ROMANIAN INTERNATIONAL TRADE AND THE DEGREE OF SPECIALISATION OF THE EXPORTS

COMERTUL EXTERIOR AL ROMANIEI SI GRADUL DE SPECIALIZARE AL EXPORTURILOR

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Abstract: *In this paper we have investigated the international trade in Romania in order to make statements on the orientation of these ones in the European areas and to find out the main directions during the last years. At the very beginning we have shown huge part a commercials changes (more than 70%) within the European Union area. Then, in the analyse on the exports and imports, by mode of transport, we have got information on the major parts occupied by the road transport. Meanwhile, we have calculated the index of growth of the exportations and importations, during the 1991-2010 period, especially focused on the private sector. Finally, we use data on four categories of goods to make assumptions on the level of advantages or dizavantages in the agro-food trade, by means of an index of specialization for the exports.*

Key words: *international trade, index of trade specialisation*

INTRODUCTION

Romania's foreign trade has undergone major changes with the entry into the European Union in 2007. Positive steps have been taken, especially lifting trade barriers, have led the free movement of goods, services and capitals. Thus, the single European market which resulted through economic integration, has helped increase trade flows, but also to increased cross-border economic size (Bojnec S., I. Fertő, 2009). In Romania, these measures have caused a shift in exports for 83% of total trade for the European space. Imports hit a little less high, and yet they were oriented at a rate of over 68% for the European continent. Our main focus is on the agro-food trade in Romania and its comparative advantage in the European area.

The concept of revealed comparative advantage was introduced by Liesner (1958) and it was redefined by Balassa (1965) in order to identify the country´s weak and strong export sector. Thus, Stern and Deardoff (2006) argued that the non-involving countries in the global trade arrangements are more likely to lose then the others countries.

MATERIALS AND METHODS

The main methods used in the present work consisted in collecting, analyzing, processing and evaluating data and information about Romania's trade. At the same time, interpretation of results and the conclusions are also techniques to complete the panel methods. In this sense, data analysis was performed using average growth index and the index of specialization.

So, it was a calculation and interpretation of the average growth rate of total imports and total exports, nationwide, between 1991-2010, so for 20 years. Thus, we can note a strong sustained intensity in private sector, while on total trade on the analyzed period, the growth rate was less intense.

RESULTS AND DISCUTIONS

As results of the present study, we note here the following. Trade volume meets a positive growth rate and the private sector is very highlighted. The following table (table no. 1) presents data on international trade of Romania during 2006-2009. Here we see major share in trade in the European continent, than in the European Union.

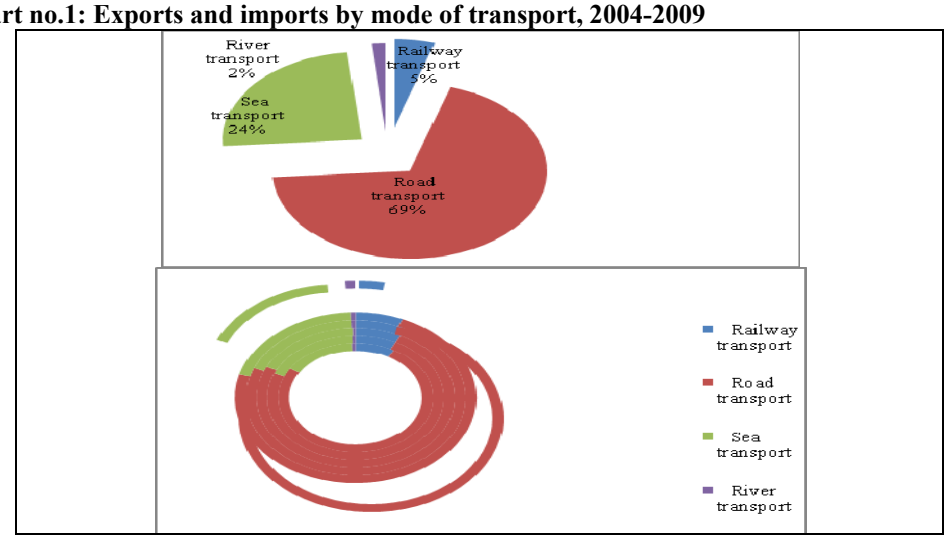
Tabel no. 1: International trade, Romania, 2006-2009

	2006	2007	2008	2009
INTERNATIONAL TRADE				
Export - total *(euro million)*	**25,850**	**29,549**	**33,725**	**29,084**
Import - total *(euro million)*	**40,746**	**51,322**	**57,240**	**38,953**
EUROPE				**%**
% Exports from total exports	**86.77**	**88.13**	**87.49**	**88.39**
% Imports from total imports	**84.96**	**86.25**	**83.43**	**83.69**
European Union trade (EU-27)				**%**
% Exports from total exports	**70.51**	**71.98**	**70.47**	**74.27**
% Imports from total imports	**68.71**	**71.29**	**69.60**	**73.09**
% Exports from European exports	**81.26**	**81.68**	**80.54**	**84.03**
% Imports from European imports	**80.87**	**82.65**	**83.42**	**87.34**

Source: Eurostat Yearbook, 2010

Dynamics of trade operated according to their mode of transport is shown in the graph below (graph no. 1).

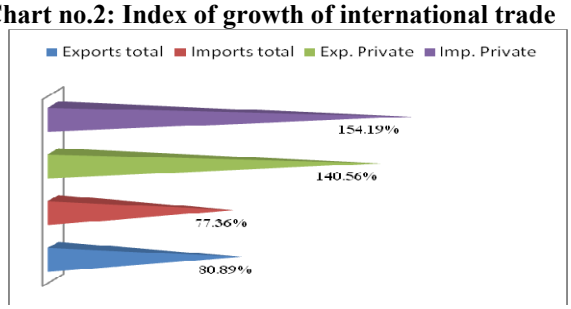
Chart no.1: Exports and imports by mode of transport, 2004-2009



Source: Statistical Yearbook, Bucharest, 2010

Therefore, the interpretation of the data contained here can see that the export category on road transport is by far the most used mode of transport, for both segments of international trade (69% and 70%). The next position in the ranks exports transported is by sea (24%), followed by exports by rail (5%) and river (2%). In the case of imports, after road transport, are preferred, in order, transport by sea, railway and at the end the river transport (0.08%). Regarding the calculation and interpretation of the average growth rate of imports and exports on total, between 1991-2010, we calculated and presented also the situation in the private sector, but during 1991- 2006 period. The results were presented in the following chart.

Chart no.2: Index of growth of international trade



Source: Statistical Yearbook, Bucharest, 2010

We see thus brought forward the increases in the private sector, compared with increases in the total trade.

Although expansion of trade in services, is seen rather as an integral part of globalization, than that of integration into European economic space, in Romania, as in Europe, they occupy a less important place than trade. The degree of integration of services in the EU-27, as a share of GDP is situated between 3.2 to 3.9, while the goods in the same period is in the range 8.8 to 11.3 (source: Eurostat, 2001-2008). Regarding the services sector in Romania, market services provided to population, in 2009, have a higher share than market services rendered to enterprises. In the following tables (table no. 2 and table no. 3), we plotted the first four categories of services rendered for the two categories (individuals and companies).

Table no. 2: Market services mainly rendered to the population, by activity

% from total market services	2008	2009
Restaurants	32.28	36.44
Hotels and other similar accommodation facilities	21.33	20.36
Travel and tour operator agencies activities	21.20	18.59
Bars and other beverages serving activities	14.20	14.18

Table no. 3: Market services mainly rendered to entreprises, by activity

% from total market services	2008	2009
Land transport	17.01	15.64
Telecommunications	13.49	14.67
Real estate	7.93	8.49
Activities of services in information technology	4.47	4.58

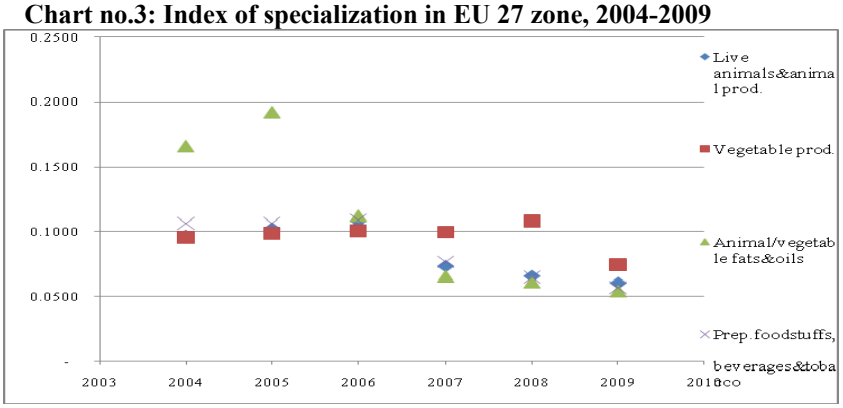
Source: Statistical Yearbook, Bucharest, 2010

So we can see that top positions are occupied by services of restaurants, and the land transport services for enterprises.

Finally, we present graphic details about the degree of specialization of exports in the four categories of agro-food goods (live animals and animal products, vegetable products, animal or vegetable fats and oils,

Prepared foodstuffs, beverages and tobacco) in the European Union (EU 27) and in the Euro area (EUR 17), in the period 2004-2009. This analysis gives us information on a possible comparative advantage or disadvantage, that Romania would have in areas with which we compare.

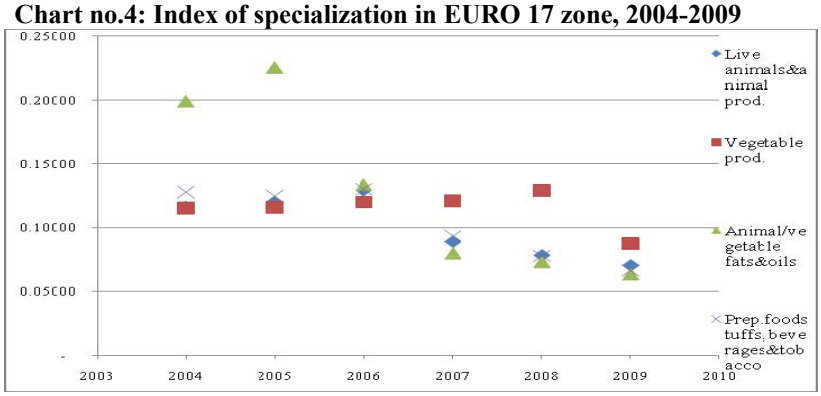
Chart no.3: Index of specialization in EU 27 zone, 2004-2009



Source: Statistical Yearbook, Bucharest, 2010

Between the situation presented in the chart above and the following (the EUR 17), there are differences in terms of export competitiveness in Romania, but the index of specialization is in both cases subunit. However, there are some variances. So, although overall it's a disadvantage on this line, the pattern of specialization, is that Romania exports is relatively less of the categories mentioned, compared to all European countries. The chart that follows is presented level of specialization in the Euro area 17.

Chart no.4: Index of specialization in EURO 17 zone, 2004-2009



Source: Statistical Yearbook, Bucharest, 2010

From calculations, in both cases we obtained values for the index of specialization subunit (ISP <1); this means that our country exports less of these categories, compared to all 17 euro area countries, which seem to be more specialized in export of these products.

CONCLUSIONS

From previous presentations is clear that Romania is less specialized in exporting selected product groups. However, according to the two areas considered, in the EURO 17 Romania seems to have a better behavior than in the EU 27 area. Meanwhile, as an additional conclusion, we appreciate the fact that opening the European market in Romania hasn´t led to a significant integration in the single European internal market.

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