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ECONOMIC COMMITTEE

RECENT ECONOMIC TRENDS AND OUTLOOK IN ROMANIA

Note by the Secretary

The attached paper, prepared by the French Delegation, constitutes the main contribution to the Committee's examination of the economic situation in Romania at the reinforced meetings on 3rd and 4th June.

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This document includes: 7 Annexes

RECENT ECONOMIC TRENDS AND OUTLOOK IN ROMANIA

Note by the French Delegation

Despite difficulties and despite pressure from the USSR, Romania remains faithful to a model of economic development taken directly from the Stalinist blueprint.

Single-minded determination, industrialisation and national independence are the hallmarks of a Plan in which the standard-of-living of the population has been deliberately jettisoned without regard for the risk of serious social unrest.

The Stalinist nature of the Romanian régime means that efforts are permanently directed towards the implementation of the Plan whose intentionally ambitious targets are not always compatible with the country's economic capacities. Because of this, there is little point in testing the coherence of the plans by an analysis of the main aggregates in the national accounts. The only yardstick to which reference can be made is the essential "balances-commodities" yardstick used by the Romanian planners.

1. Implementation of the Five-Year Plan 1971-1975

1.1 Internal balances

Completion of the 1971-1975 Five-Year Plan was announced by the Party Central Committee in an official communiqué dated 4th February, 1976. This was two months ahead of schedule. In fact, by reference to the directives issued by the Tenth Party Congress in August 1969, goals were reached over six months before the end of the period.

By and large, the sought-after expansion of the Romanian economy was achieved, particularly in the industrial sector. The programme of rapid industrialisation proceeded in accordance with the Plan although at the price of an unprecedented effort investment-wise and of a slower rate of improvement in the standard-of-living. In 1975, however, efforts flagged to an extent which cannot be fully gauged for the present. The reasons for this down-turn - economic climate or structural weaknesses - will not be established until the 1976 results are available. The average rate of increase in national income over the five-year period was 11.3%. In 1975 however, this fell to 9.8% instead of the 14% forecast.

1.1.1 Industrial sector

The industrial sector, which had been given priority, expanded at a yearly rate of 13.1% which was well above the target but in 1975 was only 12.4% instead of the 17% provided for in the Plan (cf. Annex A).

The best results were obtained in metalworking, mechanical engineering and precision industries, such as optics and precision tools. On the other hand, planning targets were not met in the energy sector particularly as regards oil and gas extraction. The same is true of the chemical, building materials and food industries. The capital equipment sector retained its priority over consumer goods.

This rate of industrialisation was achieved only by a very considerable effort made at the expense of consumption. Between 1971 and 1975, the volume of investments was equal to about 34% of national income. A very substantial proportion of industrial jobs created by this industrial expansion were filled by rural labour. Over a period of five years, the movement away from the countryside has reduced the peasant population by about 20%. What is more, it is the young and relatively well qualified who have gone into the new jobs. The rapid expansion of industry, applied in accordance with the same methods, has created a problem of labour productivity. Performances in this area are well below those provided for in the Plan: Productivity has increased by 37% in five years as against the target of 42%. Results for 1975 show an even sharper drop with an increase of 7% compared with the target of 10.3%. Compliance by enterprises with the many directives designed to achieve more economical use of raw materials has been no better. Against the planned overall reduction in production costs of 11-12% the actual figure was 9.2%.

1.1.2 Agricultural sector

Agricultural output was not up to expectations. The Plan provided for an increase of 36-49% for the five-year period as compared with the previous five years. The increase actually achieved was only 25.4% and, in 1975, a mere 2.5%. Failure to meet the targets has been recorded for practically all products, particularly grain, fruit, potatoes, oil and meat. Production of fertilizer is also substantially below forecasts: 1,730,000 tons as compared with the 2,600,000 tons planned for. Likewise, only 1,500,000 hectares of land were irrigated instead of 2,100,000.

A severe shortage of livestock, particularly sheep and pigs, was reported by Mr. Ceaucescu in 1976.

The Romanian leaders have used the 1975 floods to explain the agricultural inadequacies. They are nonetheless aware that poor weather is not the only reason for the agricultural morass. Romania's agriculture is in fact beset by structural weaknesses. There is, first and foremost, a dearth of qualified labour. The movement away from the country and into industry reduced the agricultural population from 49% of the working population to 30% between 1971 and 1975. The loss of young people has meant that the average age of those left behind and the preponderance of women is constantly rising. The ensuing sharp drop in the level of skills has resulted in the inadequate use of agricultural equipment, plentiful though it is: 118,000 tractors and 18,000 combine-harvesters. To this must be added a shortage of transport and of grain storage facilities.

1.2 External balances

1.2.1 Aims and organization of foreign trade

Foreign trade is subordinated to the specific needs of national production and consumption which themselves are governed by strict planning. It is an essential aspect of the policy of rapid industrialisation.

Within this context, trade takes on a special meaning.

The purpose of exports is twofold:

- To obtain the means of paying for imports.
- To obtain increased outlets on foreign markets for manufactured items with a view to the launching of long production runs at the lowest possible cost.

Imports, selected in the light of the requirements of industrialisation, are designed to provide Romania with the technological equipment and know-how which cannot be obtained nationally.

Foreign trade has been reorganized for greater efficiency by means of a number of laws and decrees(1).

- The technical ministries are responsible for the "foreign trade enterprises" which handle the import of priority equipment and goods.
- The Foreign Trade Ministry controls only four enterprises.
- A large number of "foreign trade enterprises" are directly subordinated to the production units.
- Some industrial complexes even have an "import-export department" which deals with foreign transactions.

(1) The basic law on this matter is that of 17th March, 1971

Depending on the extent of their autonomy, a distinction can be made between:

(a) Enterprises directly subordinated to the central departments of a ministry.

(b) Enterprises acting on behalf of one or more "central" economic units.

(c) "Import-export" departments in central economic units which are treated as foreign trade enterprises.

The first two types of enterprise are legal entities and manage their own funds. They are moreover like the third type held accountable for the profitability of the transactions entrusted to them.

1.2.2 Relations with international economic organizations

Romania is a full member of the COMECON and is actively engaged within this body in countering the tendency towards supranational integration. The down-turn in world commercial activity however has caused Bucharest to moderate its opposition.

Of all the COMECON countries, Romania has the closest ties with the institutional system of the Western economies. It has been a member of GATT(1) since 1971, of the IMF(2) and of the IBRD(3) since 1972. It is in regular touch with the OECD(4) and the principal United Nations agencies. In 1976 Romania became a member of the UNCTAD "Group of 77"(5).

In 1973 it was granted the benefits of generalised preferences by the EEC(6). Romania is thus in a position to keep a close watch on the growth of contacts between the COMECON and the EEC. Its attitude in this respect is one of considerable caution. While on the one hand it is prepared to negotiate directly with the Brussels authorities, it would not like Moscow to take advantage of this in order to increase the powers of the COMECON institutions.

1.2.3 Trade

The average rate of increase (18.4%) in trade was higher than the figure set in the directives (10%) despite a marked drop in 1975 (only 6.6%). While trade is more or less

(1) General Agreement on Tariffs and Trade
(2) International Monetary Fund
(3) International Bank for Reconstruction and Development
(4) Organization for Economic Co-operation and Development
(5) United Nations Conference on Trade and Development
(6) European Economic Community

in balance overall, the fact that Eastern currencies are non-convertible means that negative balances in convertible currencies cannot be offset. The Socialist countries' share of trade dropped from 55.9% in 1970 to 41.1% in 1974, including 33.8% with the COMECON. During the same period, the proportion of overall trade conducted with the West rose from 36% to 45.3% of which 29.8%(1) was with the EEC. After a period of stagnation lasting from 1970 to 1973, the proportion of trade with the developing countries began to rise again in 1974 (cf. Annexes C and D).

The positive, but non-convertible, balance with the COMECON provides one explanation, among others, for the Romanian tendency to reduce its trade with the COMECON countries and to import Soviet oil in order to use up its rouble holdings.

The chronically adverse balance in convertible currencies is financed by loans. In the immediate future, the application of this policy will be helped by the extension to Romania of the most-favoured nation clause, adopted by United States Congress in 1975. If account is taken of loans obtained on the Euro-dollar market, Romania's indebtedness can be put at over 3 milliard dollars. The 1974 ratio (exports/gross indebtedness) was 0.78(2) and puts Romania in the middle range of COMECON countries.

Trade with the industrialised West is essential, not only for the implementation of the industrialisation programme but also to buttress the current policy vis-à-vis the COMECON. The Romanians, who are banking on a lasting improvement in the competitiveness of their exports, particularly of manufactured goods, appear to take an optimistic view of their trade with the hard-currency countries. Pressure put on the Western governments with a view to obtaining GATT and Community privileges can be regarded as directed towards the consolidation of their position on Western markets. Romania is also working to improve its position in the Third World.

1.2.4 Trade with the developing countries

Since February 1976, Romania has been a full member of the "Group of 77" which includes practically all the developing, and particularly the oil-rich countries. It has trade links with over 90 developing countries (cf. Annex E).

(1) Without taking account of world inflation and its adverse impact on results
(2) cf. Annex F

By March 1976, 70 agreements had been reached with the governments of these countries(1). In addition, 18.5% of Romanian trade in 1975 was with those countries. Co-operation is growing and accounts for over 50% of the value of trade between Romania and the developing countries(2). It covers about one hundred projects of mutual interest in all the economic sectors, including nuclear energy production. Thirty mixed companies have been set up for this purpose. In 1976, 6,400 Romanian specialists are working in the Third World under co-operative programmes.

1.3 Results of the 1971-1975 Plan

The results of the 1971-1975 Plan, which on balance were satisfactory, were achieved as a consequence of the combined efforts of the Romanian people and of the personal authority of President Ceaucescu. The international situation was also favourable and this, inter alia, enabled Romania to obtain most-favoured nation treatment from the United States. In addition, its policy of national independence and non-alignment helped it to make economic headway in the Third World, particularly in Asia. Likewise, the repercussions of the international crisis were kept at bay fairly successfully until 1975.

2. Romania's economic outlook

The 1976-80 Plan, like its predecessor, is designed to strengthen Romania's economic independence through the priority development of its industrial potential. The investment effort will be continued at the expense of the material needs of the population(3) and the Romanian Government will have to look abroad, preferably to the Western countries, for the financial and technological aid which it will need.

The success of the newly launched Plan will therefore depend, on the one hand on political stability at home and, on the other hand, on continuing détente between East and West.

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(1) Of which 26 were with African countries, 21 with Arab countries, 12 with Latin American countries and 11 with Asian countries

(2) Value-wise, 85% of co-operation contracts are with the developing countries

(3) cf. Annex G. National income will increase by 54 to 60% between 1975 and 1980 but the real income of the population will increase by only 35 to 37%

Indeed, it is only a Stalinist-type of régime which can make the population accept the harsh living conditions which it has experienced over the past 25 years in the higher interests of the country. Until now, Mr. Ceaucescu's undeniable authority, stemming to a great extent from his policy of national independence, has limited the signs of discontent, particularly in rural areas, but there is no guarantee that the austerity which still prevails in Romania will be borne as meekly in the future as it has in the past.

Any change in the present régime, and in particular the replacement of Mr. Ceaucescu, would undoubtedly lead to a switch in economic policy and to a lowering of the Plan targets.

The success of the Plan likewise depends on the credits and new technology which Romania can get from the West. As a result of its policy of national independence, Mr. Ceaucescu's government has achieved the remarkable feat of obtaining community general preferences while also benefiting from the advantages of the COMECON of which Romania is an associate member as well as gaining admission to the "Group of 77"(1) in which most of the developing countries are represented.

On friendly terms with both the Western and Eastern sides as well as with the Third World countries, Romania is taking the maximum advantage of this privileged situation to obtain international aid(2) and build up its foreign trade.

For Bucharest, therefore, the pursuit of détente is a prerequisite for the success of the 1976-80 Plan. A return to the "cold war" between East and West would mean that Romania would have to side with the USSR and would put a stop to the development of its trade relations with the developing countries.

The success of the Plan seems closely linked with political stability both at home and abroad, which is not the case in other Socialist countries. Because it has been pushed to the limits of its capacity and because it is outward-looking, the Romanian economy is more vulnerable than that of most of the Socialist countries where trade within the COMECON, unaffected by fluctuations in the international economy, has pride of place.

In view of this element of uncertainty, any assessment of Romania's economic future must be carried out with all due circumspection.

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(1) The "Group of 77" now includes about 100 developing countries within the framework of the United Nations Conference on Trade and Development (UNCTAD)

(2) Membership of the group of developing countries enabled Romania to obtain world bank credits totalling $230 million between July 1974 and January 1975. In addition, Romania drew $135 million in SDR of which 47.5 million were taken from its gold allocation

Results of the 1971-1975 Plan

1975 LEVELS BY COMPARISON WITH 1970 (Base 100)

	Forecasts		Results	1970 results by comparison with 1974
	Tenth Congress directives	Five-Year Plan		
(0)	(1)	(2)	(3)	(4)
Social product	-	-	165.0	109.6
National income	145-150	169-176	170.6	109.8
Industrial production	150-157	169-176	184.7	112.4
Agricultural production (yearly average 1971-75 in relation to 1966-70)	128-131	136-149	125.4	102.5
Total volume of foreign trade (1971-75 in relation to 1966-70)	140-145	161-172	206.1	106.0
Total volume of State investments (1971-75 in relation to 1966-70)	148-153	165	168.3	116.6
Value of fixed assets in relation to State assets (1971-75 in relation to 1966-70)	-	-	167.8	114.2
Volume of goods carried	-	194-211	154.8	121.9
Increase in the workforce in the national economy	107.8-109.8	119.6	123.3	104.6
Per capita labour productivity				
- in industry	137-140	142	137.0	107.1
- in construction work	127-131	135	146.1	108.0
- in rail transport	133-135	133	127.2	103.3

(0)	(1)	(2)	(3)	(4)
Reductions in production costs per 1,000 lei worth of industrial goods	6-7	11-12	9.2	2.7
Retail trade	130-135	140-147	148.3	107.7
Volume of services to the population	140-145	155-161	168.6	107.3
Real earnings	116-120	120	120.0	106.8
Real income of the population	-	140-146	146.0	106.5
Per capita national income	137-142	-	162.6	108.7

FIVE-YEAR PLAN 1971-1975

INDUSTRIAL PRODUCTION

Products	Unit of measurement	Initial target	Revised target	Actual results	Rate of increase 1975/70
(0)	(1)	(2)	(3)	(4)	(5)
ELECTRICITY					
electrical energy	milliard KWH	58.0	56.5	53.7	+ 53.0%
GAS					
methane gas	milliard cu.m	25.5	26.8	27.0	+ 35.2%
FUEL, OIL					
crude oil	million ton	14.3	14.6	14.65	+ 9.1%
crude coal	million ton	37.9	29.8	29.4	+ 28.7%
IRON AND STEEL					
steel including:	million ton	9.5	10.1	9.5	+ 46.5%
steel alloys	million ton	0.9	0.9	0.9	+110.3%
laminated steel	million ton			6.8	+ 51.2%
NON-FERROUS METALS					
aluminium first smelting and alloys	million ton	0.2	0.2	0.2	+101.6%
ENGINEERING INDUSTRIES					
machine tools for metal working	milliard lei	2.7	3.3	3.2	+300.6%
diesel engines	units	300.0	343.0	334.0	+ 26.0%
precision engineering, optics	million lei			2.6	+234.3%
tractors	1,000 units	37.0	50.0	50.0	+ 70.7%
lorries and prime movers	1,000 units	37.0	35.0	36.0	+ 2.7%
motorcars	1,000 units	50.0	53.0	55.0	+241.6%
cross-country vehicles	1,000 units	?	?	12.0	+ 70.0%
naval construction	(1,000 gross tons	?	?	280.0	+385.8%
	(milliard lei	4.0	4.6	?	

(0)	(1)	(2)	(3)	(4)	(5)
ELECTRICAL AND ELECTRONIC INDUSTRIES					
total output of electric and electronic industries including:	milliard lei	27	31.9	32.4	+162.2%
- electronic control apparatus	milliard lei	9.5 ?	? 4.7	12 5.2	+227.4%
- automated equipment and computers	milliard lei	?	4.7	5.2	+408.9%
- electric engines (0.25 kW and over)	MW	?	6,230	6,521	+130.0%
- radio receivers	1,000 units	660	380	712	+ 56.5%
- television sets	1,000 units	500	550	512	+ 87.4%
- refrigerators	1,000 units	280	340	332	+145.5%
CHEMICAL INDUSTRIES					
sodium products	1,000 tons			1,259	+ 38.0%
sulphuric acid	1,000 tons			1,448	+ 45.6%
chemical fertilizer	million ton	2.6	2	1.7	+ 93.2%
plastics and synthetic resins	1,000 tons	520	472	347	+ 68.2%
synthetic yarn and fibres	1,000 tons	160	171	159	+106.9%
synthetic rubber	1,000 tons	137	112	99	+ 61.6%
pharmaceutical goods	million lei	?	?	3,088	+ 83.8%
PAPER AND CARDBOARD INDUSTRY					
paper and cardboard	1,000 tons	750	708	649	+ 26.4%
CONSTRUCTION MATERIALS					
cement	million ton	15	13.5	11.5	+ 41.8%
TIMBER INDUSTRY					
wood panels	1,000 tons	1,050	?	827	+ 93.1%
furniture	millions lei	7,400	10,000	10,000	+ 79.2%

(0)	(1)	(2)	(3)	(4)	(5)
TEXTILE INDUSTRIES					
cloth	million sq.m	1,000	1,017	866	+ 42.5%
knitted goods	million pieces	225	251	203	+ 45.5%
ready-to-wear	milliard lei			29	+124.5%
SHOES					
shoes	million pairs	87	101	87	+ 32.0%
FOOD INDUSTRIES					
meat	1,000 tons	880	822	713	+ 67.6%
edible oil	1,000 tons	400	305	321	+ 17.2%
sugar	1,000 tons	608	555	516	+ 37.0%
butter	1,000 tons			33	+ 7.5%
cheese	1,000 tons			96	+ 40.7%

Breakdown of Romanian foreign trade by group of countries (in percentage terms)

	1960	1970	1972	1973	1974	1980
Socialist countries	73.0	55.9	53.7	49.6	41.1	
including:						
COMECON	66.6	48.9	45.9	42.5	33.8	
Other Socialist countries	6.4	7.0	7.8	7.1	7.3	
Advanced Western countries	22.3	36.0	37.4	39.2	45.3	
including:						
EEC (9-member)	16.2	25.3	26.2	25.9	29.8	
Others	6.1	10.7	11.2	13.3	15.5	
Developing countries	4.3	7.8	8.1	7.9	11.5	
including:						
Arab countries and Iran	2.1	4.2	5.0	5.3		
Other Asian countries	1.6	2.6	2.0	1.9		
Other African countries	0.1	0.3	0.3	0.2		
Other American countries	0.5	0.7	0.8	0.4		
Miscellaneous(1)	0.4	0.3	0.8	3.3	2.1	
Total	100	100	100	100	100	

(1) Including Israel and Chile

It is of interest to note that the proportion of trade with the Socialist countries, particularly the COMECON countries, is falling steadily while the proportion of trade with the industrialised West is rising.

After a lull between 1970 and 1973, the proportion of trade with the developing countries started to increase again in 1974.

ANNEX D to
AC/127-WP/467

ROMANIA'S TWENTY MAIN TRADING PARTNERS IN 1974
(volume of trade in currency lei: $1 = 4.97 currency lei)

Position: Overall	Position: Supplier	Position: Customer	% of overall foreign trade	Country	Total value of increase. 74	Export increase. 74	Import increase. 74	Trade balance for Romania
1 - (1)	2 - (1)	1 - (1)	15.75 (21.1)	USSR	7,842.3 (+3.6%)	4,085.5 (- 1%)	3,756.8 (+ 9%)	+ 328.7
2 - (2)	1 - (2)	2 - (2)	12.59 (10.6)	FRG	6,271.2 (+ 64%)	2,349.8 (+ 36%)	3,921.4 (+ 87%)	-1,571.6
3 - (3)	4 - (3)	3 - (3)	5.72 (6.8)	GDR	2,850.4 (+16.4%)	1,510.4 (+ 14%)	1,340 (+ 19%)	+ 170.4
4 - (9)	3 - (9)	5 - (10)	5.31 (3.1)	UK	2,645.5 (+137%)	1,203.6 (+151%)	1,441.9 (+127%)	- 238.3
5 - (4)	6 - (4)	6 - (4)	4.48 (5.8)	Czechoslovakia	2,230.7 (+7.3%)	1,183.8 (+ 9%)	1,046.9 (+ 6%)	+ 136.9
6 - (5)	9 - (7)	4 - (5)	4.33 (4.8)	Italy	2,157.4 (+ 24%)	1,287.6 (+ 27%)	869.8 (+ 19%)	+ 417.8
7 - (16)	7 - (15)	8 - (17)	3.68 (1.8)	Switzerland	1,832.4 (+175%)	874.5 (+212%)	957.9 (+148%)	- 83.4
8 - (6)	10 - (10)	7 - (6)	3.67 (4.2)	Poland	1,827.9 (+ 22%)	982.3 (+ 6%)	845.6 (+ 49%)	+ 136.7
9 - (8)	8 - (8)	9 - (7)	3.49 (3.7)	Peoples Republic of China	1,738.2 (+ 32%)	833.8 (+ 30%)	904.4 (+ 34%)	- 70.6
10 - (7)	11 - (5)	10 - (8)	3.30 (4.0)	France	1,643.2 (+ 13%)	804.3 (+ 32%)	838.9 (0%)	- 34.6
11 - (10)	5 - (6)	20 - (16)	3.13 (3.0)	US	1,558.5 (+ 45%)	367.4 (+ 15%)	1,191.1 (+ 58%)	- 823.7
12 - (14)	14 - (17)	11 - (12)	2.82 (2.0)	Netherlands	1,407.7 (+ 96%)	750.7 (+ 83%)	657 (+114%)	+ 93.7
13 - (12)	15 - (12)	12 - (11)	2.76 (2.5)	Austria	1,377.2 (+ 52%)	732.0 (+ 63%)	645.2 (+ 42%)	+ 86.8
14 - (13)	17 - (13)	13 - (13)	2.48 (2.2)	Yugoslavia	1,238.4 (+ 55%)	641.9 (+ 65%)	596.5 (+ 47%)	+ 45.4
15 - (11)	16 - (11)	15 - (9)	2.26 (2.7)	Hungary	1,127.3 (+ 15%)	498.9 (- 4%)	628.4 (+ 36%)	- 129.5
16 - (17)	13 - (18)	19 - (18)	2.09 (1.5)	Iran	1,045.4 (+ 94%)	363.8 (+ 50%)	676.6 (+139%)	- 307.8
17 - (18)	12 - (14)	21 - (27)	2.05 (1.4)	Japan	1,026.6 (+ 99%)	279.1 (+130%)	745.5 (+ 91%)	- 466.4
18 - (15)	18 - (16)	16 - (14)	1.92 (2.0)	Bulgaria	956 (+ 34%)	446.2 (+ 21%)	509.8 (+ 49%)	- 63.6
19 -	19 -	18 - (19)	1.71	Lebanon	851.7 (+237%)	375.2 (+ 59%)	476.5 (+2,736%)	- 101.3
20 -	24 -	14 -	1.50	Egypt	749.3 (+172%)	540.8 (+231%)	208.5 (+2,500%)	+ 332.3

COMMENTS

(1) Romania's foreign trade remains highly concentrated: Transactions with the principal trading partners accounted for 85.10% (42,375.3 million currency lei) of the total value of trade (49,789.2 million currency lei). The rate of growth for 1974 was 38%.

(2) Two countries on the 1973 list of the twenty leading trade partners, namely Greece and Libya, have been overtaken by the Lebanon and Egypt.

(3) For the first time since 1945, the top place has been taken by a Western country, the Federal Republic of Germany.

(4) Despite remarkable progress on a number of Western markets (United Kingdom, Switzerland, the Netherlands) performances in the supplier countries are still inadequate.

(5) The drive to gain a foothold in the developing countries, particularly the Middle-East, is beginning to pay off.

(6) In 1974, the rate of growth for imports was 46.7% (25,563.4 million currency lei in all) and 30.4% for exports (24,225.7 million currency lei).

ECONOMIC CO-OPERATION BETWEEN ROMANIA AND THE DEVELOPING COUNTRIES

1. Jointly-built industrial plant

Latin America

Argentina: petroleum coke calcination plant 200,000 tons a year

Peru: Maquinas Herramientas Andinas SA joint company for the assembly of machine tools

Ecuador: Profaran joint company for the construction of a salicylic acid plant

Africa

Egypt: sodium products factory in Alexandria
tractor assembly plant in Helwan
sulphuric acid factory at Abu-Zabaal
phosphate exploitation and enrichment plant at Hamrawein

Sudan: cotton mill

Tunisia: M'Rata complex for the exploitation and processing of phosphates

Congo: forestry and timber complexes at Bétou and Brazzaville
synthetic textiles factory

Tanzania: ready-made clothing factory

Asia

Iran: Tabriz tractor factory
calcinated sodium factory
Neka timber complex

Jordan: Zarka refinery

Iraq: cement works
several bread factories

Lebanon: cement works

Syria: oil refinery with an annual capacity of 6 million tons (turn-key project)
washing-drying plant for phosphate concentrates
cement works

Bangladesh:	cotton mill
Philippines:	thermo-electric power station
India:	Gauthati oil refinery Haldia oil refinery Singareni thermo-electric power station
Pakistan:	Karachi oil refinery
Sri Lanka:	timber complex

2. Geological prospection, exploitation of deposits

Latin America

Argentina:	oil extraction (technical assistance and supply of boring gear and oil industry equipment)
Brazil:	oil extraction (supply of boring gear and oil industry equipment)
Ecuador:	Esepas joint company for oil boring
Colombia:	coking coal
Peru:	Antamina joint company for the extraction of non-ferrous ores oil extraction (technical assistance)
Venezuela:	oil extraction (technical assistance)

Africa

Algeria:	non-ferrous metals
Morocco:	copper ore
Central African Republic:	miscellaneous ores, liquid fuels, diamonds (Scaromines joint company)
Congo:	iron ore
Kenya:	lead deposits (Kmill joint company)
Zambia:	copper deposits (Mokambo joint company)
Zaire:	hydro-geological projects

Asia

Lebanon: iron ore

Syria: geological prospection
working of phosphates (Khneifiss complex)

Iran: mining and exploration (Geomet joint company)

Philippines: oil extraction (supply of boring gear and oil industry equipment)

India: oil extraction (supply of boring gear)

3. Miscellaneous co-operative ventures

Latin America

Brazil: assembly of tractors and construction tools in co-operation with the firm of Malves in San Paulo
provision of know-how and technical assistance in the pharmaceutical field
supply of construction tool assemblies

Ecuador: mining, oil industry and geological technical assistance

Mexico: supply of plant and tools for the chemical industry

Peru: technical assistance in the field of energy

Venezuela: technical assistance in the field of agriculture and the food industry

Africa

Algeria: raising of the K"Sob dam

Libya: public building and civil engineering works in Tripoli and elsewhere
building of the Terhuna-Beni-Walid road
building of a fishing port

Morocco: building of the port of Nador

Central African Republic: timber (Carombois and Laromboir joint companies)
cotton growing (Somcarom joint company)

Congo:	modernisation of the Brazzaville shipyards growing and marketing of cotton (Sacoton joint company)
Nigeria:	timber (Nirowi joint company)
Senegal:	extension of Dakar airport
Zaire:	Zairom agrozootechnical joint company

Asia

Jordan:	construction of an oil pipeline
Iraq:	construction of the Arbil and Baquba roads construction of agricultural colleges
Lebanon:	production of cement (Sybline joint company) marketing of machine tools (Socomex joint company) marketing of petroleum products (Merol joint company) marketing of agricultural produce and foodstuffs (Prodaco joint company)
Syria:	technical assistance for land improvement and agricultural irrigation
Iran:	improvement of the water supply system modernisation of the meteorological system construction of the Bandar Shapour fishing port growing of sunflowers construction of power lines

ESTIMATE OF THE FOREIGN CURRENCY DEBT BURDEN OF EAST EUROPEAN COUNTRIES AND THE SOVIET UNION IN 1974

	Gross debt burden at 31.12.73 in milliard dollars	1974 trade deficit in milliard dollars	Ratio(1) 1974 exports/gross debt burden
Bulgaria	1.0	0.5	0.45/1.5 = 0.30
Hungary	1.5	0.5	1.26/2.0 = 0.63
Poland	2.5	2.3	3.02/4.8 = 0.63
GDR	1.6	0.9	2.39/2.5 = 0.96
Romania	2.2	0.4	2.05/2.6 = 0.78
Czechoslovakia	0.8	0.4	1.66/1.2 = 1.38
Soviet Union	8.0	-0.2	8.39/7.8 = 1.08
Total 7 countries	17.6	5.8	19.21/23.3 = 0.82

(1) 1974 exports in convertible currencies compared to gross 1974 debt burden, the latter being estimated on the basis of the 1973 debt and the 1974 deficit

NOTE: Romania's foreign currency debt burden is average for the COMECON countries

MAIN 1976-1980 PLAN INDICATORS

	1980 compared with 1975 (1975 = 100)	Percentage average yearly growth rate
National income	154-161	9.0-10.0
Total industrial output	154-161	9.0-10.0
Total agricultural output	125-134	4.6- 6.0
Total investments in the economy	165-172	10.5-11.4
Volume of foreign trade	172-180	11.5-12.5
Number of persons employed	116-119	3.0- 3.5
Labour productivity (based on the present working week):		
- industry	138-142	6.7- 7.2
- construction and assembly	150-156	8.4- 9.4
- rail transport	120-126	3.7- 4.8
Total real income of the population	135-137	6.2- 6.5

Sources: Instructions approved by the XIth Congress of Romanian Communist Party concerning the 1976-1980 Five-Year Plan