



THE 11TH EDITION OF THE INTERNATIONAL CONFERENCE
EUROPEAN INTEGRATION
REALITIES AND PERSPECTIVES

The Effects It Has Had the Romanian Accession to the European Union on Trading Policy

Alexandru-George Marcu¹, Alexandru-Narcis Serban²

Abstract: It reveals that imports have increased in the last decade compared to exports, which had an importance quite special, and taken the fact that for two decades, every year, the trade balance of Romania was deficient in terms of exports and politics foreign trade. Moreover, the balance has increased exponentially in recent times.

Keywords: export; import; commercial ballance

1. Introduction

The purpose of this paper is to put in perspective the trade policy before and after Romania's accession to the European Union as well as the impact felt by the variation of prices both in foreign trade and domestic trade, advantages and disadvantages of Romania's convergence to EU trade policy. This paper has particular importance given that these changes affect us at both macroeconomic and microeconomic level. The aim of the study is to weigh trade policies post - accession and pre-accession and to analyze the economic impact. We aim to show the consequences that has had or would have had to have positively on the balance of payments and trade policy on post accession, and multilateral and regional commercial effect. We are interested to watch and to prove if there was positive impact on the role of economic diplomacy and the role of economic policy abroad for promoting and sustaining economic interests and trade sectors, Romanian public and private externally and increasing contribution to attracting foreign investments in Romania and expand cooperation with foreign partners on third party markets.

In the paper by Octavian Gh. Botez and Madalina Militaru entitled "*Politica Comercială A României În Perioada De Pre Și Postaderare la Uniunea Europeană/ Romania's trade policy in the pre and post EU accession.*" It is highlighted the economic and commercial impact it had Romania's integration into the European Union on 1st January 2007. In another work of Octavian Gh. Botez, called "*Romania's trade balance - annually two decades' deficit balance*" written with Simona Corina Gudei reveals that Romania's trade balance was poor, moreover, this deficit is growing.

¹Student, Danubius University of Galati, Romania, Address: 3 Galati Blvd., Galati 800654, Romania, Tel.: +40372361102, Corresponding author: alexandrugeorge.marcu@idanubius.ro.

²Student, Danubius University of Galati, Romania, Address: 3 Galati Blvd., Galati 800654, Romania, Tel.: +40372361102, Corresponding author: alexandruncis.serban@idanubius.ro.

2. Content

During the process of drafting the article we studied a series of articles and specialized works and data provided by EOROSTAT, INESEE, tradingeconomics.com.

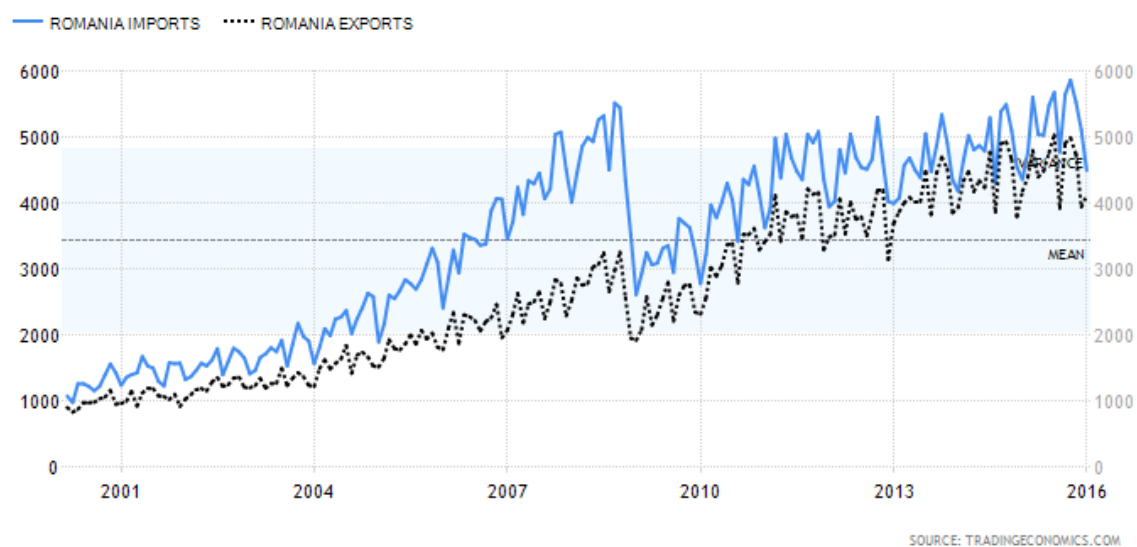


Figure 1. Comparison between imports and exports of Romania in the period 2000-2016 expressed in million euros

Source. www.tradingeconomics.com.

Note that the rate of imports increased more than exports resulting from that of an influx of foreign products and services that lead, ultimately, to export capital on foreign markets. Maximizing imports lead to a destabilization of the Romanian economic market by discouraging consumption of Romanian products and reinvestment of capital in the Romanian market. From the trading perspective, joining the European Union has led to market liberalization that generated Romania effects more destructive to the economy than constructive producing comparative advantage that large chains foreign holding a diverse portfolio of products and financial strength that is superior to of domestic producers.

The offer great foreign merchants brought an influx of foreign products on the Romanian market, a much lower price compared to their similar products made in Romania, but also of poor quality compared to domestic products. These higher prices are due to deficient tax system and production technology.

In the period 2001-2009, the group of mineral fuels, lubricants and derivative balance recorded a cumulative deficit of 20 billion euros, accounting for oil and gas import necessary especially manufacturing.

In the following, we summarize the graphic evolution of Romania's trade balance in 2006 on export FOB (Freight on Board) and CIF (Cost Insurance and Freight).

Table 1. Evolution of the Romanian trade balance of goods in large groups during the years 2006-2010 expressed in million euros.

<i>Name of activity</i>		Export FOB			Import CIF		
		2008	2009	2010	2008	2009	2010
Total		33.725	29.084	37.368	57.240	38.953	46.902
<i>Name of activity</i>		Export FOB			Import CIF		
		2006	2007	2008	2006	2007	2008
Total		25.850	29.549	33.725	40.746	51.322	57.240
1.	<i>Products of agriculture and hunting</i>	553	614	1368	547	1038	1274
2.	<i>Products of forestry and logging</i>	18	23	30	29	28	19
3.	<i>Fish and other fishing products</i>	*)	1	1	8	13	20
4.	<i>Coal and lignite; peat</i>	1	6	1	303	368	395
5.	<i>Crude petroleum and natural gas</i>	-	*)	-	4532	4291	5350
6.	<i>Metal ores</i>	52	23	39	429	483	283
7.	<i>Other mining and quarrying products</i>	15	17	17	85	100	139
8.	<i>Food products and beverages</i>	318	407	564	1724	2283	3042
9.	<i>Tabaco products</i>	9	135	262	199	61	76
10.	<i>Textile products</i>	1017	1052	1009	2761	2853	2585
11.	<i>Wearing apparel; furs</i>	3179	2880	2533	510	652	780
12.	<i>Leather and leather products</i>	1523	1502	1388	1102	1203	1174
13.	<i>Wood and products of wood (except furniture)</i>	956	1003	961	363	557	591
14.	<i>Pulp, paper and paper products</i>	105	144	129	635	734	798
15.	<i>Printed matter and recorded media</i>	29	40	51	138	165	204
16.	<i>Coke, refined petroleum products and nuclear fuel</i>	2420	2078	2777	638	796	1279
17.	<i>Chemicals, chemical products and man-made fibres</i>	1426	1666	2034	2956	4784	5645
18.	<i>Rubber and plastic products</i>	706	976	1199	1979	2353	2539
19.	<i>Other non-metallic mineral products</i>	246	278	252	789	1057	1256
20.	<i>Basic metals</i>	3321	2984	4017	2400	3645	4305
21.	<i>Fabricated metal products (except machinery and equipment)</i>	653	890	994	1800	2334	2555
22.	<i>Machinery and equipment</i>	1981	2535	2922	4459	5995	6315

Source. National Statistics Institute Annual Summary Archive, www.inesee.ro.

After analyzing the table, we see a lower deficit in trade balance compared to the post-accession period there were inedible materials, non-exclusive fuel which proves that have exported more raw materials than finished products that are more valuable for export.

We can also notice only if the group of beverages and tobacco significant growth after a slump between 2007-2008. This is from 317 to 46 million euro and became surplus only after 2007 with a

value of 100 million euros. In our opinion this variation occurred due to the advanced technologies used abroad which lead to better prices for foreign merchandises. The lack of investments in technology from Romania led to an abnormal situation for Romania, which was the cumulative negative balance of trade in the product groups food and live animals as well as oils and fats of animal and vegetable although Romania is a country with tradition and great agricultural potential. The amounts were built between 2001-2009 at a cumulative negative balance of 13 billion euros, continuing its growth until now.

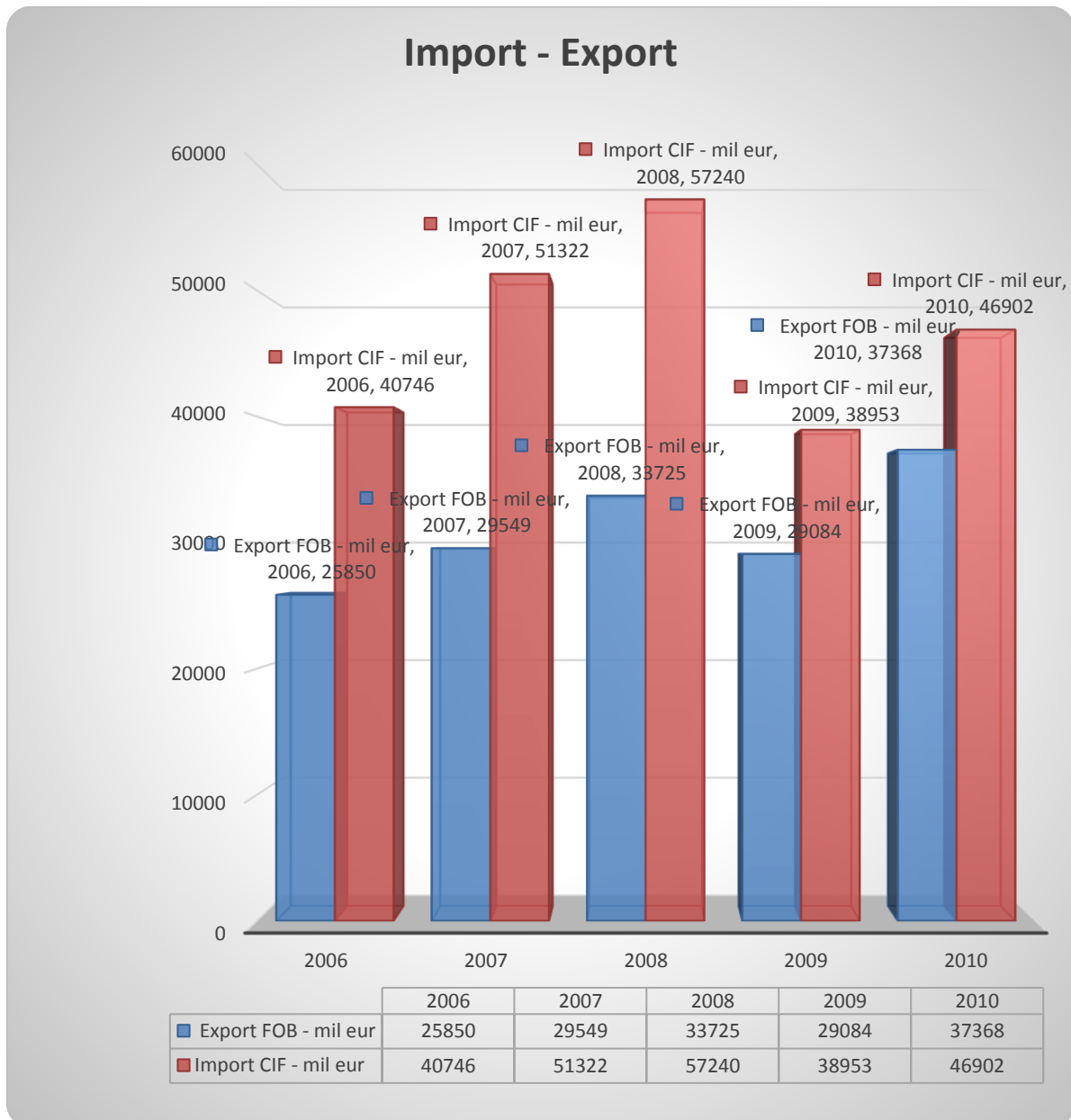


Figure 2. Import- Export 2006 – 2010 Shown in millions euro adapted from www.insee.ro.

3. Conclusions

Through this paper we have tried to demonstrate that Romania's EU entry on January 1, 2007 brought as consequences a decline in exports of finished materials and a massive import of consumer goods. This work balance both pre- accession economic situation and the post- accession.

We propose that Romania take some decisions responsabilabile regarding a serious analysis and thorough on the danger they represent the passive attitude of present exports and curbing imports at very low prices leading to destabilization of the Romanian market that make a detriment of manufacturers and traders Romanian products. Optimizing imports and upgrade the agricultural and industrial construction, in tourism and other services including addressing serious diplomacy abroad can bring a plus Romania and only then can we talk of extra capital and default evolving concrete economic. We also setting up a special ministry to manage trade policy both exterior, interior and by allocating significant budgets but also certain tax advantages for achieving a national strategy for export and import.

4. References

Botez, O.Gh. & Militaru, M. (2006). *Comerțul internațional și comerțul exterior al României/International Trade and Romania's foreign trade*. Bucharest: Editura Fundației România de Mâine.

Botez, O.Gh & Militaru, M. (2007). *Politica comercială a României în perioada de pre și postaderare la Uniunea Europeană/Romania's trade policy in the pre and post EU accession*. Bucharest: Editura Fundatiei Romania de Maine.

<http://www.insse.ro>.

<http://www.tradingeconomics.com/>.