits is explained by the particularities and differences between national economies. There are situations where trade deficits and surpluses can be

beneficial or completely negative depending on the concrete circumstances of each country. In the case of Romania, a country with an emerging economy and a relatively low level of development, the chronicity of the trade deficit with a long-term growth trend cannot be considered as beneficial.

The extent to which national producers are export-oriented is given by the share of goods exported in GDP. Although increasing over the pre-accession period, Romania's share goods exports in GDP is only around 30%, which is below the levels recorded by Bulgaria, Hungary and Poland.

Figure 3 Export orientation in 2016 versus 2007, in some EU Member States



Source: Own calculation based on Eurostat, New Cronos database; exports are according to the ITGS methodology

The size of the economy is relevant in this analysis - countries with large territories and populations (Poland, Romania and Germany) are less dependent on the exports than small countries, such as Hungary, Czech Republic or even Bulgaria. However, in the case of Poland, which is larger than Romania, the degree of openness is higher by 11 percentage points (Figure 3).

The small market share held by Romania (0.37% in the world export in 2016), combined with the low share of exports in GDP clearly indicates the potential for increased trade gains, in the Intra-EU and Extra-EU areas.

Both imports and exports recorded higher growth rates in the pre-accession period (2001-2006) compared to the growth rate of 2007-2016, for most of the countries under review. In the case of Romania, during the pre-accession period the average annual growth rate of imports was higher than those for export (+4.4 pp). Contrary, in the 2007-2016 period, the average annual growth rate of exports is higher than for imports, with +2.5 pp (for most of the countries analyzed, Table 1). It is noticeable that the average annual growth rates of Romania and Bulgaria, Hungary and Poland, as well, are two to three times higher than the annual growth rates at EU level, both in 2001-2006 and in 2007-2016 (but not the average export per capita, for example).

Table 1 Average growth rate of export and import in the period 2007-2016 versus the period 2001-2006

	Export		Import	
	2001-2006	2007-2016	2001-2006	2007-2016
	%			
Romania	14.9	8.9	19.3	6.4
Bulgaria	14.6	8.5	14.1	7.1
Hungary	12.0	4.9	10.3	3.8
Poland	17.2	8.0	11.6	6.7
Germany	6.8	3.6	5.2	3.3
Italy	4.2	2.8	5.4	1.0
France	1.9	1.7	2.8	2.2
EU28	5.6	3.3	5.8	2.7

Source: Own calculation based on Eurostat, New Cronos database

Compared with GDP growth rate, the export and import growth were higher, with few exceptions, the most significant being in 2008.

2. Geographic orientation of the external trade flows

Given that Romania belongs in Europe, most of the trade is taking place with European countries, especially with the 28 EU Member States (75.1% of exports and 77.1% of imports in 2016), with traditional relations, propelled by intra-community factors of “trade creation”.

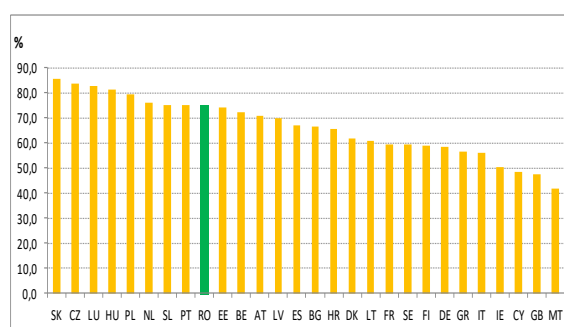
On the other hand, the globalization process objectively extends the variants and opportunities for Romania's external trade to the non-EU area as well, which in some cases makes possible the manifestation of the growth trend of the extra-EU trade - for example, with Turkey, China, Russian Federation, USA.

In conclusion, depending on the national economic interests of each Member State, which can be met in different proportions by the extra-EU and intra-EU partners, we find that the degree of concentration of external trade with EU countries varies from one country to another and over time.

Generally, a problem to be elucidated is that of trade efficiency, if a business variant is more profitable in extra-EU or intra-EU area. In this case, criteria, principles as well as economic and financial considerations should prevail. However, there are situations e.g. geo-strategically or political group of interests, which may prevail over the economic and financial advantages of one or other of the alternatives.

In fact, no EU Member State conducts external trade exclusively with other EU Member States. On the contrary, there are theories that economic integration is a factor for promoting sustainable growth, which offers availability and potential not only for the development of intra-EU economic relations, but also for the creation of additional resources for extra-EU trade.

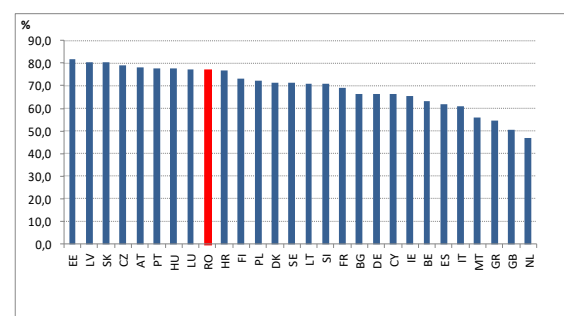
Figure 4 Share of the intra-EU28 exports in the total exports, in 2016



Source: Eurostat, New Cronos database

According to Eurostat, exports to the EU prevail in all member states, with the exception of Cyprus, the United Kingdom and Malta. In 2016, the value of the goods exported by the EU member states amounted 4860 billion euro, of which 64% were destined for other EU member states (intra-EU trade). In 2016, the largest shares of exports within the EU were recorded by Slovakia (86% of total EU exports), Czech Republic (84%), Luxembourg (83%), Hungary (81%), and Poland (80%). On the other hand, Cyprus (49%), United Kingdom (47%) and Malta (42%) were the only member states that exported more goods to non-EU countries than within the EU, in 2016. Romania is placed on the 9th position on export (as share in total EU exports) (Figure 4).

Figure 5 Share of the intra-EU28 imports in the total imports, in 2016



Source: Eurostat, New Cronos database

The largest shares of imports within the EU were recorded by Estonia (81.7% of total EU imports), Latvia (80.5%), Slovakia (80.2%), Czech Republic (79.2%), and Austria (78%). On the other hand, the Netherlands (47.1%) was the only member state that imported more than half of goods from the non-EU countries, in 2016. Similar to export, Romania is on the 9th position, as share in total import (Figure 5).

As the figures show us, the intra-EU trade shares varies between 41% and 85%, depending on the flow, which implies that integration is not only a “trade creation” factor but also a “trade diversion” ones, as a result of at least two elements of influence:

- integration stimulate the economic development of a country, which allows not only intra-trade growth

but also creates a potential for trade with extra EU28 countries.

- the globalization process acts objectively in the direction of Romania's trade opportunities with the extra-EU countries, when the criterion of economic efficiency, understood by applying the win-win principle prevails.

Table 2 Changes in the top ten Romania's partner countries of export, 2016 versus 2007

Top position 2016	Country	2007		2016	
		Billion euro	%	Billion euro	%
0	TOTAL EXPORT	29.5	100	57.4	100.0
	from which				
1	Germany	5.0	17.0	12.3	21.5
2	Italy	5.0	17.0	6.7	11.6
3	France	2.3	7.7	4.1	7.2
4	Hungary	1.7	5.7	3.0	5.2
5	Great Britain	1.2	4.1	2.5	4.3
6	Bulgaria	0.9	3.2	1.9	3.2
7	Turkey	2.1	7.0	1.8	3.2
8	Spain	0.7	2.3	1.7	3.0
9	Poland	0.7	2.3	1.7	2.9
10	Czech Republik	0.4	1.4	1.5	2.6
Concentration top 10 partner countries of export		20.0	67.7	37.2	64.7

Source: Own calculation based on Eurostat, New Cronos database

In the top 10 export partners, the switch between the two top positions is notable, with Germany overtaking Italy in the post-accession period (Table 2).

Although the cumulative weight of the first 10 export partner countries declined by 3 percentage points in the post-accession period, the value of the exports made by the top 10 partners in the post-accession period is almost double that of the pre-accession period.

Table 3 Changes in the top ten Romania's partner countries of import, 2016 versus 2007

Top position, 2016	Country	2007		2016	
		Billion euro	%	Billion euro	%
0	TOTAL IMPORT	51.3	100.0	67.4	100.0
	from which				
1	Germany	8.8	17.2	13.8	20.5
2	Italy	6.5	12.7	6.9	10.3
3	Hungary	3.6	6.9	5.1	7.5
4	France	3.3	6.4	3.7	5.5
5	Poland	1.7	3.4	3.5	5.1
6	China	1.7	3.3	3.4	5.1
7	Netherlands	1.9	3.6	2.8	4.1
8	Turkey	2.8	5.4	2.6	3.8
9	Austria	2.5	4.8	2.4	3.6
10	Bulgaria	0.6	1.2	2.1	3.1
Concentration top 10 partner countries of import		33.3	64.9	46.2	68.6

Source: Own calculation based on Eurostat, New Cronos database

With regard to the top 10 import partners, there are no major changes, with the exception of the Russian Federation exit (as a result of the reduction in crude oil

imports) and the increase in the share of imports from China.

In the top 10 export partner countries, we have only one third country - Turkey, while two third countries are included in the top 10 import partner countries, Turkey and China.

The largest Romania's trade deficit was registered with EU member countries. Analyzing the trade balance of Romania with EU partner countries is important in order to identify possible ways and priorities for reducing the pressure of the deficit. Among the EU partners, we distinguish:

- countries with which Romania has a trade surplus - in 2016, namely: United Kingdom (+953 million euro); France (+410); Sweden (+162); Croatia (+50);

- countries with which Romania has a trade deficit - Hungary (-2077 million); Poland (-1801); Germany (-1505); the Netherlands (-1313); Austria (-1033); Slovakia (-574); Belgium (-472); Czech Republic (-395); Bulgaria (-242); Italy (-239), etc.

The main challenge for Romania is the very large trade deficit with new emerging countries (including some neighboring countries), such as Hungary, Bulgaria, Poland, Slovakia, the Czech Republic and with old member states, Germany, the Netherlands, Austria, Belgium, Italy and others. Romania has to increase its exports to these countries and / or to reduce its imports in order to reduce the trade deficit.

To this end, the Romania's National Export Strategy 2014-2020 should be operational, granting a special attention to the policies, instruments and measures to promote exports with high value added and those for which Romania has a great potential, such as, for example, the food industry, agricultural products, etc.

3. Changes in the structure of exports, imports and balance of trade balance

The structure of exports after EU accession is significantly improved (Table 4), by increasing the share of higher value-added product groups, for example:

- During the period 2001-2006 the exports were dominated by textiles and related products (21.1%), machinery and equipment electrical; sound recording and reproduction apparatus and equipment (17.6%), common metals and their products (14.4%), mineral products (9.0%).

- In the period 2007-2016, exports included: electrical machinery, apparatus and equipment; recorders or reproducers sound and images (26.2%, +8.6 pp compared to 2001-2006), vehicles and associated transport equipment (15.6%), common metals and articles thereof (10.9%); and textiles and textile products (8.5%).

Table 4. Structure of the main exported and imported products groups in-from Romania, in the post-accession period vs. pre-accession periods

	EXPORT		IMPORT	
	share in total export (%)		share in total import (%)	
	2001-2006	2007-2016	2001-2006	2007-2016
Agro-food products (inclusive beverage and tobacco)	0.7	9.0	2.8	8.6
Mineral products	9.0	5.9	14.2	10.6
Chemical products	4.1	4.2	7.8	9.7
Plastics, rubber and articles thereof	3.5	5.4	5.9	6.9
Wood and articles of wood, excluding furniture	4.1	3.3	0.9	0.9
Textiles and textile articles	21.1	8.5	11.8	6.6
Footwear, headgear, umbrellas and similar articles	6.7	3.0	1.3	1.1
Base metals and articles of base metal	14.4	10.9	8.6	10.7
Machinery and mechanical appliances; electrical equipment; sound and image recorders and reproducers	17.6	26.2	23.7	26.9
Vehicles and associated transport equipment	7.3	15.6	9.0	9.3

Source: Own calculation based on Eurostat, New Cronos database

Focusing on a limited number of product groups - such as electrical equipment, mechanical devices and means of transport - indicates an export vulnerability in case of a possible reduction in external demand in certain economic circumstances. At the same time, a vulnerable aspect of exports is given by the relatively significant weight of vegetal, minerals and metals raw materials, to the detriment of the products with value added by their processing in the Romania.

Imports during the pre-accession period were directed mainly towards the needs of production (machinery, appliances, technologically advanced equipment, raw materials, and energy products) but also for the consumption of the population.

The main structural changes on import side refer to the significant decreasing of the mineral products and textile article shares while the electric machines, appliances and equipment, base metals and articles thereof, chemical products and agro-food products have increased their shares in total imports.

4. Technological structures of exports and imports

The relatively weak competitiveness of Romanian external trade is determined by the low degree of diversification of exports, as well as by the low volume of exports and imports of high technology.

Compared to the pre-accession period, the top 10 most exported product groups in the post-accession period are significantly different (Table 5), because:

- the share of the top 10 product groups (in terms of value) decreased from 49.1% in 2001-2006 to 38.6% in 2007-2016;
- the technological level of the top 10 products is higher - more products incorporate medium and high technology compared to the pre-accession period;
- foreign direct investment has helped improvement of the structure of Romanian exports, from a technological level perspective, but without equating the results of other neighboring Member States.

The large share of exports of high-tech products to the total exports of a country is the best indication that the country has a higher level of competitiveness and added value for exported products.

Exports of high-tech products tended to increase in the post-accession period compared to the previous period. However, if we take into account the annual evolution of the share of exports of high-tech products, in Romania, their trend is slightly decreasing starting with 2011, explained by the impact of some short-term factors, given that, from 2014, weights have seen increases over previous years. In absolute terms, exports of high technology products increased by around 7% in 2016 compared to 2015.

As far as the imported product groups are concerned, the technological level has also improved and contains less low tech products in the top 10 groups (Table 6).

In absolute terms, imports of high technology products increased, by about 6% in 2016, compared to 2015.

Table 5 Top 10 exported product groups, by share in total exports in the pre-accession and post-accession periods (SITC 3), %

Group of products	2001-2006		Group of products	2007-2016	
	Share in total export (%)	Type of technology		Share in total export (%)	Type of technology
Petroleum oils or bituminous minerals	7,6	RB	Parts & accessories of vehicles	6,6	MT
Women's clothing, of textile fabrics	7,3	LT	Equipment for distributing electricity	5,8	MT
Footwear	6,6	LT	Motor vehicles for the transport of	5,1	MT
Men's clothing of textile fabrics, not knitted	5,8	LT	Petroleum oils or bituminous minerals	4,6	RB
Equipment for distributing electricity,	4,8	MT	Furniture & parts	3,3	LT
Flat-rolled prod., iron, non-alloy steel, not coated	4,3	LT	Apparatus for electrical circuits; board, panels	3,0	MT
Furniture & parts	4,2	LT	Footwear	2,9	LT
Articles of apparel, of textile fabrics, n.e.s.	3,4	LT	Telecommunication equipment	2,8	HT
Parts & accessories of vehicles	2,7	MT	Women's clothing, of textile fabrics	2,3	LT
Wood simply worked, and railway sleepers of wood	2,2	RB	Rubber tyres, tyre treads or flaps & inner tubes	2,2	RB
Cumulative share of top 10 products groups	48,9		Cumulative share of top 10 products groups	38,6	

Source: Own calculation based on UNCTAD database

Table 6. Top 10 imported product groups, by share in total imports in the pre-accession and post-accession periods (SITC 3), %

Group of products	2001-2006		Group of products	2007-2016	
	Share in total import (%)	Type of technology		Share in total import (%)	Type of technology
Petroleum oils, oils from bitumin. materials, crude	6.8	PP	Petroleum oils, oils from bitumin. materials, crude	5.5	PP
Motor vehicles for the transport of persons	3.6	MT	Medicaments (incl. veterinary medicaments)	3.5	HT
Natural gas, whether or not liquefied	2.8	PP	Telecommunication equipment	3.4	HT
Fabrics, woven, of man-made fabrics	2.7	MT	Parts & accessories of vehicles	3.2	MT
Telecommunication equipment	2.5	HT	Apparatus for electrical circuits; board, panels	2.8	MT
Medicaments (incl. veterinary medicaments)	2.4	HT	Motor vehicles for the transport of persons	2.7	MT
Cotton fabrics, woven	2.3	LT	Equipment for distributing electricity	2.3	MT
Leather	2.2	LT	Manufactures of base metal	2.1	LT
Apparatus for electrical circuits; board, panels	2.0	MT	Petroleum oils or bituminous minerals	1.8	RB
Equipment for distributing electricity	1.9	MT	Articles of plastics	1.5	LT
Cumulative share of top 10 products groups	29.3		Cumulative share of top 10 products groups	28.6	

Source: Own calculation based on UNCTAD database

PP	Primary products	MT	Medium technology manufactures
RB	Resource-based manufactures	HT	High technology manufactures
LT	Low technology manufactures		

5. The impact of the global economic crisis and the resilience of exports

The global dimension of the crisis highlighted the high degree of interconnection between different financial, goods and services markets, and a rapid propagation of unfavourable negative effects of the crisis on the world's regions (Ghibuțiu, 2011). For instance, the size of the negative economic impact of the global economic crisis on the external trade generated a drop in the EU countries demand for imports from Romania.

The crisis has unequivocally drawn attention to the fact that the external opening of an economy, which relies on mutual gains in external trade, must be protected by providing a level of resilience that is

necessary and sufficient to remain resistant to external shocks.

The evolution of Romania's international trade after 1990 was marked by the efforts for accession and integration into the EU. Unfortunately, the impact of the 2008 global economic and financial crisis overlapped the effects of the entry into the EU, which took place on 1st January 2007, making it particularly difficult (if not impossible) to define the influence of each event on evolution of the external trade since 2009.

The external trade during the 2007-2016 period was influenced by a mixture of factors, including:

- the advantages of the EU single market and the cost of accommodation with the context and the Community's requirements;
- the impact of the international economic and

financial crisis triggered in September 2008;

- difficulties in accessing the Structural and Social Cohesion Funds, allocated by the EU.

After 2007, there have been changes in the structure of the exported and imported goods, determined both by the EU accession and crisis impact. Exports, except for the textile and based metals, increased in 2016 compared to 2007, even more than 3 times for goods such as vegetal products, fats and oils, animals; food, beverages, tobacco.

In the 2009 and 2010 crisis years there were no reductions in exports of live animals and animal products, food, beverages and tobacco, wood pulp, paper and cardboard, transport vehicles and equipment, optical and photographic instruments and apparatus, medical-surgical. These exports proved to be resilient to the shocks of the crisis, most of them being raw materials and semi-finished products offering the importers the possibility of further processing them and emerging from the crisis more quickly.

Exports of vehicles and transport equipment increased by +17.59%, while those of optical, photographic, cinematographic, medical and surgical instruments, watches, musical instruments, parts and accessories increased by 11.78%, which is explained by a favorable conjuncture for demand and relatively advantageous purchase price on the respective markets.

Groups of products with the highest export decline in 2009 (over the total export average decrease of -13.76%) were the following: animal products (-43.22%); based metals (-40.85%); chemicals (-25.07%); raw leather, tanned, fur (-15.53%); fabrics (-18.17%); footwear (-17.35%); articles of stone, plaster, cement, ceramics, glass (-17,12%); animal and vegetable fats and oils (-16.98%); plastics, rubber and articles thereof (-16.07%). These declines were a strong shock for several sectors of the national economy and emphasized the vulnerabilities of the "lohn" type production and export.

Reducing exports and imports for all SITC product groups had a positive effect on the trade balance, reducing the very large negative size of it, reached in 2007 and 2008.

Regarding the recovering from the economic and financial crisis, exports have recovered much faster than imports. Thus, in the case of 14 SITC product groups, the level of their exports in 2010 was higher than those before the crisis, while the textiles and shoes groups needed two years to recover from the crisis.

6. The evolution of Romania's export competitiveness in an international context during 2006-2016

The post-accession period 2007-2016 represented a new stage for the export of Romania in terms of structure and evolution of its competitiveness in the world. In order to identify the main trends of competitiveness of Romanian exports on the SITC

three-digit level, we used the UNCTAD primary data, in an international comparative context.

Positions won

We considered that changing Romania's position in the global export hierarchy by country, in the year 2016 compared to 2006, is a sui-generis export competitiveness indicator, depending on the number of positions won / lost in the world ranking. In other words, as Romania ascends into the world hierarchy, as a place or position, the higher the competitive capacity. Conversely, the more losing positions in the respective hierarchy, the lesser the competitive power in the respective group of exports.

In 2016, Romania was ranked 40th, climbing 14 positions compared to 2006 (54th place), in the hierarchy of exporting countries.

Table 7. Total Won (+) / Lost (-) positions by Romania in the world hierarchy of exports, on the main commodity markets, according to the volume of their annual value in the years 2016 and 2010 as compared to 2006

Years	Total positions won	Total positions lost	Total positions kept
2010	89	157	10
2016	150	98	8

Source: own calculation based on UNCTAD database (<http://unctad.org/en/Pages/statistics.aspx>)

Total number of positions won by Romania in the world export hierarchy, was more than 50% higher than that of the lost positions (150 positions won in 2016 compared to 98 positions lost in 2016), which practically reflects a favourable trend in the evolution of the export competitiveness in the post-accession period (from the view point of the number of won / lost positions).

The place of Romania's exports in the world hierarchy by countries is quantified by a diversity of positions, depending on the range of each exported group of products.

Best performance of the products exported by Romania and some neighbour countries, in 2016:

Romania

Equipment for distributing electricity - 5th position in 2016 vs. 13th position in 2006

Maize (not including sweet corn), unmilled - 7th position vs 20th position in 2006

Wheat (including spelt) and meslin, unmilled 9th position vs 19th position in 2006

Barley, unmilled - 9th position in 2016 vs 25th position in 2006

Oil seeds and oleaginous fruits (excluding flour)- 9th position in 2016 vs 13th position in 2006

Ball or roller bearings - 9th position in 2016 vs. 18th in 2006

Tobacco - 11th position in 2016 vs 78th in 2006

Hungary

Manufactures of leather, saddlery and harness - 4th position in 2016 for vs 8th in 2006

Internal combustion piston engines, parts - 6th position, constant evolution

Television receivers, whether or not combined - 7th position in 2016 vs 8th position in 2006

Maize (not including sweet corn), unmilled - 8th position in 2016 vs 6th position in 2006

Trailers & semi-trailers - 10th position in 2016 vs 12th position in 2006

Poland

Tobacco and Wood manufacture – 3rd position in 2016

Cereals, unmilled (excluding wheat, rice, barley), Structures & parts of iron, steel, alumini, Household type equipment, electrical or not, furniture & parts - 4th position in 2016

Television receivers, whether or not combined - 5th position in 2016 vs 3rd position in 2006.

Conclusions

The catching-up process advanced rapidly after accession, but developments were very uneven across the Romanian regions.

The analysis of Romania's international trade during the 2007-2016 period leads to the following analysis:

- the volume of foreign trade has increased throughout the period both on export and on import, with the exception of the year 2009, when the impact

of the international financial crisis has declined, so that at present it can be said that the Romanian economy has a relatively high external exposure;

- as a result of traditional trade relations, but also of EU integration, exchanges

Romania's trade with EU countries account for around 70% of the total volume of foreign trade, in recent years there has been a tendency to intensify trade relations with the extra EU-28 countries;

- the largest chronic deficit is recorded by Romania's foreign trade, with some EU countries, especially with Germany, Italy, the Netherlands, France, Austria, etc., countries to which Romania's foreign trade is highly dependent;

- the structure of commodity exports of Romania is dominated by the low and medium technology level, with relatively low added value;

- analysis of competitiveness of exports of Romanian products (SITC two-digits), based on the positions won / lost in the hierarchy of world exports highlights the fact that Romania occupies relatively significant positions (among the top 15-20 exporters especially in products with relatively low processing level, generally being on the foreign markets "price-taker" rather than "price-maker", in 2016, compared to 2001, Romania gained positions in the world export ranking, to 150 groups of goods and lost positions to 98 groups, which shows a favourable trend to increase the competitiveness of the trade Romanian society, extremely necessary, but still insufficient to reduce the gaps that separate us from the developed countries.

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