

TRENDS OF THE ROMANIAN FOREIGN TRADE IN THE TRANSITION PERIOD

Lucia PALIU-POPA*

Abstract

Regardless of size or scope of entities in which they operate, the business development at international level tends to become a condition of existence for companies and business strategy must respond to the demands of globalization.

The evolution of contemporary society, characterized by increased freedom of action, gives entrepreneurs a wide field of functional integration in the foreign trade systems of the European Union and internationally.

In today's global world economy frame, the operation and development on strong coordinates sustainable of economic systems involve, necessarily, to obtain the highest results and meeting the needs of present without compromising the ability of national economies in order to satisfy their own requirements in the more or less distant future.

To achieve this objective, in this article, I studied the evolution of foreign trade of our country during the period 1990-2007, analyzing trends of regional structural shift both for imports and exports in the period 2000-2007.

Key words: foreign trade, export, import, commercial balance, evolution, share

JEL classification: F13, F14, F15, F16, F18, N70

1. Introduction

It is well known the fact that domestic economy is supported by the export and import of goods and services, international trade is one of the key factors in developing the national economy, whose influence on economic growth is exercised in many forms.

The internationalization of business transactions, understood as the pursuit of such activities beyond national borders, is not a new phenomenon in the world economy during the postwar boom taking an unprecedented development under the influence of several factors such as: the process of postwar reconstruction, the institutionalization of international economic relations, progressive reduction of barriers to trade flows and international financial, decreasing cost of transport and communications, technical evolution of transport arrangements, expanding transnational business.

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2. Evolution of foreign trade of Romania during the transition period

The transition of the romanian economy from a strong centralized society to a society based by laws on a market economy is a complex process.

After 1990, the waiver by the state, through foreign trade companies, to any intervention in the economy, was one of the causes of chaos in the economy.

To this issues was added the global economy situation and international economic relations that were not favorable.

Thus, external markets of the many operators have disappeared and others who kept were full of restrictions, the romanian economy being under the pressure of some important constraints derived both from internal and outside environment.

On the interna/domestic area, the domestic macroeconomic restrictions (the need to reduce inflation, budget deficit and the current account etc.) were coupled with the micro-economic (privatization, restructuring the banking system, budgetary constraints).

On the outside area, Romania was confronted with problems of access to finance, attract the foreign investment, improve the ratings, but also the abolition of C.A.E.R and the impact of the conflict/quarrel in Yugoslavia.

During 1990-1998 the Romanian economy was characterized by a number of imbalances, such as: industrial structure over dimensioned, the low degree of processing and efficiency leading technology industries generated on the one part of the legacy of the previous era and on the other hand by the lack of effective development strategy at national level.

Restructuring the economy and the privatization process were applied to the micro-economic level. Inertia of privatization discouraged foreign investment and slowed the development process based on productivity and competitiveness.

The negative effects generated by heavy restructuring were amplified by sometimes forced liberalization of prices and subsidies from the budget sources of the losses of inefficiency economic agents.

Period characterized by economic decline ended in 1999 with positive affect, exclusively, the net exports of goods and services (3,7%), the increasing exports and reducing imports, while absorption (consumption, investments, including stocks changing) had a negative contribution of 6,9% .

The year 2000 brought changes to the global economy level: economic growth accelerated, unemployment fell, world GDP grew by 4,8% from 3,5% the previous year.

Romania's economic policy had to face in 2000, a double challenge.

Thus, internally was necessary the interruption of a negative trend and resumption of economic growth on a sustainable healthy bases, with a significant reduction in the rate of inflation, and the external sought to consolidate the performance achieved in 1999, for the purposes of maintaining the current account deficit under four percent of GDP and growth of official international reserves, in the recovery effort to trust business affairs and return on external capital markets.

Results obtained in 2000 can be considered good, if we have in attention the GDP growth of 1,8% after three years of consecutive decreases, and inflation rate (40,7%) which was over 14 percentage points below that of previous year in terms of internal and external unfavorable shocks.

General consolidated budget deficit and current account deficits were at 3,7% of GDP and international reserves rose until 2,4 billion U.S. dollars, Romania came after more than three years in the private equity market through two bond issue, worth 150 billion euros each.

In 2001, economic growth has exceeded the level reached in 2000, and in 2002 Romania has achieved the best results from the period 1990-2002, in the conditions when the international economic environment continued to remain negative, with faible economic growth in major countries partner in the European Union.

Romania has achieved the best growth performance in comparison with other central and eastern Europe countries but also with results from previous years, this being 8,3%, exceeding by 3,1% the result achieved in 2003 year.

If data on Romania's GDP leave room for interpretation and estimates (especially taking into account the purchasing power of the national currency) *the data on external trade* are very sharp into show the marginal position of Romania in the frame of international trade.

This phenomenon of marginalization has emphasized strongly during 1990-1998, when the collapse of the former C.A.E.R. and systematic process of transformation of international economic relations have resulted in a drastic reduction in the volume of export value.

After 1989 year Romania experienced a strong expansion of imports explained after a long period of economic austerity imposed by the communist regime.

The fact that on the one hand, some traditional market for romanian exports were restricted, in conjunction with restrictions on production and on the other hand, the need to do imports for economic activity, and for re-technology and modernization, also the diversification of consumption, as the domestic supply of consumer goods was not developed enough to determine a continuous worsening trade balance (Table 1 and Table 2).

Table 1. The balance of commercial balance of Romania during 1990-2007(millions U.S.A dolar)

Year	Export FOB	Import CIF	Balance (Export FOB-Import CIF)
1990	5.775	9.755	-3.980
1991	4.266	5.793	-1.527
1992	4.363	6.260	-1.897
1993	4.892	6.522	-1.630
1994	6.151	7.109	-958
1995	7.910	10.278	-2.368

1996	8.085	11.435	-3.350
1997	8.431	11.280	-2.849
1998	8.302	11.838	-3.536
1999	8.505	10.392	-1.887
2000	10.367	13.055	-2.688
2001	11.385	15.552	-4.167
2002	13.876	17.862	-3.986
2003	17.618	24.003	-6.385
2004	23.485	32.664	-9.179
2005	27.730	40.463	-12.733
2006	32.336	51.106	-18.770
2007	40.471	70.414	-29.943

Source [Statistical directories for the years 1990-2007, National Institute of Statistics]

Table 2. The balance of commercial balance of Romania during 1990-2007 (millions EURO)

Year	Export FOB	Import CIF	Sold (Export FOB-Import CIF)
2000	11.273	14.235	-2.962
2001	12.722	17.383	-4.661
2002	14.675	18.881	-4.206
2003	15.614	21.201	-5.587
2004	18.935	26.281	-7.346
2005	22.255	32.568	-10.313
2006	25.850	40.746	-14.896
2007	29.549	51.322	-21.773

Source [Statistical directories for the years 2000-2007, National Institute of Statistics]

From the tables presented previously it observed that the dynamics of external trade flows went to Romania during 1999-2007 on an upward trend compared with the stagnation and even slightly decline during the period 1996-1999.

Romania's foreign trade registered record levels during 2001-2007.

Thus, exports reached in 2007 to 40.471 millions U.S.A dollars and imports at 70.414 million U.S.A dollars compared to 1991 when exports were at 4.266 and respectively to 5.793 millions U.S.A dollar.

The volume of foreign trade, in general, has increased continuously, trade being the most dynamic sector of the economy, even in conditions of economic reform.

Its growth performance have outrun those of other macroeconomic indicators such as: gross domestic product, industrial production, gross fixed capital formation, thus beeing an engine of economic growth

While external trade continued to be the most dynamic component of the Romanian economy, surpassing both GDP growth and industrial production, the negative balance of trade balance of Romania has increased chronically.

Considering the data in table 1 in figure 1 presented the evolutionary trend of exports and trade balance of Romania during 1990-2007.

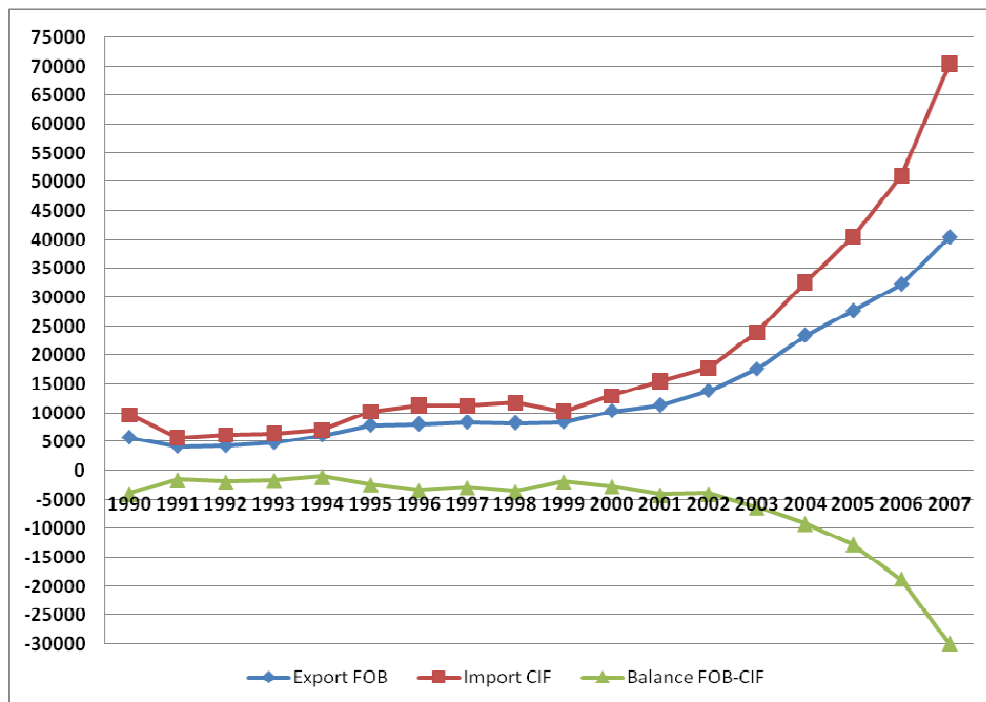


Figure no. 1. Evolution of exports (FOB), imports (CIF) and the balance of commercial balance (millions U.S.A dollar)

Evolution of imports compared to exports leads to increased recording by the end of 2007, a trade deficit of U.S.A dollar 29.943 millions (21.773 million euros) with 27.255 million U.S.A dollars (18,811 million euros) higher than in 2000 when the balance of international trade figure at 2.688 million U.S.A dollars (2.962 million euros).

Analyzing the trade deficit of Romania it observed that the gap between export and import value was continually emphasized, the negative balance reached high levels because the coverage of imports with exports are at very low rates. As a consequence of intensifying the integration of the Romanian economy over the past 10 years into the economic world, the opening of it had a constant upward trend.

In order to study the impact on lending and financing on the international trade of Romania should be a more detailed knowledge of the of export-import business, which is the reason why we will continue a trend analysis of the structural and area shift of exports and imports for managing trade transactions outside the context of management process.

3. Trends of structural shift of exports and imports of Romania

The phenomenon of prolonged imbalance between export and import of our country does not stop only at the poor balance of trade balance, but at the same time feels a degradation of the structure of romanian exports, causing a sensitive decrease of purchasing power of the romanian products to purchase imported goods.

An essential element in the analysis of external trade is the evolution in time of the external trade structure, by comparing from a period to other the share it hold different groups of products with higher or less degrees processing, in the total export, whereas obtaining a greater value from the same quantity, through products with high degree of processing, thus is an essential objective and must be a permanent concern being one of the special problems of which effectively increase the Romanian economy as a whole.

The current specialization of Romania still show a strong asymmetry between exports and imports caused primarily by the level of economic development and the structure and competitiveness of industrial production.

To export, Romania continues to be specialized in particular sectors that use labor force (clothing, footwear and furniture) and some sectors that intensively use natural resources (steel products, wood and non-ferrous metals).

To import overwhelms the sectors which use capital intensive, and the mobile sectors (which can be transferred to another location relatively insignificant cost) and buildings that are based on research.

Thus, our country has *a trade deficit mainly structural in nature* in the conditions where the surplus achieved by using labor and some intensive care resources, fails to compensate only partially massive deficit and comparative advantages in the import sectors such as capital-intensive sectors and mobile-based real estate research.

Along the analysed period, the process of economic reform has proven to be a complex one, taking it directly affect the restructuring of the Romanian economy and, consequently, the volume and structure of our export supply.

During 1990-1999 the import of goods structure shows the dependence of the Romanian economy by the imports of machinery, apparatus, equipment, transport and energy raw materials absolutely necessary to internal production also the re-technology projects and modernization of the romanian industry.

During 2000-2007, as a result of differential evolution, the export of goods by groups changed as shown in Table 3.

Table 3. Romania's export on good groups (millions euro)

No crt	Goods group	2000	2001	2002	2003	2004	2005	2006	2007
1	Foodstuff and animals alive	268	358	359	344	404	489	563	658
2	Beverages and tobacco	25	38	46	37	31	31	46	195
3	Raw materials inedible, excluding fuels	1.019	778	801	974	1.147	1.078	1.469	1.572
4	Mineral fuels, lubricants and materials derived	809	794	1.160	1.023	1.282	2.378	2.597	2.238
5	Oils, fats and waxes of animal and plants	21	27	9	27	64	63	58	62
6	Chemicals and related products not elsewhere	658	659	686	746	1.039	1.277	1.465	1.693

	section specified								
7	Manufactured goods classified mainly by raw material	2.197	2.400	2.756	3.019	4.024	4.654	5.234	6.462
8	Machinery and transport equipment	2.132	2.525	3.106	3.356	4.491	5.663	7.738	10.064
9	Miscellaneous manufactured articles	4.131	5.120	5.734	6.071	6.435	6.600	6.666	6.593
10	Goods and transactions not classified in another section of CSCI	13	23	18	17	18	22	14	12
	TOTAL EXPORT	11.273	12.722	14.675	15.614	18.935	22.255	25.850	29.549

Source [Statistical directories for the years 2000-2007, National Institute of Statistics]

Using previous data, the share of groups of goods in total exports is presented in table 4.

Table 4. Share of exports by groups of goods (%)

No. crt	Goods group	2000	2001	2002	2003	2004	2005	2006	2007
1	Foodstuff and animals alive	2,38	2,81	2,45	2,20	2,13	2,20	2,18	2,23
2	Beverages and tobacco	0,22	0,30	0,31	0,24	0,16	0,14	0,18	0,66
3	Raw materials, inedible, excluding fuels	9,04	6,12	5,46	6,24	6,06	4,84	5,68	5,32
4	Mineral fuels, lubricants and materials derived	7,18	6,24	7,90	6,55	6,77	10,69	10,05	7,57
5	Oils, fats and waxes of animal and plants	0,19	0,21	0,06	0,17	0,34	0,28	0,22	0,21
6	Chemicals and related products not elsewhere section specified	5,84	5,18	4,67	4,78	5,49	5,73	5,67	5,73
7	Manufactured goods classified mainly by raw material	19,49	18,86	18,78	19,34	21,25	20,91	20,25	21,87
8	Machinery and transport equipment	18,91	19,85	21,17	21,49	23,72	25,45	29,93	34,06
9	Miscellaneous	36,64	40,25	39,07	38,88	33,98	29,66	25,79	22,31

	manufactured articles								
10	Goods and transactions not classified in another section of CSCI	0,11	0,18	0,12	0,11	0,10	0,10	0,05	0,04
	TOTAL EXPORT	100	100	100	100	100	100	100	100

Analyzing the data in tables 3 and 4, may depict a series of *observations*, as follows:

- export value increased from 11.273 million euros in 2000 to 29.549 million euros in 2007, with 18.276 millions euro, the increase was 262,12%;
- if in 2000 the highest share in total exports was recorded for various manufactured items: furniture, clothing, shoes etc.. (36,64%), followed by manufactured goods classified mainly by material: leather, rubber, wood, fabrics, iron, steel, nonferrous metals, etc.(19,49%) and machinery and transport equipment (18,91%) in 2007, the most significant share in total exports had a car and transport equipment (34,06%), followed by manufactured different articles (22,31%) and manufactured goods classified mainly by raw material;
- the share of three groups of goods mentioned before represents in 2000, 75.04% and in 2007, 78.24% of total exports;
- it is remark a tendency to improve the export structure by increasing further the export of construction machinery products leading to increased share in total exports.

Using the structure diagram in figure 2 the export structure is shown in 2000 year and in 2007 year by group of goods.

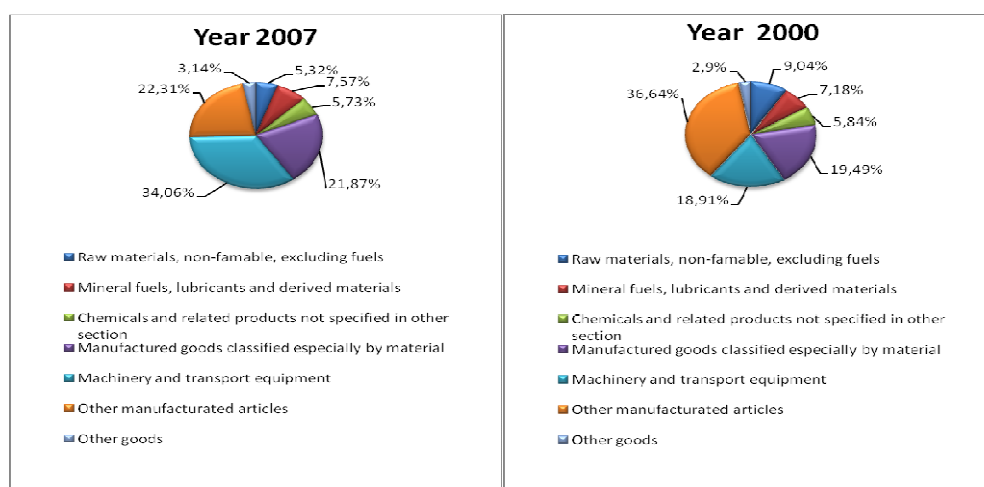


Figure no 2. The structure of exports by groups of goods

The value of imports by group of goods in the period 2000-2007 is presented in Table 5.

Table 5. Romania import on groups of goods (million euros)

No. crt	Goods group	2000	2001	2002	2003	2004	2005	2006	2007
1	Foodstuff and animals alive	774	1.060	905	1.204	1.297	1.528	1.833	2.664
2	Beverages and tobacco	158	185	176	199	260	308	363	312
3	Raw materials, in edible, excluding fuels	610	578	597	631	778	903	1.013	1.326
4	Mineral fuels, lubricants and materials derived	1.720	2.195	2.103	2.312	3.114	4.548	5.517	5.509
5	Oils, fats and waxes of animal and plants	37	43	77	59	64	78	87	143
6	Chemicals and related products not elsewhere section specified	1.417	1.721	2.032	2.186	2.727	3.324	4.315	5.238
7	Manufactured goods classified mainly by raw material	3.801	4.861	5.496	5.942	6.908	7.955	9.514	11.879
8	Machinery and transport equipment	4.168	4.848	5.323	6.251	8.548	10.819	14.415	19.671
9	Miscellaneous manufactured articles	1.550	1.892	2.171	2.415	2.581	3.100	3.683	4.574
10	Goods and transactions not classified in another section of CSCI	-	-	1	2	4	5	6	6
	TOTAL	14.235	17.383	18.881	21.201	26.281	32.568	40.746	51.322

Source [Statistical directories for the years 2000-2007, National Institute of Statistics]

By using the absolute size of the previous table, it calculates the share of groups of goods in total imports, a share that is presented in table 6.

Table 6. The import share on groups of goods (%)

No. crt	Goods group	2000	2001	2002	2003	2004	2005	2006	2007
1	Foodstuff and animals alive	5,44	6,10	4,79	5,68	4,93	4,69	4,50	5,19
2	Beverages and ta-	1,10	1,06	0,93	0,94	0,99	0,95	0,89	0,61

	bacco								
3	Raw materials, inedible, excluding fuels	4,28	3,33	3,16	2,98	2,96	2,77	2,49	2,58
4	Mineral fuels, lubricants and materials derived	12,08	12,63	11,14	10,90	11,85	13,96	13,54	10,73
5	Oils, fats and waxes of animal and plants	0,30	0,25	0,41	0,28	0,24	0,24	0,21	0,28
6	Chemicals and related products not elsewhere section specified	9,95	9,90	10,76	10,31	10,38	10,21	10,59	10,21
7	Manufactured goods classified mainly by material	26,70	27,96	29,11	28,03	26,29	24,42	23,35	23,15
8	Machinery and transport equipment	29,27	27,89	28,19	29,48	32,52	33,22	35,38	38,33
9	Miscellaneous manufactured articles	10,88	10,88	11,50	11,39	9,82	9,52	9,04	8,91
10	Goods and transactions not classified in another section of CSCI	-	-	0,01	0,01	0,02	0,02	0,01	0,01
	TOTAL	100	100	100	100	100	100	100	100

Analyzing the data presented in Tables 5 and 6, may make the following *observations*:

- the import value increased from 14.235 million euros in 2000 to 51.322 million euro in 2007, with 360,53%, overcome the export growth for the same period (137,55%);
- the highest share in total imports was recorded in 2000 by group of goods: machinery and transport equipment (29,27%), followed by manufactured goods classified mainly by raw material (26,70%) and mineral fuels, lubricants and materials derived (12,08%);
- in 2007 is store the hierarchy of the share, the import of machinery and transport equipment holds the largest share (38,33%) followed by manufactured goods classified mainly by raw material (23,15%) and mineral fuels, derived materials and lubricants (10,73%);
- the share of three groups to which we referred above is 68,05% in 2000 and 72,21% in 2007, of total imports;
- the share of machines, machinery and transport equipment recorded the highest value in 2007, respectively 38.33% of total imports, the increase due to investments made in the economy.

The imports structure in 2000 and 2007 year, by group of goods is shown in figure 3.

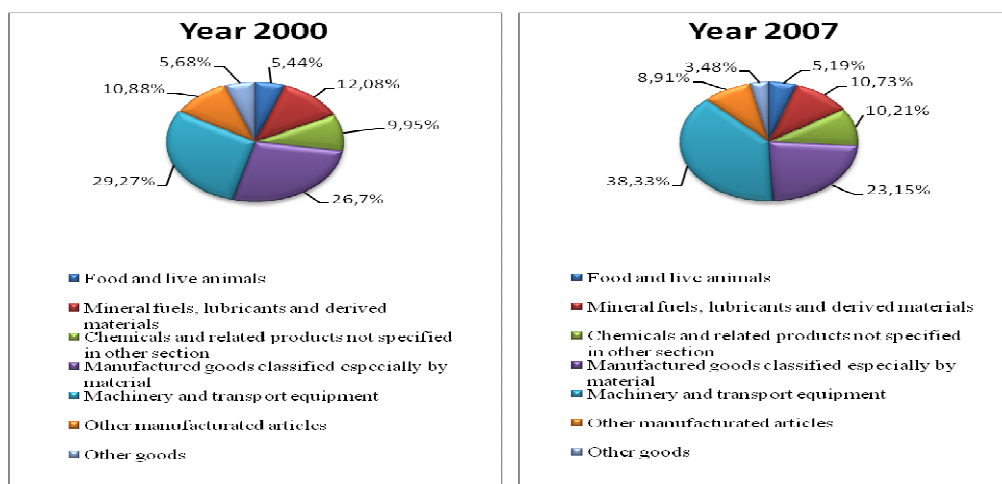


Figure no. 3. The import structure on group of goods

Analysis of the foreign trade activity carried out, reflecting a trend of improvement towards the import-export activity in the period 2000-2007.

It should be noted however that the results obtained are due to internal and external circumstances of the moment, not being the result of a coherent medium and long term programme.

National Export Strategy adopted in 2005 is the beginning of a process of implementation the partnership initiatives, with specific timelines and responsibilities for a period of 4 years (2005-2009).

At this stage it is important the manner for the implementation of the scheme and subsequent monitoring results in order to determine which are initiatives that can boost the development of Romanian exports so as to equal the commercial balance of Romania.

4. Trends to retraining area of exports and imports of Romania

Within each national economy, the foreign trade is a vital link through which is provided the necessary of goods and services.

Foreign trade as part of the Romanian economy was in transition period under the pressure of important constraints derived from both internal and external areas.

Romania has faced during this period, with solving economic problems (high inflation, equilibrium the balance of payments deficit and the budget, mastery the currency course etc.) and the microeconomic and mezo (restructuring the banking system, the privatization).

Adverse effects on the conduct of foreign trade had the international events by nature of the conflict in Yugoslavia, the Gulf War and the abolition C.A.E.R.

Together with other countries in Central and Eastern Europe, Romania has faced to problems related to access to finance, attract foreign investment, liberalization of prices and exchange rate pressure. Only after ten years of the abolition of communist barriers, the Romanian economy managed the interruption of a negative trend of economic growth and resumption on a healthy bases, 2000 year is the boundary between development and decline.

If during the period 1990-2000 the economy of our country can compare only of economy of Bulgaria, since 2001 Romania entered in the sample countries of Central and Eastern Europe, which recorded growth of gross domestic product.

As a result of increasing imports and exports decreasing, since 1990, Romania has experienced a trend of increasing commercial balance deficit, the deficit remained within limits comparable to results from other central and eastern Europe countries.

Due to changes in the economy, in addition to changes in the structure of foreign trade have occurred in the geographical targeting of it.

The apportionment/breakdown by country of international trade with major partners in the period 2000-2007 is presented in table 7.

Table 7. Romania's foreign trade, by geographical area (millions euro)

No. crt.	Geographical zones	Export (E)	2000	2001	2002	2003	2004	2005	2006	2007
		Import (I)								
1	EUROPE, total, consisting of	E	9.566	10.825	12.098	13.353	16.605	18.935	22.431	26.041
		I	11.481	14.196	15.576	17.965	21.586	26.056	32.705	44.266
	EUROPEAN UNION	E	7.863	9.382	10.648	11.498	13.807	15.043	17.500	21.269
		I	9.237	11.524	12.720	14.250	17.065	20.251	25.487	36.587
	A.E.L.S.	E	111	143	195	195	195	291	425	536
		I	198	225	216	240	330	416	536	459
	Other countries from Europe	E	1.592	1.300	1.255	1.660	2.603	3.601	4.506	4.236
		I	2.046	2.447	2.640	3.475	4.191	5.389	6.682	7.220
2	ASIA	E	739	947	1.416	1.266	1.254	1.685	1.960	2.017
		I	1.362	1.549	2.098	2.024	3.071	4.541	5.803	5.212
3	AFRICA	E	411	335	301	295	376	488	544	506
		I	84	136	151	123	148	179	232	266
4	AMERICA	E	545	586	804	671	672	1.109	886	934
		I	811	1.019	946	963	1.358	1.667	1.856	1.433
5	OCEANIA	E	5	5	31	6	8	12	7	43
		I	105	97	28	38	40	44	77	117
6	Other unspecified EXTRA/OUTSIDE EU countries. It is included goods to which did not complete the customs declaration, the country of destination to export and origin country to import	E	7	24	25	23	20	26	22	8
		I	392	386	82	88	78	81	73	28
	TOTAL	E	11.273	12.722	14.675	15.614	18.935	22.255	25.850	29.549
		I	14.235	17.383	18.881	21.201	26.281	32.568	40.746	51.322

Source [Statistical directories for the years 2000-2007, National Institute of Statistics]

Value differential evolution has led to changes in the total share of areas of export and import (Table 8).

Table 8. The share of Romanian foreign trade by geographical area (%)

No. crt.	Geographical zones	Export (E)	2000	2001	2002	2003	2004	2005	2006	2007
		Import (I)								
1	EUROPE, total, consisting of:	E	84,86	85,09	82,44	85,52	87,69	85,08	86,77	88,13
		I	80,65	81,67	82,50	84,73	82,14	80,00	80,27	86,25

	EUROPEAN UNION	E	69,75	73,75	72,56	73,64	72,91	67,59	67,70	71,98
		I	64,89	66,30	67,37	67,21	64,93	62,18	62,55	71,29
	A.E.L.S.	E	0,99	1,12	1,33	1,25	1,03	1,31	1,64	1,81
		I	1,39	1,29	1,15	1,13	1,26	1,28	1,32	0,89
	Other countries of Europe	E	14,12	10,22	8,55	10,63	13,75	16,18	17,43	14,34
		I	14,37	14,08	13,98	16,39	15,95	16,54	16,40	14,07
2	ASIA	E	6,56	7,44	9,65	8,11	6,62	7,57	7,58	6,83
		I	9,57	8,91	11,11	9,55	11,68	13,94	14,24	10,16
3	AFRICA	E	3,65	2,63	2,05	1,89	1,99	2,19	2,10	1,71
		I	0,59	0,78	0,80	0,58	0,56	0,55	0,57	0,52
4	AMERICA	E	4,83	4,61	5,48	4,30	3,55	4,99	3,43	3,16
		I	5,70	5,86	5,01	4,54	5,17	5,12	4,55	2,79
5	OCEANIA	E	0,04	0,04	0,21	0,04	0,04	0,05	0,03	0,14
		I	0,74	0,56	0,15	0,18	0,15	0,14	0,19	0,23
6	Other unspecified countries EXTRA/OUTSIDE UE	E	0,06	0,19	0,17	0,14	0,11	0,12	0,09	0,03
		I	2,75	2,22	0,43	0,42	0,30	0,25	0,18	0,05
	TOTAL	E	100	100	100	100	100	100	100	100
		I	100	100	100	100	100	100	100	100

The shares were obtained by processing the data in table 7.

From the analysis of geographically targeting of foreign commercial exchanges may make the following *observations* :

- the most exchange trade is done with partners in Europe and the largest share belong to countries in the European Union;
- the export volumes in Europe increased from 9.566 millions euro in 2000 (84,86%) to 26.041 millions in 2007 (88,13%);
- the volume of imports from Europe increased from 11.481 million euros in 2000 (80,65%) to 44.266 million euros in 2007 (86,25%);
- the export in member countries of the European Union is in 2007, 71,98% (21.296 million euros), and in 2000, 69,75% (7.863 million euros);
- imports from the European Union member states increased from 9.237 million euros in 2000 (64,89%) to 36.237 million euros in 2007 (71,29%).

The geographical targeting of the external trade of Romania in 2000 and 2007 using the data from Table 8 is depicted in Figure 4 (export) and in Figure 5 (for imports).

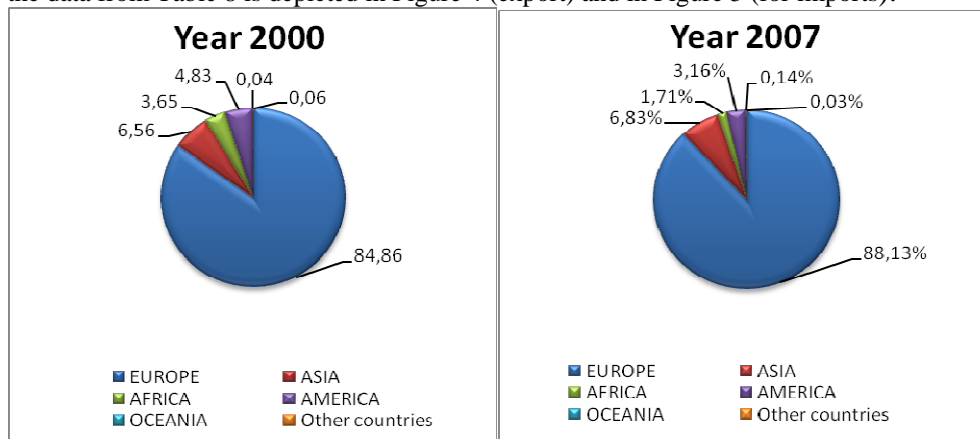


Figure no. 4. Geographical targeting of the export of Romania

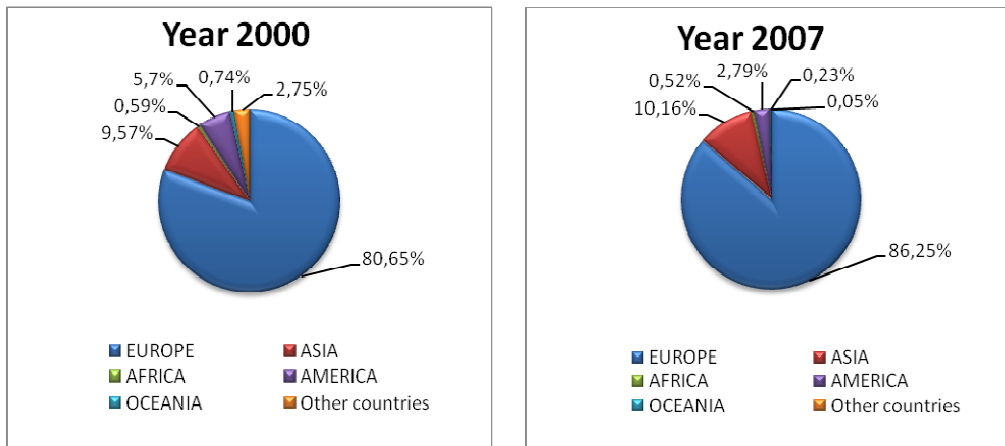


Figure no. 5. Geographical targeting of the import of Romania

From the analysis of the evolution dynamics of trade with different areas of the world it can be seen the concern for maintaining a constant active presence of Romanian goods in the world. There was an increase in the volume of Romanian exports and imports for most areas of destination, the potential fluctuations being the result of international short influences. Analysis of the foreign trade activity carried out, are reflecting a trend of improvement over the past eight years.

5. Conclusions

The extent and implications of international trade on other areas of social life has increased considerably over the last five centuries, and today's volume has grown as fast manner. Also, the deepen and diversify the economic interdependencies between countries, especially after the second world war, have brought the issue of international economic relations in the foreground, both for specialists and for the general public.

An essential element in the analysis of external trade is the evolution in time of the external trade structure by comparing to a period from the other of share they hold different groups of products with higher or less processing degrees, in the total volume of export, whereas obtaining a greater value from the same quantity, products with high degree of processing, are an essential objective and must be a permanent concern, being one of the special problems of which effectively increase the Romanian economy as a whole.

After 1989 Romania experienced a strong expansion of imports explained after a long period of economic austerity imposed by the communist regime.

The fact that on the one hand, some traditional market for Romanian exports were restricted, in conjunction with the decrease in production, and on the other hand, need to do imports for economic activity, and to re-technology and modernization, and diversification of consumption, as the domestic supply of consumer goods was not developed enough to determine a continuous worsening of trade balance.

The current specialization of Romania still shows a strong asymmetry between exports and imports caused primarily by the level of economic development and the structure and competitiveness of industrial production.

Taking into account this issue, the first part of the article I addressed/approached *the evolution of foreign trade of our country during 1990-2007*, a period characterized in 1999 by economic decline and a series of imbalances such as: over-dimensioned industrial structure, the low processing and efficiency degree of the top technology industries generated on the part of the legacy of the previous era and on the other hand by the lack of effective development strategies at national level.

Referring to external trade, we can say that in the 1999-2007 period under study, the volume of it has continuously increased, its growth performance surpassing those of other macroeconomic indicators such as: gross domestic product, industrial production, gross fixed capital formation.

While external trade continued to be the most dynamic component of the Romanian economy, surpassing both GDP growth and industrial production, the negative balance of trade balance of Romania has increasing chronically.

Analyzing the trade balance deficit of Romania it observed that the gap between export and import value was continually increased, the negative balance reached high levels because the coverage of imports with exports are at very low rates. As a consequence of intensifying the integration of the Romanian economy over the past 10 years into the economic world, the opening degree of it had a constant upward trend.

For a more detailed knowledge of the import-export business, we performed an *analysis of trend of regional and structural shift of exports and imports*, during the period 2000-2007, taking into account their importance for the management of foreign trade transactions.

It has resulted the fact that our country has a trade deficit mainly structural as nature where the surplus achieved by the sectors which are using labor force and some sectors which predominantly use resources, fail to compensate only partially massive deficit and comparative advantages registered to import by the sectors which use intensive the capital and the mobile and fixed sectors based on real estate research.

During the analysed period, the process of economic reform has proven a complex one, taking it directly affect the restructuring of the romanian economy and, consequently, the volume and structure of our export supply.

Thus, our country, has registered a trade deficit mainly structural in conditions where the surplus achieved by sectors using labor force and some sectors which predominantly use resources, fail to compensate only partially massive deficit and comparative advantages registered in the import by the sectors which use capital of intensive manner, also by the mobile and fixed sectors based on research.

The international practice shows that foreign trade relations have sought to establish uniform rules, to base an orderly development of international trade so that economic operators engaged in foreign trade can trade with each other in a fair and undistorted competition conditions

In the frame of globalization and integration of the romanian economy and in the conditions that the problems of competitiveness are becoming more complex it must develop and implement a strategy of foreign trade in which the credit-finance element plays a crucial role.

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