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ECONOMIC COMMITTEE

RECENT ECONOMIC TRENDS IN ROMANIA: SUMMARY REPORT

Note by the Chairman

The attached summary report examines economic trends in Romania in 1976. It has been prepared in the light of available published data and information received from delegations.

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This document includes: 1 Annex

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RECENT ECONOMIC TRENDS IN ROMANIA: SUMMARY REPORT

A. OVERVIEW

1. 1976 was another good year for the Romanian economy. The Plan targets for both aggregate production and key sectoral outputs were fulfilled or overfulfilled. While the Western economies were still seeking ways out of the 1974-1975 recession and the other East European economies generally recorded a drop in growth rates of Net Material Product (NMP) (Table 1)(1), the Romanian economy registered a 10.5%(2) increase in NMP, 11.5% in industrial output and 17.2% in agricultural production, thus confirming the country as the fastest growing member of the Eastern European community.

2. The overall positive economic picture is all the more impressive as a number of natural calamities have hit the Romanian economy, especially agriculture, in recent years: floods in 1975, droughts in 1976 and earthquakes in 1977. Moreover, factors which had made sustained growth easier no longer exist: the large surplus of agricultural manpower has practically disappeared, and in 1976 the country became a net oil importer. The reason for the high rates of NMP growth must, therefore, be found in other factors such as intensive capital accumulation in the past and, possibly, better incentives than in other Socialist countries. A record 8.8% increase was registered, for example, in industrial labour productivity last year.

B. PLAN IMPLEMENTATION

Annual Plan

3. Whereas in 1976 overall NMP growth met the Plan, several other macroeconomic variables fell short of the initial targets (Table 2). This phenomenon is not easily explained on the basis of data released so far by the Romanians. It is the more puzzling as many sectoral aggregates showed that the Plan targets had been met: agricultural production was exceptionally good and the growth rate of industrial output was high.

Five-Year Plan

4. The 1976 economic results are not likely to put any additional strain on overall Plan targets for the period 1976-1980: little lag exists even in fields which are of lesser concern to the régime, such as retail sales (and therefore private consumption) and housing (Table 3). Although set at

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(1) Tables are at Annex

(2) Unless otherwise stated, all data in this paper are in constant 1963 prices and growth rates are, therefore, in real terms

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generally lower levels than those achieved in the last Five-Year Plan, the 1976-1980 Plan targets remain ambitious, and to be met will require an intensive use of labour, machinery and scarce resources. There is a risk that in the process, quality might suffer and the economy may find it increasingly difficult to sustain a fast growth rate.

C. AGGREGATE TRENDS

Net Material Product

5. Romanian NMP reached, in 1976, an estimated 400 billion lei ( $\$1 = 4.97$  lei) at constant 1963 prices (Table 13) which could correspond to as much as 430-450 billion lei in current prices. Its growth of 10.5% was encouraged by increasing labour productivity, high investment and a continuing switch of agricultural manpower to the more productive industrial sector. However, this exodus from the farms cannot continue indefinitely as there is already a shortage of young, skilled manpower in the rural areas.

Consumption

6. As no aggregate monetary figure for consumption is available trends must be derived from retail sales and consumer's welfare from wages and per capita income. Consumption has traditionally lagged behind other aggregates both in quantity and quality. It is still of secondary importance to the planners, mainly concerned with industrialization and accumulation. The growth of retail sales - the bulk of personal consumption - is generally more than two percentage points below that of NMP, while investment growth is higher (in 1976-1980 Plan: retail sales +8.7%, investment +12.9% and NMP +11%).

Investment

7. Capital expenditure(1) reached almost 150 billion lei in 1976 (1963 prices), the highest amount recorded so far, even though its growth rate was the lowest in the period 1970-1976 (+8.2%, as in 1973). By the end of last year this trend was seen as a threat to the overall five-year investment target (annual average: +12.9%), and Romanian planners fixed a high 1977 objective (+16.7%). Only 5-6% of investment originates in the private sector - mainly for housing - and a large share of the balance - accounted for by the socialist sector (State and co-operatives) - continues to be

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(1) Called "investment" by the Romanians. The main difference between the Romanian concept of investment and the Western one is that capital repairs are excluded. Moreover, their "investment" cannot be compared with NMP - as it is a gross figure, whereas NMP is net of amortization.

allocated to the chemical and engineering branches. It might be recalled that there have been a number of shortcomings on investments: excessive use of materials and delays in construction, caused by poor technical planning, defective on-site organization and a failure by both foreign and domestic suppliers to deliver equipment on time.

Prices

8. Until 1975 administratively fixed prices were generally stable. However, in that year Romania could no longer isolate itself from the impact of world-wide inflation and rising costs of raw materials. In July 1975, in the aftermath of the floods which served as a pretext, prices of some 200 items including fuel, consumer durables, construction materials and a large number of services were increased between 3% and 103%. The authorities claimed that these rises resulted in a 1% increase only of the consumer price index (3% over 1970). More price rises took place in 1976, when the general price index went up officially by 0.9%. In the current year the planners may well repeat the 1975 price hike and use the March 1977 earthquake as an excuse for further increases. These could go beyond the 1% a year planned for 1976-1980. In any case, prices of consumer durables continue to be very high in terms of the purchasing power of the average wage earner.

Manpower

9. The rapid growth of the Romanian economy has caused changes in manpower distribution through the economy. Urban population, which represented only 23.4% of the total according to the 1948 census, reached 43.2%(1) at mid-1975. The structure of employment was radically affected by industrialization (Table 5): the share of agriculture declined from 74.1% in 1950 to 37.8% in 1975, while that of industry soared from 12% to 30.6%. Taking industry and construction together, industry - understood in its broader sense - has become the primary source of employment in Romania. The migration of young men to the towns has resulted in a disproportionately large number of ageing male workers and women employed in the agricultural sector. Efforts to slow down this exodus by improving living standards in the countryside and by material incentives have not proved to be effective. The agricultural labour force will continue to decline in relative terms, and the Five-Year Plan sets its level for 1980 at 28%.

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(1) Table 14 at Annex presents some of the returns of the last census, conducted in January, 1977

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10. Original plans to reduce the standard working week from 48 to 44 hours seem to have been postponed until the eighties. This year's earthquake has given the authorities an additional pretext to delay the reform.

D. SECTORAL TRENDS

Changes in economic structure

11. The drop in agricultural employment in recent years has not been accompanied by a similar decline in the share of agriculture in the NMP. Indeed, as shown in Table 6, this share was only 2.5% less in 1975 than in 1970, whereas the agricultural labour force was down by 11.3%. This increase in agricultural productivity is a feature of the development process and may be ascribed - among other things - to a certain hidden underemployment which existed in the rural areas.

Agriculture

12. Apart from natural calamities which damaged both crops and animal stocks in the last years, Romanian agriculture suffers from structural weaknesses, skilled labour shortage on the land and inadequate utilization of available farm machinery and technology. Productivity in the socialized sector, which comprises 95% of arable lands (21% State and 74% co-operatives), remains low in comparison with that of the small private farms. Indeed, private agriculture, which disposes of 12.6% of the arable lands (4.7% private farms plus 7.9% individual plots of co-operative farmers) but has almost no farm machinery, accounted in 1976 for 43% of the cattle, 27.2% and 45.8% respectively of pigs and sheep, 57% of the milk production, 42% of the wool production, 62% of egg production and 52% of the potato crop. With a 17.2% growth rate, the overall 1976 results of agriculture are impressive and contrast with the extremely sluggish trend of the previous three years (Table 7). Nevertheless, the Romanian planners seem to have expected even better results in many branches (Table 8).

13. Agriculture will receive only 11.6% of total investment in the 1976-1980 Plan. Nevertheless, this will enable the country to put an extra 150,000 ha. (+15%) of land under cultivation. The area of irrigated land will be doubled to three million ha. Substantial additions to the machinery pool are envisaged, and the use of chemical fertilizers is to be raised to 280 kg's per ha. by 1980. As manpower is becoming a major problem, agricultural wages are to be raised - in the context of an overall pay rise of around 30% by 1980 - and

pensions are to be extended to private farmers too. However, the rise will be 30% in the State sector and only 10% in the co-operative one. These measures are not sufficient to bridge the gap between agricultural and industrial remunerations and are unlikely to be a sufficient incentive for the young to remain in the rural areas.

### Industry

14. Although industry remains the priority sector and its 1976 rate of growth was higher than planned, the 11.5% increase achieved in that year was the lowest since 1970. However, the strong emphasis put by the régime on industrialization has been translated into a doubling of the industrial output, as a whole, in the period 1970-1976, and into an even larger increment in some industrial branches which enjoyed particular priority and/or started from a very low basis, for example engineering and chemicals (Table 9).

15. In June 1977 it was announced that real wages for industrial workers will go up, on average, by 30.2% between 1975 and 1980 (5.4% a year). Reflecting creeping inflation, money wages will grow by 38%. The highest industrial wages (and wage increases) will be paid to workers in underground mining, engineering and metalworking, while increases will be lower in light industry. Engineers and foremen are placed in the category of "productive technical personnel", which will entitle them to 20% higher wages than skilled workers. Pensions for industrial workers will increase, in the 1976-1980 period, by an average 23.2% (agriculture: +20%). Finally, as of 1st July, 1977 no income tax will be paid directly by the workers: individual enterprises will pay some form of compensatory tax to the State budget at rates fixed for each industrial branch.

### Energy

16. The energy sector, which is of critical importance to the economy, poses special problems. Its growth has been well below average industrial growth in recent years (Table 9). There is a deliberate effort to conserve energy. The 1976 Plan called for a production of 26,800 million cubic metres of natural gas but, in fact, 29,834 were produced and consumed. Although the three billion m<sup>3</sup> overproduction helped to raise the growth of industrial output, the leadership interpreted this development as a failure of its conservation policy and stressed the importance of saving energy. Indeed, the country's natural gas reserves, estimated at around 220 million cubic metres, are sufficient only for 7-8 years

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at current extraction rates and oil reserves - estimated at 150 million tons (proved) - will last for some ten years at current rates. In 1977, new deposits have been found off-shore in the Black Sea, but they do not seem to be large enough to change the overall picture: Romania is running short of domestic energy resources.

17. In 1976, for the first time Romania became a net oil importer, and the planners insist increasingly on the use of other types of fuel. The final version of the energy plan for 1976-1980 provides for a relative decline in the rôle of oil and natural gas and for a greater use of coal (Table 10). On the other hand, the construction of new nuclear power stations has been postponed until after 1980. Nuclear energy is not a short-term alternative to declining oil and gas resources. Romania has been negotiating with Western countries (especially Canada) for many years for the purchase of nuclear power plants. However, the only contract concluded so far is with the Soviet Union for the delivery of a 440 MW station to be commissioned by 1978. Further negotiations with the United Kingdom, Canada and the Soviet Union are reportedly taking place at present.

#### Construction

18. Although no official implementation figures were released, it is highly improbable that the over-ambitious 21% growth target for 1976 has been fulfilled. Indeed, both the state housing and the investment plans were underfulfilled. Moreover, the increasing price of construction materials has slowed down private building. There were, in fact, deficiencies in the construction industry and in the assembly of equipment which "led to delays in the commissioning of some units and to failure to reach the investment targets" (Ceausescu).

#### Transport

19. The plan for merchandise transport was underfulfilled (Plan: 5.8%; actual 5.2%) and the growth of the sector as a whole was probably the lowest in the last seven years as passenger transport fared poorly (+0.4%). However, it is not easy to explain why the transport sector, especially commodity transport, has been so sluggish (the 1977 Plan provides for a 3% increase only) in comparison with NMP and industrial activities, to which it is an indispensable complement.

E. FOREIGN TRADE

Trade Turnover

20. Romania carries on more than half of its trade with non-Communist nations. Trade with the latter has increased rapidly: the share of "capitalist" countries in Romanian trade increased from 35.7% in 1970 to 38.1% in 1975 and that with Less Developed Countries (LDCs) rose from 8.1% to 15.5% (Table 11). The share of trade with the industrial West is expected to decline slightly in the current five-year period, the gap being filled by the developing countries.

21. The share of trade with CMEA in general, and the Soviet Union in particular, has been steadily declining since 1960, although the USSR remains the main trading partner of Romania. The latter has to rely on imports of raw materials from other sources and its dependence on these has increased apace with industrialization(1). The diversification of Romania's imports away from the USSR has enabled the leadership to carry out autonomous economic policies.

22. In the current Five-Year Plan period the East European share in the value of Romanian trade may increase slightly, as the CMEA upward price revision begins to take effect. Nevertheless, Romania continues to be a reluctant participant in certain CMEA activities. In 1976-1980 trade with the USSR is expected to grow at a slow pace with little increase of Soviet exports of raw materials, even though the Romanians insist that the Soviets start off-setting their traditional trade deficits with some oil exports (until now Romania has not imported any Soviet oil but exported a small quantity of petroleum products to the USSR).

23. Foreign trade turnover in 1976 registered a 14.5% increase (14.9% in exports and 14.4% in imports). The 1976 plan targets were exceeded and the trade balance showed a surplus (exports: 30.5 billion lei; imports: 30.3 billion). Although a breakdown by area is not available, data released so far suggest that the structure of the Romanian trade balance has not changed: surplus with the USSR, CMEA and other Communist countries, as a whole, as well as with developing countries, but heavy deficit with the industrial West.

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(1) The country's purchases of fuel and raw materials grew from 32% to 38% of total imports in 1976/1975 (crude oil from 4.5 to 5 million tons, iron ore from 10 to 10.8 million tons, coking coal from 1.5 to 2.2 million tons).

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Hard currency indebtedness

24. As a result of the structural deficit with the West (resulting from imports of machinery, equipment and technology), Romania experiences a persistent shortage of hard currency and a growing level of indebtedness. The latter is not only bilateral, but also multilateral towards the IMF and the World Bank. The latter institution has helped Romania finance large scale infrastructure projects and industrialization (some emergency aid was offered after the March 1977 earthquake). On the whole, the level of hard currency indebtedness would seem to be less worrying than earlier in the seventies: as shown in Table 15, Romania is not as heavily indebted as some other Communist countries and occupies the medium point in the ranking of indebtedness after the USSR, Poland and East Germany but before Hungary, Bulgaria and Czechoslovakia. The country's indebtedness ratio, i.e. hard currency debt as a percentage of exports to hard currency countries, is relatively better (Table 12) than that of other socialist countries.

F. CONCLUSIONS AND PROSPECTS

25. The Romanian planners have set ambitious targets for 1977. Indeed, the lower than average 1976 plan (+10.5% for NMP) has made it necessary to raise the 1977 target (+11.3%) if the overall five-year plan is to be fulfilled (+11% on average). However, the 1977 prospects have been dimmed by the earthquake earlier this year. The epicentre was some thirty miles north of Ploiesti, the capital of the oil industry. Severe damages were reported to three refineries, which produce about 8 million metric tons of petroleum products a year, or more than a third of Romanian refining capacity. Major petrochemical works were also seriously damaged. The Bucharest industrial area was also badly hit: a major steel plant was reportedly "destroyed" and the largest sulphuric acid plant in the country suffered extensive damage. In the agricultural sector more than 30,000 heads of cattle were reported lost, which will further slow down the rate of increase of meat output resulting - possibly - in shortages of meat products.

26. The total cost of earthquake damage was assessed at 10 billion lei, i.e. less than 6% of this year's investment and less than 1% of the five-year planned total. It is, therefore, unlikely that the production targets of the Five-Year Plan will be modified. The only area where the impact of the earthquake will be really felt seems to be consumer's welfare. It is probably to offset the adverse effects of this situation that the régime has put so much stress on forthcoming wage and pension rises.

27. To sum up, the characteristics of the Romanian economy in the years to come are not likely to differ from those of the past: a relatively low but steady growth in standards of living, an impressive overall growth, a high investment rate, an unrelenting drive for industrialization, coupled with migration from the rural areas, a continuing pressure from the leadership for higher outputs despite the relatively unskilled labour force, a continuing high level of capital goods and technology imports from the West, coupled with a scarcity of hard currency, and a high level of foreign indebtedness. A degree of economic rapprochement with the USSR is likely to take place dictated by mutual interest and the Romanian desire to step up raw material imports to balance its current trade surplus with that country.

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MAIN SOURCES

Anuarul Statistic al Republicii Socialiste Romania, especially Tables 32, 35 and 36

Economic Commission for Europe, Economic Survey of Europe, 1975 and 1976

A.T., "Realisation de la Roumanie en 1974", idem 1975, idem 1976, in Courrier des pays de l'est

NATO document AC/127-WP/486

Radio Free Europe Research, especially issues of: 11th March, 1976; 23rd November, 1976; 18th February, 1977

United Kingdom Ministry of Defence, classified papers

United States Embassy in Bucharest, dispatches

Press reports

TABLE 1  
RANKING OF EAST EUROPEAN COUNTRIES  
BY NMP GROWTH RATES - 1975-1976

	<u>1975</u>	<u>(plan)</u>	<u>1976</u>
	<u>(actual)</u>		<u>(actual)</u>
	%	%	%
Romania	9.8	10.5	10.5
Bulgaria	9.0	9.0	7.0
Poland	8.0	8.3	7.5
Czechoslovakia	6.0	5.0	4.0
East Germany	5.0	5.3	3.7
Hungary	5.0	5.0	3.0
USSR	4.0	5.4	5.0

TABLE 2  
1976 ANNUAL PLAN IMPLEMENTATION  
GROWTH RATES AND FULFILMENT INDICES

	Plan	Actual	Fulfilment Index
	%	%	(Actual/Plan x 100) %
<u>A. Macroeconomic variables</u>			
NMP	10.5	10.5	100.0
Capital expenditure	19.4	8.2	90.6
Retail sales	10.6	8.6	98.2
Foreign trade turnover	14.3	14.5	100.2
Real wages	8/8.7	6.1	97.6/98.2
Changes in price level	1.0	0.9	-
<u>B. Sectoral variables</u>			
Agricultural output	15/26.6	17.2	92.6/101.9
Industrial output	10.2	11.5	101.2
Labour productivity in industry	8.5	8.8	100.3
Construction	21.6	-	- underfulfilled -
Housing (no. of apt's)	145,000	138,200	95.3

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TABLE 3

ACTUAL 1976 PERFORMANCE AND PLANNED  
1977 AND FIVE-YEAR TARGETS

	1976 (Actual)	1977 (Plan)	1976-80 (Plan)
<u>A. Macroeconomic variables</u>			
NMP	10.5	11.3	11.0
Capital expenditure	8.2	16.7	12.9
Retail sales	8.6	8.4	8.7
Foreign trade turnover	14.5	15.5	13.7/15
<u>B. Sectoral variables</u>			
Agricultural output	17.2	13.6	5.1/7.6
Industrial output	11.5	10.5	11.2
Labour productivity in industry	8.8	9.2	9.0
Housing (no. of apt's)	138,200	192,000	815,000

TABLE 4

GROWTH RATES IN AGGREGATE DOMESTIC  
VARIABLES (1973-1976)

	1973	1974	1975	1976
Net Material Product	10.4	12.3	9.8	10.5
Capital expenditure	8.2	13.3	16.6	8.2
Retail sales	7.8	9.6	7.7	8.6
Real wages	3.2	4.5	6.9	6.1
Per capita real income	4.2	6.8	5.4	9.5

TABLE 5  
EMPLOYMENT BY BRANCH OF ACTIVITY  
(1950-1975)

%

	1950	1960	1970	1975
Industry	12.0	15.1	23.0	30.6
Construction	2.2	4.9	7.8	8.1
Agriculture	74.1	65.4	49.1	37.8
Transport & Communication	2.2	2.8	4.3	5.0

TABLE 6  
NMP BY BRANCH OF ACTIVITY  
(1950-1975)

%

	1950	1960	1970	1975
Industry	44.0	44.1	58.0	56.2
Construction	6.0	9.0	10.4	7.6
Agriculture	27.8	33.0	18.5	16.0
Transport & Communication	4.3	3.8	6.0	5.3
Other	17.9	10.1	7.1	14.4
TOTAL NMP	100.0	100.0	100.0	100.0

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TABLE 7  
SECTORAL GROWTH RATES  
(1973-1976)

%

	1973	1974	1975	1976
Industry	14.4	14.7	12.4	11.5
Construction	5.1	4.9	8.5	n.a.
Housing (thousands of apartments)	100.6	107.1	130.5	138.2
Agriculture	0.8	1.5	2.5	17.2
Transport of goods	6.5	11.4	22.0	5.2
Transport of passengers	8.4	10.1	14.1	0.4

TABLE 8  
KEY CROPS AND ANIMAL STOCKS  
(1975-1976)

	1975	1976 (Plan) (Actual)		% growth rate in 1976
Cereals (th. tons)	15,219	20,570	19,794	30.1
Sugar (th. tons)	4,902	7,200	6,900	40.8
Cattle (th. heads)	6,126	6,620	6,349	3.6
Pigs (th. heads)	8,812	10,250	10,192	15.7

TABLE 9  
INDUSTRIAL OUTPUT BY BRANCHES  
INDEX NUMBERS (1970 = 100)

	1974	1975	1976	% growth in 1976
Electricity	143	159	174	9.2
Fuels	120	129	139	7.5
Ferrous metallurgy	151	171	191	11.6
Non-ferrous metallurgy	146	161	173	7.6
Engineering and metalworks	194	230	258	12.2
Chemicals	182	208	241	16.1
Building materials	146	161	184	14.5
Textiles	170	177	200	13.1
Food	136	143	157	9.5
ALL INDUSTRY	164	184	205	11.5

TABLE 10  
PLANNED SOURCES OF ELECTRICAL POWER  
PERCENTAGE VALUES

	1975 (Actual)	1980 (Plan)
Oil and gas	73.4*	70.6
Coal	19.7	23.5
Water	3.6	4.0
Secondary sources	3.3	1.9

\* Approximately two thirds gas and one third oil

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TABLE 11  
SHARES OF FOREIGN TRADE TURNOVER  
PERCENTAGE VALUES  
(1960-1975)

	Total (million currency - lei)	Share of USSR	Share of CMEA	Share of Industrial West	Share of LDCs
1960	8,189	40.1	66.6	22.2	4.7
1965	13,072	38.8	60.4	28.9	6.0
1970	22,866	27.0	48.9	35.7	8.1
1975	53,095	18.6	37.5	38.1	15.5
1976	60,800*	n.a.	n.a.	n.a.	n.a.

\* Preliminary

TABLE 12  
HARD CURRENCY INDEBTEDNESS AND  
EXPORTS TO THE WEST  
(1970-1976)

(Billion US dollars)

	Indebtedness (1)	Exports (2)	% ratio (1)/(2)
1970	1.2	0.566	212
1974	2.6	2.223	117
1975	3.0	1.738	173
1976	3.3	n.a.	n.a.

TABLE 13

SELECTED MACROECONOMIC VARIABLES - 1948-1976

	GNP (billion current \$)	Population (million)	NMP (million lei) <sup>a</sup>	Investment (million lei) <sup>a</sup>	Foreign Trade Turnover (million currency lei)	Foreign Trade Balance (million currency lei)
1948		16.000 <sup>c</sup>	23	n.a.	1,648	144
1949			n.a.	5.0	2,321	(-) 3
1950			35	6.3	2,735	(-) 187
1951			45	8.6	3,216	(-) 56
1952			48	11.3	4,009	(-) 357
1953			56	14.4	4,973	(-) 581
1954			53	13.0	4,544	(-) 112
1955			68	14.6	5,301	(-) 241
1956		17.500	63	16.7	5,075	247
1957		17.829	73	16.4	5,416	(-) 486
1958		18.056	76	18.2	5,700	(-) 80
1959		18.226	86	21.2	6,146	122
1960	19.0	18.403	95	27.7	8,189	415
1961		18.567	105	32.6	9,643	(-) 133
1962		18.681	109	36.8	10,554	(-) 738
1963		18.813	120	39.6	11,622	(-) 642
1964		18.927	133	43.5	13,009	(-) 1,009
1965	25.2	10.027	146	47.2	13,072	146
1966		19.120 <sup>c</sup>	161	51.6	14,396	(-) 162
1967		19.285	172	60.2	17,649	(-) 1905
1968		19.721	184	67.3	18,465	(-) 843
1969		20.018	199	71.7	20,242	(-) 644
1970	33.8	20.253	212.1 <sup>b</sup>	80.0	22,866	(-) 656
1971	36.9	20.470	240	88.4	25,222	(-) 10
1972	40.0	20.663	265	97.5	28,838	(-) 92
1973	43.3	20.828	293	105.7	35,994	1,158
1974	47.5	21.029	229	119.7	49,789	(-) 1,337
1975	51.4	21.245	361.9	137.7	53,095	(-) 1
1976			400.0	149.0	60,800	200

**Notes :** a. Till 1965 : 1959 prices  
After 1965 : 1963 prices  
1963/1959 : 99.6544

b. Base year for calculations performed on indexes: 1970

c. Estimate

TABLE 14

ROMANIAN POPULATION AS OF JANUARY 1977

	<u>Total</u>	<u>Percentage</u>
Romanians	19,001,721	88.137
Aromanians	644	.003
Macedo-Romanians	1,179	0.005
Hungarians	1,705,810	7.912
Szeklers	1,064	0.004
Germans	348,444	1.616
Saxons	5,930	0.028
Swabians	4,358	0.020
Gypsies	229,986	1.067
Ukranians	54,429	0.252
Ruthenians	988	0.003
Serbs	34,034	0.158
Croats	7,617	0.035
Slovenians	707	0.003
Russians	20,653	0.096
Lippovan	11,494	0.053
Jews	25,686	0.119
Tartars	23,107	0.107
Slovaks	22,037	0.102
Turks	23,303	0.108
Czechs	7,756	0.036
Greeks	6,607	0.031
Polish	4,756	0.022
Armenians	2,436	0.011
Other nationalities	4,141	0.019
<b>TOTAL</b>	<u>21,548,887</u>	<u>100.000</u>

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TABLE 15  
EASTERN EUROPE: NET HARD CURRENCY DEBT

	Billion US \$			
	<u>1970</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Total Net Debt of which:	<u>6.5</u>	<u>18.2</u>	<u>29.0</u>	<u>39.1</u>
USSR	1.9	5.0	10.0	14.0
Poland	0.8	3.9	6.9	10.0
East Germany	1.0	2.8	3.8	4.8
Romania	1.2	2.6	3.0	3.3
Hungary	0.6	1.5	2.1	2.6
Czechoslovakia	0.3	1.1	1.5	2.1
Bulgaria	0.7	1.2	1.8	2.3
Portion held by Commercial Banks in the West(1)/(2) of which:	0.5	6.4	15.3	20.6(3)
USSR	n.a.	-0.1	4.7	7.0
Poland	n.a.	1.7	3.4	4.4

- (1) Data include net East European liabilities in Western domestic currencies as well as Eurocurrencies. The data series is inconsistent because of reporting changes over time. The 1970 data represent net liability positions vis-à-vis reporting banks in Belgium, France, Germany, Italy, the Netherlands, Sweden, Switzerland, and the United Kingdom. The 1974 data also include reporting vis-à-vis banks in Luxembourg, Canada, Japan, and the US. Yearend data for 1975 and for the third quarter of 1976 include positions vis-à-vis offshore branches of US banks.
- (2) Estimated. Incomplete reporting from Swiss, Canadian, US and Japanese banks precludes a precise breakout of net liabilities by individual East European country.
- (3) As of 30th September, 1976.