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N A T O C O N F I D E N T I A L

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C-M(72)12

ROMANIAN INDEBTEDNESS

Report by the Economic Committee

In accordance with the Council's instructions(1) the Committee has undertaken a series of studies on the indebtedness of Communist countries to the West(2).

2. The attached report on Romania - the most heavily indebted of these countries - is the first of these studies.
3. The Council is invited to take note of this report.

(Signed) Y. LAULAN
Chairman

NATO,
1110 Brussels.

This document includes: 2 Annexes.

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- (1) C-M(70)2, C-R(70)8 and C-R(70)32.
 - (2) A general report on the indebtedness of Communist countries (C-M(72)13) is also submitted to the Council.

N A T O C O N F I D E N T I A L

ROMANIAN INDEBTEDNESS(1)

SUMMARY

1. By the end of 1970, the total outstanding commercial debt(1) of Romania to NATO countries amounted to \$789 million. This is greater than the indebtedness of any other East European country. Long-term credits account for about half the amount.

2. Since 1968 debt service has been a heavy burden on the Romanian foreign payments position. It is likely therefore that it is only thanks to certain facilities available abroad that the country for some years has been able and will be able to meet its obligations.

3. Future predictions are geared to the hypotheses selected as regards the volume of trade and new credits. Romania is likely, in any case, to experience over several years a difficult payments position, even on the assumption of an appreciable improvement in the trade balance.

I. PRESENT POSITION

A. Level and development of commercial debts to NATO countries

(i) Indebtedness

4. The volume of new credits granted to Romania was slight at the beginning of the 1960s but rose rapidly and reached the considerable annual average of \$244 million in the years 1966-1968. It fell back subsequently and was \$146 million in 1970.

(1) The indebtedness referred to in this paper is that arising from private export credits, officially backed by NATO countries. The figures quoted cover credits granted (capital plus interest) less reimbursements. Credits which have been opened, but not yet drawn, are included, hence indebtedness is somewhat overstated. It is, however, understated inasmuch as no information is available on credits of 180 days or less, non-guaranteed export credits, and financial credits not associated with specific purchases. Moreover, it has not been possible to take fully into account the sparse information available on credits from non-NATO countries (see paragraph 13).

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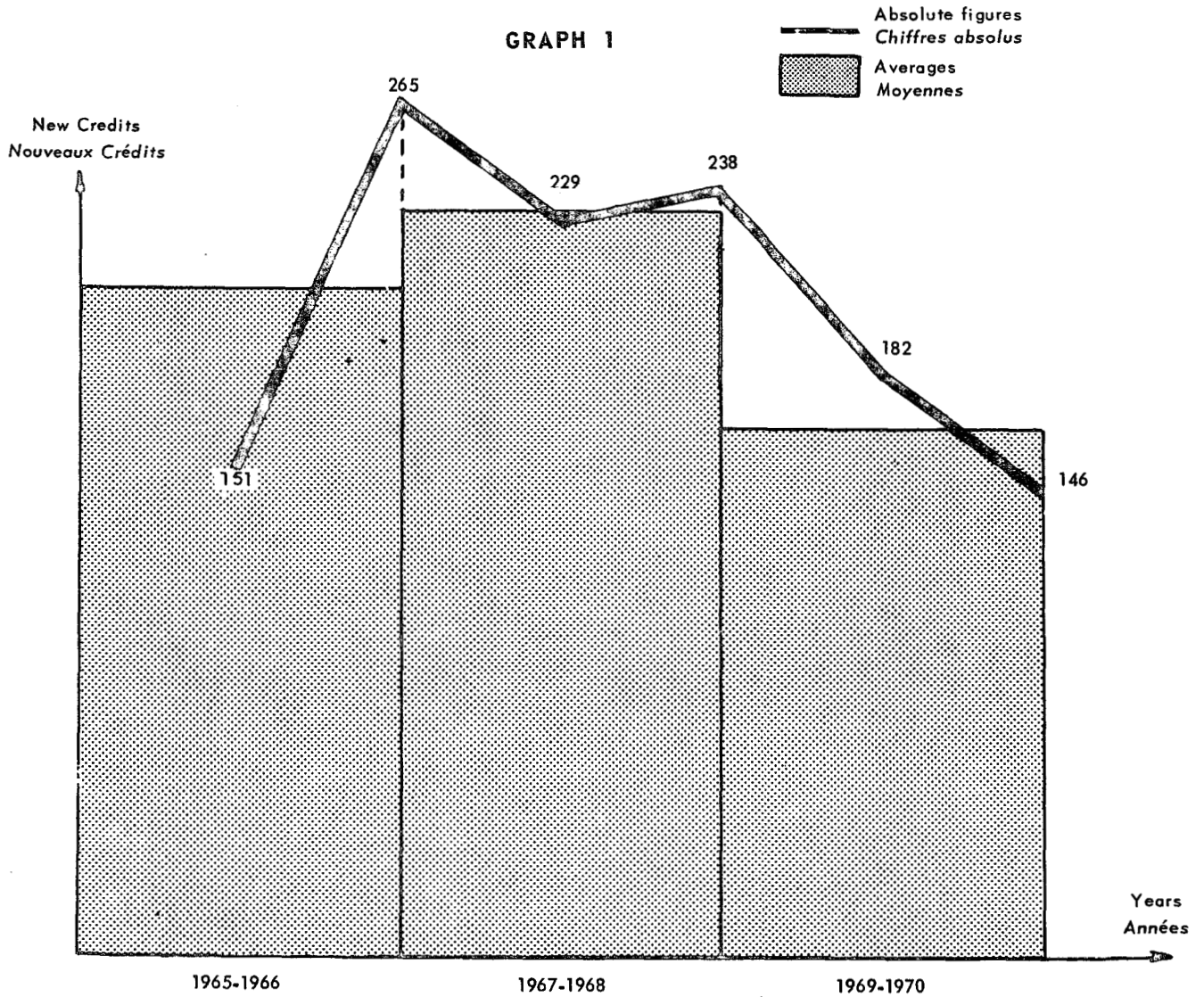
ROMANIA - ROUMANIE

NEW CREDITS GUARANTEED BY NATO COUNTRIES
 NOUVEAUX CREDITS GARANTIS PAR LES PAYS DE L'OTAN

(Million US \$ - Millions \$ EU)

NEW CREDITS NOUVEAUX CREDITS		AVERAGES MOYENNES	
YEARS ANNEES	NEW CREDITS NOUVEAUX CREDITS	YEARS ANNEES	AVERAGES MOYENNES
1965	151	1965-1966	208
1966	265		
1967	229	1967-1968	233
1968	238		
1969	182	1969-1970	164
1970	146		

GRAPH 1



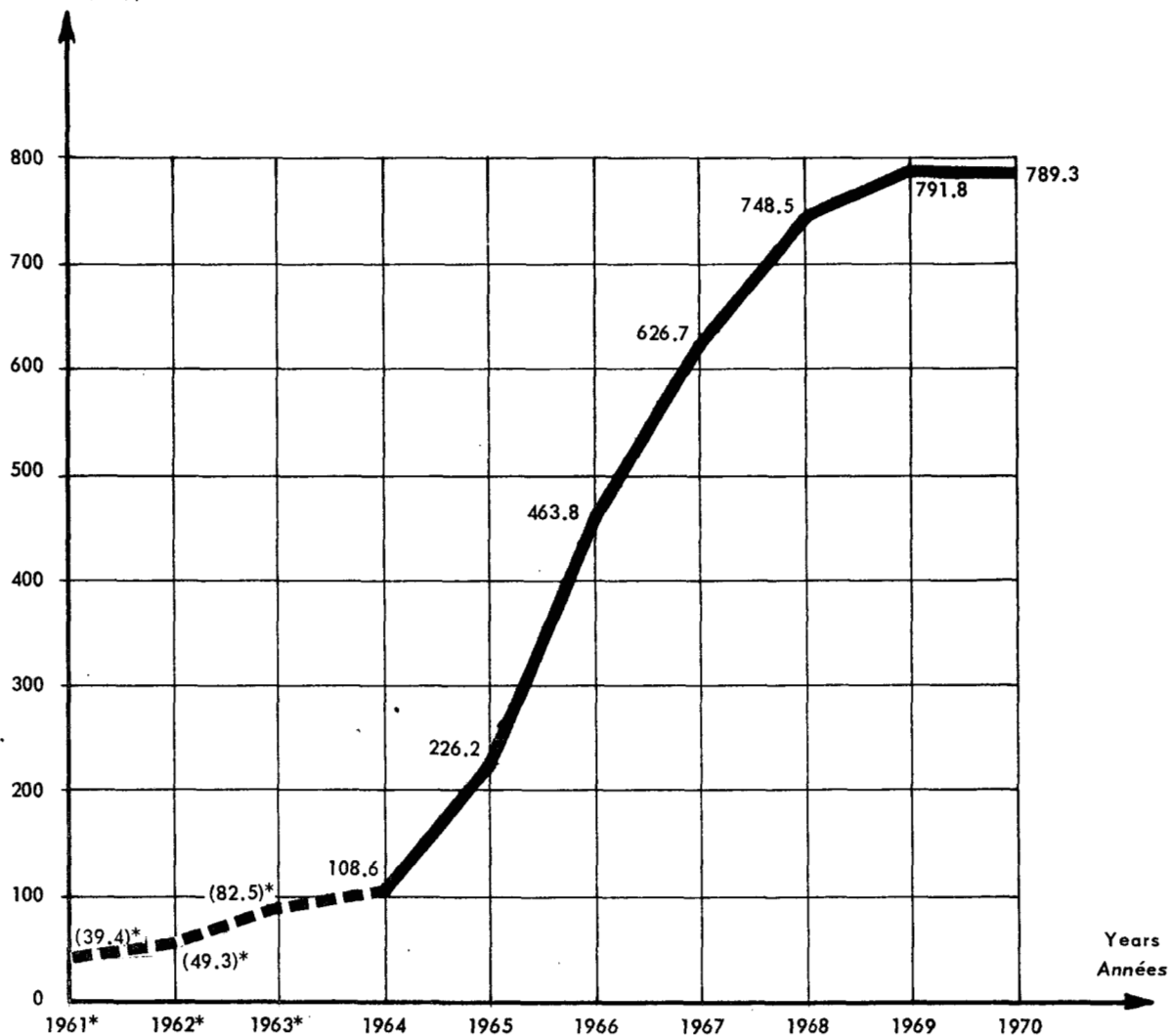
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ACCUMULATED OUTSTANDING CREDITS TO ROMANIA
GUARANTEED BY NATO COUNTRIES
(END OF YEAR)

MONTANT CUMULE DES CREDITS EN COURS GARANTIS
A LA ROUMANIE PAR LES PAYS DE L'OTAN
(FIN DE CHAQUE ANNEE)

Outstanding Credits
Crédits en cours
(Million US \$)
(Millions \$ EU)

GRAPH 2



* For the years 1961-1963 Credits to Romania were not separately reported. The figures in brackets show what the outstanding amounts would have been if the share of Romania in Total Credits to the East European countries in these years were the same as by the end of 1964.

Pour les années 1961-1963, les crédits consentis à la Roumanie n'ont pas fait l'objet de rapports séparés. Les chiffres entre parenthèses montrent quels auraient été les montants en cours, si la part de la Roumanie dans la valeur totale des crédits accordés aux pays de l'Europe orientale ces années-là, avait été la même qu'à la fin de 1964.

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5. In consequence the cumulative total of current credits has steadily risen over the last few years, reaching a ceiling of \$790 million in 1969/70. This figure of indebtedness is greater than that of any other East European country. It represents \$39.5 per inhabitant and 3.6% of GNP - a little more than the corresponding figures for Bulgaria and much more than those for the other East European countries(1).

(ii) Structure

6. A change in the credits structure was brought about after 1965/66 by the emergence of a considerable volume of credits for more than 5 years (see graph 3), amounting to 54% of the total. These declined towards the end of the period while credits for less than 5 years fell back more moderately (see graph 4).

(iii) Cost, duration and purpose

7. As regards the cost of export credits, the real rates of interest vary at the moment between 6% and 9%, but in most Western countries there is a distinct tendency for market rates to fall. Credits for over 5 years, as reported(2), tend to be granted for 7-8 years. Only in two cases have longer credits (9½-10 years) been notified. It should be borne in mind that the starting point from which the credit length is determined, in the case of construction or installation, is the date when the seller completes the plant. Calculated from the time the credit is guaranteed, this is likely to mean a period of 11 to 12 years or more. Most export credits under 5 years apparently cover the purchase of machinery and equipment. Of the longer term credits notified, 76% cover the delivery and installation of industrial units, such as automobile, electric power and uranium plants (France), chemical plants (UK and Federal Republic of Germany) and fertiliser plants (Belgium).

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- (1) See tables 1(a) and 1(b). Indebtedness per inhabitant of Bulgaria was \$37.5, that of the GDR \$23.5 (including inter-German credits). Figures for Czechoslovakia, Poland and Hungary varied between \$19 and \$15 while that of the USSR was \$9. The cumulative outstanding credits represented 3.3% of GNP in Bulgaria, 1.3% in the GDR, 1.1% in Czechoslovakia, and 0.5% in the USSR.
- (2) According to procedure given in AC/127-D/154(Final).

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(iv) Effect on the balance of payments

8. In each of the years 1964/1969 Romania received more credits than she repaid(1). However, since 1967 reimbursements have risen at an average of 64% per year, while the volume of new credits fell by 14% a year, and, in 1970, a new situation was created in that reimbursements, amounting to \$165 million, exceeded by some \$20 million new credits granted in that year.

New credits and reimbursements(2)

	1965	1966	1967	1968	1969	1970
New credits less reimbursements million \$	117.6	237.6	162.9	121.7	43.3	-19.7
Reimbursements as percentage of new credits	22%	10.3%	28.8%	48.8%	76.2%	113.5%

(v) Debt Service

9. Member countries have notified the time scale of payments due by Romania in respect of debt service up to 1978. The figures are as follows:

Payments in respect of debt service(3)
(thousand \$)

1971	1972	1973	1974	1975	1976	1977	1978	Unspecified
197,313	158,094	134,253	104,147	78,196	52,927	32,963	31,394	11

Debt service payments rose therefore from \$165 million in 1970 to almost \$200 million in 1971 and will remain considerable over the next few years.

- (1) The first report by NATO countries on reimbursements by Romania only covers the second half of 1970. It is, however, possible to assess reimbursements in previous years from data already available. These calculations may well overestimate the reimbursements but they provide a useful indication as to the order of magnitude and trend.
- (2) See table 3 for complete figures.
- (3) The schedule of future payments based on actual drawings could differ appreciably from the figures given in this table.

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B. Lending Countries

10. Nine NATO countries have guaranteed export credits to Romania. The Federal German Republic was, in the period 1964/1967, the main source of these credits (42.5%). In the subsequent period, 1968/1970, the German share, no more than 25%, was exceeded by that of the United Kingdom (29%) and France (26%), whereas Italy's (11%) was not much altered (see table 5).

11. As regards credits of over 5 years, during the 1968/1970 period, the United Kingdom was by far the most important source (42%) followed by France (22%), the Federal German Republic (21%), Italy (15%) and Belgium (1%) (see table 6).

12. In addition to guaranteed export credits, Western exporters have also granted credits not officially guaranteed(1). So far it has not been possible to obtain information on the total of credits of this kind granted to Romania.

C. Non-NATO countries

13. There is little information available as to the total of credits granted to Romania by non-NATO countries. It appears that export credits amounting to \$56 million were granted by Japan and Austria during the period 1965/1970. Japanese credits covered mainly the purchase of ships, Austrian credits that of factories and equipment(2). It is not known whether Switzerland and Sweden have guaranteed export credits to Romania.

D. The rôle of export credits in Romanian foreign trade

14. The decision of Romania to develop trade with the West appears to have been taken in 1958. It is to be noted that between 1958 and 1964 Romania managed to redirect part of its trade towards the non-Communist world without relying extensively on export credits. Indeed until 1960 Romanian trade with the industrialised non-Communist countries(3) was balanced, and between 1961 and 1964 the trade deficit was moderate (see table 7). This favourable situation was the consequence of the threefold

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- (1) Moreover, since 1970 the Federal Republic of Germany, in certain cases, guarantees financial credits from German credit institutions, not associated with specific purchases.
 - (2) According to earlier estimates, credit drawings in non-NATO countries during the years 1959/1966 represented about 15% of all credits granted by the industrialised non-Communist countries (see AC/89-WP/233, page 15).
 - (3) That is: EEC and EFTA countries, Spain, Greece, Eire, Japan, USA, Canada, Australia, New Zealand and the Union of South Africa.

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increase in the export of Romanian food products and the rapid rise in the sales of raw materials and manufactured products, all this despite a firm demand within COMECON(1).

15. The development of trade with the West(2) did not, however, fundamentally alter the direction of the country's trade until the early 1960s. Romanian imports from non-Communist countries, which between 1960 and 1964 had reached about one quarter of all purchases abroad, rose to about half in 1967. It is to be noted, too, that during the second half of the 1960s Romania stepped up considerably its purchases of equipment in the West and that it had to buy, outside the COMECON area, raw materials destined for the new industries. At the same time the expansion of sales of agricultural products and raw materials in the industrialised non-Communist countries slowed down. As a result the percentage of imports covered by exports, which in 1961 was 85%, fell to only 67% in 1969. Romania's trade deficit with the West over the years 1965/1969 was \$981 million, as against \$237 million for the period 1961/1964 (see table 7).

16. It is to be noted that on the average the relationship of new credits to Romanian imports fluctuated around 33% in the period 1965/1970 as is brought out in the table below:

New credits in relation to Romanian imports from industrialised non-Communist countries

<u>1965/1966</u>	<u>1967/1968</u>	<u>1969/1970</u>
51%	31%	21%

17. Despite their obvious limitations, these figures show how important the contribution of export credits by NATO countries was in the redirection of Romanian trade to the West in the 1960s. They also show that the very favourable initial effect seems to have diminished towards the end of the decade.

18. However, this trend should be interpreted cautiously. Account should in fact be taken of the time lag between the opening of the credits and the actual drawings which can take place one or several years later. Thus, in the second half of 1970 (the only period for which figures are available) 25% of Romanian imports from the credit guaranteeing NATO countries were financed by drawings (see table 8).

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- (1) Romanian exports of foodstuffs and raw materials appear to have increased as follows: 1958/1960 - to COMECON: 30%; - to rest of the world: 72%; 1960/1964 - to COMECON: 19%; - to rest of the world: 80%. M. MONTIAS: "Economic Development in Communist Romania", page 174.
- (2) That is: EEC and EFTA countries, Spain, Greece, Eire, Japan, USA, Canada, Australia, New Zealand and the Union of South Africa.

E. Solvency

19. Over the six years 1965/1970, the debt service (reimbursements plus interest)(1) corresponds to 21% of the value of exports to all industrialised non-Communist countries. The rapid rise in this percentage to the high-level of 1969/1970 is especially significant.

Service of the Romanian debt in relation to exports to industrialised non-Communist countries

<u>1965/1966</u>	<u>1967/1968</u>	<u>1969/1970</u>
10%	21%	28%

20. Already in 1968 Romanian export receipts were heavily mortgaged by the debt service. Payments made under this heading in the three years 1968, 1969, 1970 amounted to \$420 million (rising from \$116 million in 1968 to \$165 million in 1970). This must hence have exerted considerable pressure on the Romanian balance of payments.

21. Romania has, in order to meet obligations maturing over the last two years, asked for and obtained from certain Western countries a rescheduling of its debt in the form of postponed payments. No NATO country has reported any failure to meet commercial obligations. In November 1970, Romania obtained from China a 20 year credit amounting to \$300 million, of which \$100 million was supposed to be in freely convertible currency. This sum would correspond to about half the reimbursements due to NATO countries in 1971.

22. It appears that the efforts by Romania to cope with the situation have been insufficient. However, since 1968 the Romanian trade deficit with the industrialised non-Communist countries has slightly diminished - in 1968 as a result of a reduction in imports, in 1969 and 1970 as a result of an increase in exports. During the same period, however, the short-term payment problems have become more acute, Romania having obtained a smaller volume of credits either because of the difficulty of procuring them or because of a change in the Romanian policy.

(1) Two points should be made: figures for reimbursements over the past period are probably exaggerated (see Annex I to C-M(72)13; for the moment it is only possible to compare the debt service with export receipts since information on Romanian invisible income is uncertain and fragmentary.

F. Romanian loans to the Third World

23. This review would not be complete without some mention of the loans granted or offered to various Third World countries amounting to \$243.5 million in 1971(1); these credits are additional to the loans made by Romania in the period 1964/1970, which amounted to at least \$478 million(2).

24. It is worth noting that in the past drawings on credits granted have been relatively modest - \$23 million in 1970(3). There is therefore reason to believe that actual drawings on new credits granted will be spread over a long period.

25. It is difficult to gauge the effect of these loans on the foreign payment capacity of Romania. First of all, these credits are expressed in non-convertible national currency; in addition the goods delivered by Romania could not easily have been disposed of on other markets. Nonetheless the deliveries will to a degree which it is difficult to ascertain in advance, have some effect on that country's future export receipts.

II. ASSUMPTIONS AS TO FUTURE TRENDS IN INDEBTEDNESS

26. The payments due by Romania in respect of the current commercial debt (see paragraph 9 and table 4) will reach the record level of \$197 million in 1971 and although declining after that, will remain very heavy until 1975. In the absence of new credits these payments would of course decline rapidly after 1975. In order to get a clearer idea of the probable impact of the debt service, it is necessary to take account of additional reimbursements which Romania might have to make as the result of new credits(4). It is necessary, too, to take into account the future trend of trade. An attempt has been made to project these two uncertain variables, trade and new credits, by postulating two development hypotheses, major and minor (see Annex II).

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- (1) These credits can be broken down as follows: \$13.5 million to South Yemen; \$20 million to Chile; \$35 million to Iraq; \$100 million to Egypt and \$75 million to the Sudan (to finance joint enterprises for petroleum and mineral prospecting, timber export and the development of transport on the Nile).
 - (2) "Inter alia, to Iran, Turkey, Cuba and Yugoslavia."
 - (3) "Thus of the \$40 million granted to Egypt in 1963, only \$16 million had been cleared by the end of 1970".
 - (4) During the course of 1971 Romania is known to have signed contracts for 17 chemical plants, all of which presumably involved the extension of new credits. Two of these plants valued together at \$9.5 million were ordered from Japan.

27. The purpose of using these hypotheses is to get into perspective the future course of the Romanian payments situation. Use can be made of three indicators in this analysis:

- (a) the relationship of new credits to imports, which gives some indication of the extent to which imports can be financed by foreign indebtedness(1) (tables 9(a) and 9(b));
- (b) the relationship of debt to exports, which brings out the relative impact of the debt service (tables 10(a) and 10(b));
- (c) the net balance of payments position, which results from combining the trade balance with that of new credits less reimbursements, and gives an indication of future possible payment difficulties (tables 11(a) and 11(b)).

(a) Import/credit ratio

28. On the most favourable assumption this ratio is considerably lower than that registered in earlier years (33% in the period 1965/1970) and in the other cases the trend is downward. This situation could well mean difficulty in the future.

(b) Debt service/export ratio

29. On all the assumptions made, a certain easing of the burden of debt service is to be seen, insofar as over the next few years the ratio tends to decline relative to the level reached in the four years 1968/1971.

(c) Net impact on balance of payments

30. On the assumption of a considerable improvement in the balance of trade (table 11(a)) there would be, after an initially difficult two year period, a tendency for the net impact of credits on the balance of payments to be more favourable. However, even on this assumption the cumulative deficit balances over the years 1970/1974 would add up to impressive figures, ranging between \$700 million and \$1 milliard. On the less favourable assumption, the cumulative deficit would turn out to be more than twice as large (table 11(b)).

(1) Because of the time lag between commitments and drawings, the imports financed by a given credit will in fact, to an extent which cannot be determined, take place later than in the year in which the credit was granted.

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31. These observations show that the balance of payments situation in future will be very strongly influenced by the trade balance with the non-Communist countries and in particular will be influenced by the ability of Romania to export to them. On the assumption of a reduction of 10% in new credits granted there would be very considerable pressure on the balance of payments.

32. In any case, in assessing future trends in the balance of payments and indebtedness, account must be taken of the following factors:

(i) Positive factors

- the continuing central control of production and foreign trade in Romania makes it relatively easy for the authorities to adjust imports, and to some extent, exports to the level required;
- a 14% yearly increase of exports to industrialised non-Communist countries is not an aim beyond reach; it has, in fact, been achieved over the past ten years;
- the accession of Romania to GATT should probably go some way to facilitating exports;
- more joint production projects with assured outlets to the West might result in increased exports;
- current Romanian efforts to increase trade with the developing countries have lead to many agreements with Middle Eastern and Latin American countries for raw material imports by Romania and joint enterprises outside that country which lessen the need for payments in hard currency;
- there are good prospects of increasing Romania's hard currency earnings from Western tourists; these were estimated at between net \$25 million and net \$35 million in 1969 and might have attained a figure of around \$40 million in 1971;

- Romania produces gold in modest quantities and might be able to sell more on the free gold market(1).

(ii) Negative factors

- exports to industrialised non-Communist countries might become more difficult as a consequence of protectionist measures in these countries, recession, or slower expansion of world trade;
- it might be difficult for the Romanians to maintain a high rate of economic growth while slowing down the growth of imports from the West;
- a slow down in the growth of imports might mean fewer possibilities of selling on a barter basis;
- to foster exports at the expense of consumption could create internal difficulties and increase pressure for more imports;
- the Romanian balance of payments with hard currency countries is not known but it comprises important debit items which it has not been possible to quantify here; among the larger items can be mentioned outlays on know-how and services procured in the West, cost of transport, service payments on private non-guaranteed credits and export credits from non-NATO countries, etc.....

(1) Some years ago it was estimated that Romania was selling \$10 million a year (AC/127-WP/173(Revised) dated 3rd June, 1966). However, an Eastern source suggests that sales might be as high as \$30-\$40 million. This estimate was given by M. Dyner in 1964 writing in the Polish Economic Weekly Zycie Gospodarcze. He presented it as an evaluation by "Western circles". In his book "Economic Development in Communist Romania", J.M. Montias remarks: "I have not come across any such estimate in Western sources and I am inclined to believe that Dyner's figures are of Romanian origin".

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(1) Graphs 1 and 2 are to be found on pages 3 and 4 of the Report.

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Share of individual NATO countries in credits
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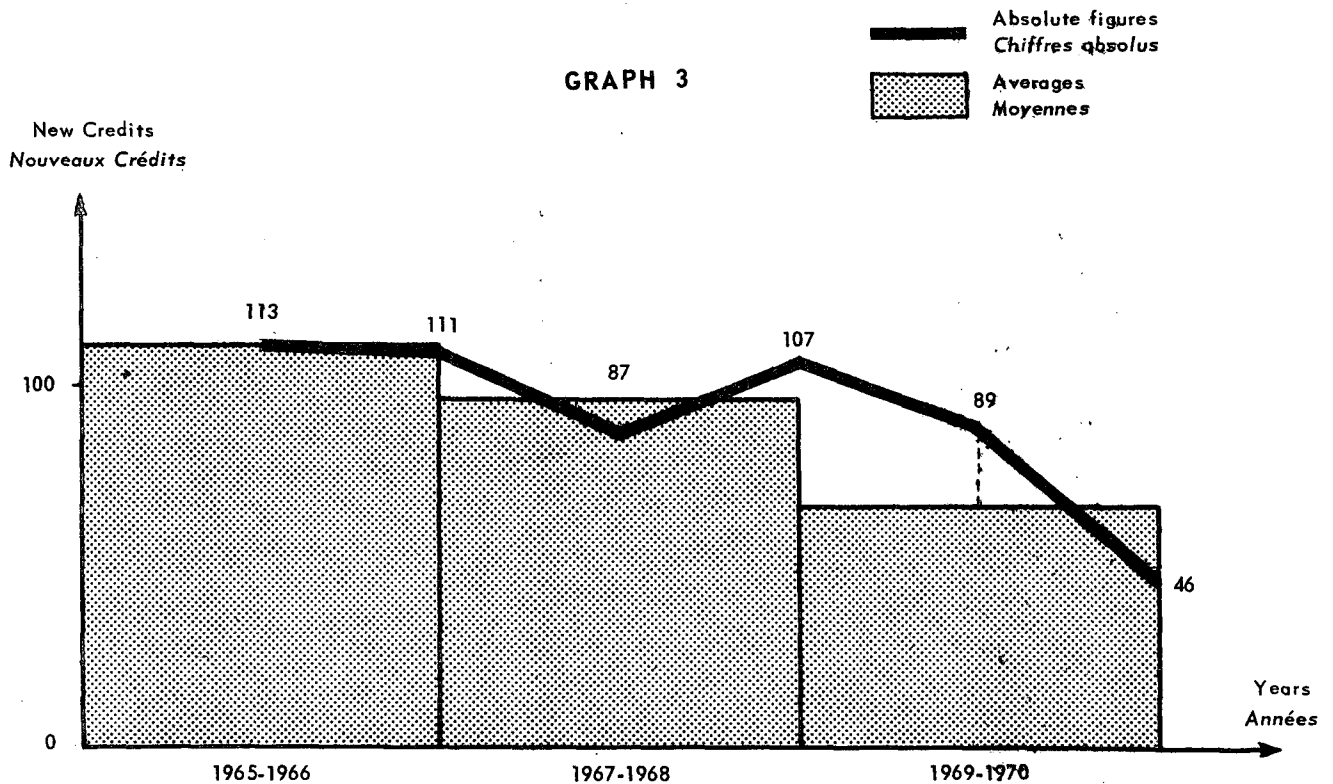
ROMANIA - ROUMANIE

**NEW CREDITS OF MORE THAN 5 YEARS GUARANTEED BY NATO COUNTRIES
NOUVEAUX CREDITS DE PLUS DE CINQ ANS GARANTIS PAR LES PAYS DE L'OTAN**

(Million US \$ - Millions \$ EU)

NEW CREDITS NOUVEAUX CREDITS		AVERAGES MOYENNES	
YEARS ANNEES	NEW CREDITS NOUVEAUX CREDITS	YEARS ANNEES	AVERAGES MOYENNES
1965	113	1965-1966	112
1966	111		
1967	87	1967-1968	97
1968	107		
1969	89	1969-1970	67
1970	46		

GRAPH 3



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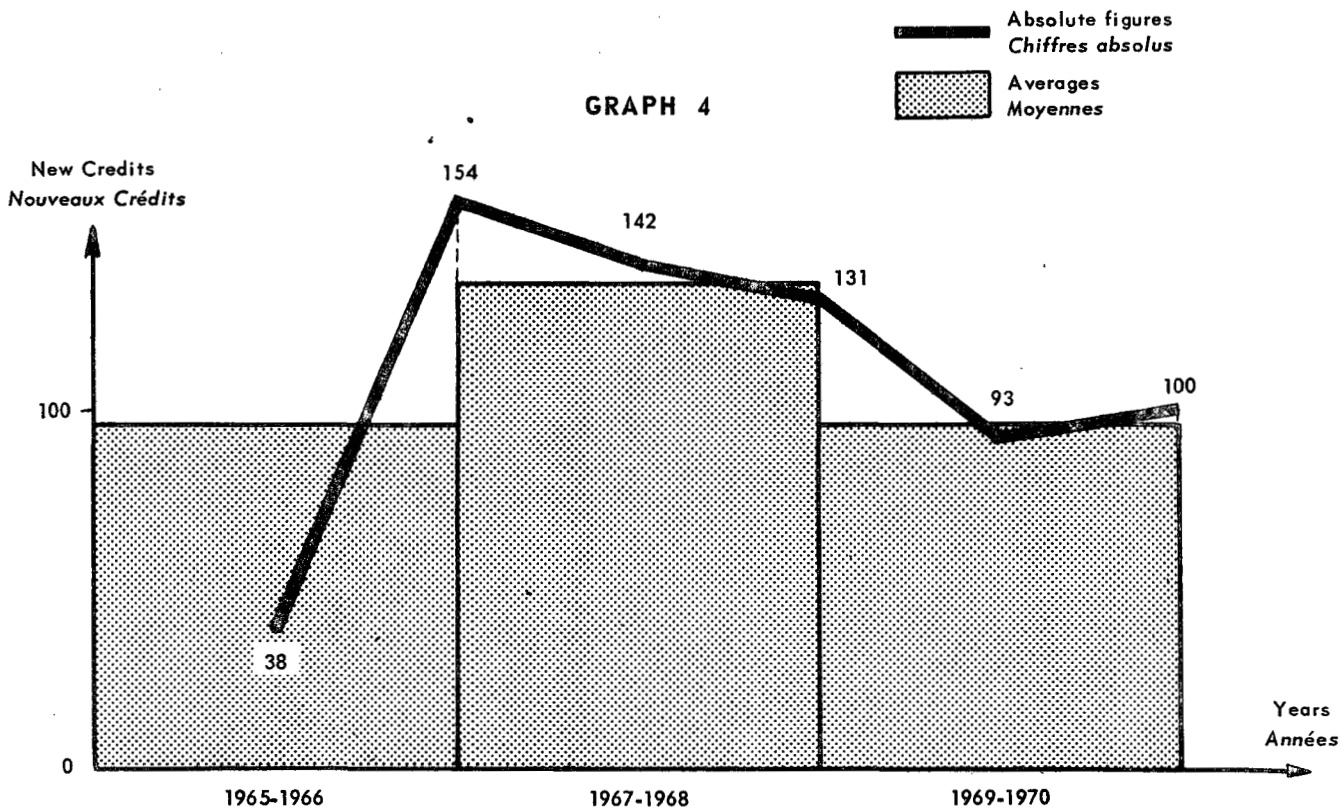
ROMANIA - ROUMANIE

**NEW CREDITS UP TO 5 YEARS GUARANTEED BY NATO COUNTRIES
NOUVEAUX CREDITS JUSQU'A CINQ ANS GARANTIS PAR LES PAYS DE L'OTAN**

(Million US \$ - Millions \$ EU)

NEW CREDITS NOUVEAUX CREDITS		AVERAGES MOYENNES	
YEARS ANNEES	NEW CREDITS NOUVEAUX CREDITS	YEARS ANNEES	AVERAGES MOYENNES
1965	38	1965-1966	96
1966	154		
1967	142	1967-1968	136
1968	131		
1969	93	1969-1970	96
1970	100		

GRAPH 4



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TABLE 1(a)

ACCUMULATED OUTSTANDING CREDITS FROM NATO COUNTRIES
RELATIVE TO THE DEBTOR COUNTRIES' POPULATION

RAPPORT ENTRE LE TOTAL CUMULE DES CREDITS EN COURS
DES PAYS DE L'OTAN ET LA POPULATION DES PAYS DEBITEURS

1970

Debtor Countries	Outstanding credits by the end of 1970	Population	Outstanding credits per head of population
Pays Debiteurs	Crédits en cours à la fin de 1970		Crédits en cours par habitant
	(million US \$)	(million)	(US \$)
(0)	(1)	(2)	(3)
Romania/Roumanie	789.3	20.1	39.5
Bulgaria/Bulgarie	319.5	8.5	37.5
GDR/RDA	407.5	17.1	23.8
Poland/Pologne(1)	631.6	32.4	19.2
Czechoslovakia/Tchécoslovaquie	260.5	14.4	18.1
Hungary/Hongrie	158.9	10.3	15.4
East European countries/L'Europe de l'Est	2,567.3	102.8	24.1
USSR/URSS	2,177.4	241.6	9.0

(1) Poland is the only country which has received government-to-government credits. They are included in the above amount. The commercial credits to Poland alone amounted to \$574.5 million i.e. \$17.6 per head of population.

(1) La Pologne est le seul pays à avoir obtenu des crédits de gouvernement à gouvernement. Ceux-ci sont inclus dans le montant qui figure ci-dessus. A eux seuls, les crédits commerciaux accordés à la Pologne atteignaient \$574.5 million, soit \$17.6 par habitant.

TABLE 1(b)

ACCUMULATED OUTSTANDING CREDITS GUARANTEED BY NATO
COUNTRIES RELATIVE TO THE DEBTOR COUNTRIES' GROSS
NATIONAL PRODUCT

RAPPORT ENTRE LE TOTAL CUMULE DES CREDITS EN COURS
DES PAYS DE L'OTAN ET LE PRODUIT NATIONAL BRUT DES
PAYS DEBITEURS

Debtor Countries	Outstanding credits by the end of 1970	Gross national product(1) 1970	Share of (1) in (2) - in percentages
Pays Debiteurs	Crédits en cours à la fin de 1970 (million US \$)	Produit national Brut(1) 1970	Part de (1) dans (2) - in pourcen- tages
(0)	(1)	(2)	(3)
Romania/Roumanie	789.3	22.040	3.6
Bulgaria/Bulgarie	319.5	9.780	3.3
GDR/RDA	407.5	30.900	1.3
Poland/Pologne(2)	631.6	38.800	1.6
Czechoslovakia/ Tchécoslovaquie	260.5	23.300	1.1
Hungary/Hongrie	158.9	13.190	1.2
East European countries/L'Europe de l'Est	2,567.3	138.010	1.9
USSR/URSS	2,177.4	440.300	0.5

- (1) Estimate by the International Staff of GNP in 1970 in United States dollars (purchasing power equivalent to 1965 prices).
- (1) Estimation du PNB pour 1970 en US \$ établie par le Secrétariat International (en équivalence de pouvoir d'achat aux prix de 1965).
- (2) Poland is the only country which has received government-to-government credits. They are included in the above amount. The commercial credits to Poland above amounted to \$574.5 million, i.e. 1.58% of the GNP.
- (2) La Pologne est le seul pays à avoir obtenu des crédits de gouvernement à gouvernement. Ceux-ci sont inclus dans le montant qui figure ci-dessus. A eux seuls, les crédits commerciaux accordés à la Pologne atteignaient \$574.5 million, soit 1,58% du PNB.

TABLE 2(a)

SHARE OF CREDITS OF MORE THAN 5 YEARS IN THE NEW
CREDITS GRANTED TO ROMANIA BETWEEN 1965 AND 1970

PART DES CREDITS DE PLUS DE 5 ANS DANS LES NOUVEAUX
CREDITS OCTROYES A LA ROUMANIE ENTRE 1965 ET 1970

(million
US \$)

Yearly Average	Over 5 years	Up to 5 years	Total	(1) as a % of (3)
Moyenne annuelle	Plus de 5 ans	Jusqu'a 5 ans		(1) comme % de (3)
(0)	(1)	(2)	(3)	(4)
1965-66	224.2	191.3	415.5	54.0
1967-68	194.1	272.5	466.6	41.6
1969-70	134.8	192.9	327.7	41.1

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TABLE 2(b)

SHARE OF OVER 5 YEAR CREDITS IN ACCUMULATED OUTSTANDING
CREDITS GRANTED BY NATO COUNTRIES TO ROMANIA (31.12.70)

PART DES CREDITS DE PLUS DE 5 ANS DANS LE MONTANT CUMULE DES
CREDITS EN COURS CONSENTIS PAR LES PAYS DE L'OTAN A LA ROUMANIE

Accumulated outstanding credits at 31.12.70 Montant cumulé des crédits en cours au 31.12.70 (million US \$)				
Lending Countries	Up to and including 5 years	Over 5 years	Total	(2) as percentage of (3)
Pays prêteurs	Jusqu'a 5 ans	Plus de 5 ans		(2) en pourcentage de (3)
	(1)	(2)	(3)	(4)
Belgium/Belgique	33.1	39.2	72.3	54.2
Canada	-	2.1	2.1	100.0
Denmark/Danemark	1.6	-	1.6	-
France	86.3	88.8	175.1	50.7
Federal Republic/ République fédérale	149.1	112.3	261.4	43.0
Italy/Italie	27.1	65.0	92.1	70.6
Netherlands/ Pays Bas	16.7	-	16.7	-
United Kingdom/ Royaume-Uni	63.8(1)	96.1(1)	159.9	60.1
United States/ Etats-Unis	8.1	-	8.1	-
TOTAL	385.8	403.5	789.3	51.1

(1) See following page for footnotes

(1) Voir page suivante pour les annotations

Footnotes: Table 2(b)

(1) In its report on the situation as of 31st December, 1970, the United Kingdom has not provided a breakdown between credits up to 5 years and those of a longer duration. In order to complete the table the International Staff has assumed that:

- no long-term credits have been granted by the United Kingdom during the last six months of 1970 (the United Kingdom has not notified any long-term credits during that period);
- 58.4% of reimbursements of credits granted by the United Kingdom refer to long-term credits (as was the case during the previous six-month period).

(1) Dans son rapport sur la situation au 31 décembre 1970 le Royaume-Uni n'a pas fourni de ventilation entre les crédits jusqu'à 5 ans et ceux de durée plus longue. Afin de compléter le tableau, le Secrétariat International a supposé que:

- aucun crédit à long terme n'a été accordé par le Royaume-Uni au cours des six derniers mois de 1970 (le Royaume-Uni n'a notifié aucun crédit à long terme durant cette période);
- 58,4% des remboursements de crédits consentis par le Royaume-Uni se rapportent à des crédits à long terme (comme au cours du semestre précédent).

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TABLE 3

NEW CREDITS OF MORE THAN 180 DAYS GRANTED TO ROMANIA AND
DEBT SERVICE (REIMBURSEMENTS + INTEREST)

NOUVEAUX CREDITS DE PLUS DE 180 JOURS CONSENTIS A LA ROUMANIE
ET SERVICE DE LA DETTE PAR CELLE-CI (PRINCIPAL ET INTERETS)

(million US \$)

Years	New Credits	Service payments (reimbursements + interest)	New Credits less service payments	Service payments as a % of new credits
Années	Nouveaux crédits	Service de la dette (principal et intérêts)	Nouveaux crédits moins service de la dette	Service de la dette en % des nouveaux crédits
(0)	(1)	(2)	(3)	(4)
1965	150.7	33.1	117.6	22.0%
1966	264.8	27.2	237.6	10.3%
1967	228.7	65.8	162.9	28.8%
1968	237.9	116.2	121.7	48.8%
1969	182.1	138.8	43.3	76.2%
1970	145.6	165.3	- 19.7	113.5%
TOTAL	1,209.8	546.4	663.4	45.2%

N A T O C O N F I D E N T I A LANNEX I to
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ROMANIATOTAL CREDITS OUTSTANDING AT 31.12.70 AND FUTURE SERVICE PAYMENTSTOTAL DES CREDITS EN COURS AU 31.12.70 ET SERVICE DE LA DETTE DANS LE FUTUR

000' US \$

Total Credits outstanding at 31.12.70	Future Service Payments/Service de la dette dans le futur										Unspec- ified Non spécifié
	1971	1972	1973	1974	1975	1976	1977	1978 and after	(9)	(10)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(9)	(10)	
Belgium/Belgique	72,276	11,732	11,128	9,778	5,804	4,324	1,732	-	-	-	
Canada	2,080	-	160	320	320	320	320	640	-	-	
Denmark/Danemark	1,562	803	212	172	79	-	-	-	-	11	
France	175,113	43,034	36,088	23,189	17,194	12,583	8,236	4,121	-	-	
Fed. Rep./Rép. d'All	261,449	67,702	57,935	34,522	24,116	14,217	7,257	5,037	-	-	
Italy/Italie	92,105	21,750	20,069	12,200	10,966	4,683	3,877	3,198	-	-	
Netherlands/Pays-Bas	16,689	5,871	3,421	1,668	83	-	-	-	-	-	
United States/ Etats-Unis	8,071	3,886	4,185	-	-	-	-	-	-	-	
United Kingdom/ Royaume-Uni	159,953	26,489	22,154	22,298	19,634	16,800	11,539	18,398	-	-	
TOTAL	789,298	197,313	158,094	134,253	104,147	52,927	32,963	31,394	11	11	

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TABLE 5

SHARE OF INDIVIDUAL NATO COUNTRIES IN NEW CREDITS TO ROMANIA
GRANTED BY THEM: 1964-67 AND 1968-70PART DE CHACUN DES PAYS OTAN DANS L'ENSEMBLE DES NOUVEAUX CREDITS
ACCORDES PAR EUX A LA ROUMANIE: 1964-67 ET 1968-70

	(in million dollars) (en millions de dollars)		(in percentages) (en pourcentages)	
	1964-67 (1)	1968-70 (2)	1964-67 (3)	1968-70 (4)
Belgium/Belgique	71,376	19,414	10.9	3.4
Canada	-	2,011	-	0.4
Denmark/Danemark	272	2,619	0.1	0.5
France	163,203	149,344	25.0	26.4
Federal Republic/ République fédérale	276,344	139,475	42.5	24.7
Italy/Italie	65,233	64,553	10.0	11.4
Netherlands/Pays-Bas	395	25,678	0.1	4.5
United Kingdom/Royaume-Uni	52,075	162,594	8.0	28.7
United States/Etats-Unis	22,018	-	3.4	-
TOTAL	650,906	565,688	100.0	100.0

* Only last six months of 1964

* Les six derniers mois de 1964

N A T O C O N F I D E N T I A L

TABLE 6

SHARE OF INDIVIDUAL NATO COUNTRIES IN CREDITS OF MORE THAN 5 YEARS GRANTED BY THEM: 1968-1970

PART DE CHACUN DES PAYS OTAN DANS LES CREDITS DE PLUS DE CINQ ANS ACCORDES PAR EUX: 1968-1970

	(in million dollars) (en millions de dollars)	(in percentages) (en pourcentages)
	1968-1970	
	Over 5 years Plus de 5 ans	Over 5 years Plus de 5 ans
	(1)	(2)
Belgium/Belgique	2,418	1.0
Canada	-	-
Denmark/Danemark	-	-
France	52,771	21.8
Federal Republic/ République fédérale	50,211	20.7
Italy/Italie	35,262	14.6
United Kingdom/ Royaume-Uni	101,282*	41.9
TOTAL	241,944	100.0

* In its report on the situation as of 31st December, 1970 the UK does not specify which of the new credits granted in the last six months of 1970 are for more than five years and which are for five years and under. As no long-term credit to Romania has been notified by the UK in 1970 it has been assumed by the Secretariat that the total amount of new credits granted by the UK during this period are credits with a duration of up to five years.

* Dans son rapport sur la situation au 31 décembre 1970, le Royaume-Uni ne précise pas, parmi les nouveaux crédits accordés au cours des six derniers mois de 1970, la part de ceux consentis pour plus de cinq ans et la part de ceux consentis pour cinq ans et au-dessous. Comme le Royaume-Uni n'a notifié aucun crédit à long terme à la Roumanie en 1970, le Secrétariat a supposé que le montant total des nouveaux crédits accordés par Royaume-Uni au cours de cette période étaient des crédits d'une durée jusqu'à cinq ans.

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TABLE 7

ROMANIAN TRADE WITH INDUSTRIALISED, NON-COMMUNIST COUNTRIES(1)
COMMERCE DE LA ROUMANIE AVEC LES PAYS INDUSTRIALISES NON-COMMUNISTES(1)
(millions US \$)

Year Années	Exports Expor- tations	Imports Impor- tations	Balance (3) = (1) - (2) (3) = (1) - (2)	Exports as percentages of imports Taux de couverture des impor- tations par les expor- tations
(0)	(1)	(2)	(3)	(4)
1960	151.6	150.9	+ 0.7	100%
1961	192.4	226.4	- 34.0	85%
1962	192.6	261.5	- 68.9	74%
1963	220.4	275.7	- 55.3	80%
1964	244.3	323.6	- 79.3	75%
1965	272.0	358.0	- 86.0	76%
1966	352.8	461.4	- 108.6	76%
1967	436.8	726.7	- 289.9	60%
1968	436.5	692.3	- 255.8	63%
1969	489.3	730.1	- 240.8	67%
Total Totaux	2,988.7	4,206.6	-1,217.9	Average 76% Moyenne

(1) For footnotes see following page - Voir page suivante pour les annotations

N A T O C O N F I D E N T I A L

N A T O C O N F I D E N T I A LANNEX I to
C-W(72)12Footnotes: Table 7Source: Annual Statistic Al Republic Socialiste Romania

(a) Comprising the EEC, EFTA, Spain, Greece, Finland, Iceland, Japan, United States, Canada, Australia, New Zealand and South Africa.

(a) Pays considérés: pays membres du Marché Commun, pays membres de l'Association Européenne, de libre échange, l'Espagne, la Grèce, la Finlande, l'Irlande, l'Islande, le Japon, les Etats-Unis, le Canada, l'Australie, la Nouvelle-Zélande et l'Afrique du Sud.

According to the Romanian "Revista de Statistica" No. 10 (1964), page 83, the Romanian trade statistics are on f.o.b. basis so that for exports, transportation, insurance and other expenses up to the border of Romania, are included and for imports up to the border of the supplying country. However, some Western observers think that Romanian reporting on imports from non-Communist countries include freight and insurance. This would in part explain the substantial difference between Free World reporting on exports to Romania and Romanian reporting on imports from the Free World.

D'après la revue roumaine "Revista de Statistica" numéro 10 (1964), page 83, les statistiques du commerce Roumain sont données sur une base F.O.B. Pour les exportations, le transport, l'assurance et autres frais sont inclus jusqu'à la frontière de la Roumanie et dans le cas des importations, ces mêmes frais sont inclus jusqu'à la frontière du pays fournisseur. Cependant quelques observateurs occidentaux pensent que les statistiques roumaines sur les importations en provenance des pays non-communistes comprennent le fret et l'assurance. C'est ainsi que peut s'expliquer en partie la différence substantielle qui existe entre les statistiques du monde libre concernant ses exportations vers la Roumanie et les statistiques de ce dernier/pays concernant ses importations en provenance du monde libre.

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TABLE 8

"DRAWINGS ON CREDITS" AND EXPORTS
LAST HALF OF 1970

"TIRAGES SUR CREDITS" ET EXPORTATIONS
DEUXIEME SEMESTRE 1970

Credit guaran- teeing and expor- ting countries	Drawings by Romania	Exports to Romania	
Pays exportateurs garantissant des crédits	Tirages par la Roumanie	Exportations destinées à la Roumanie (million US \$)(1)	
	(1)	(2)	(1) as % of (2) (1) en % de (2)
Denmark/Danemark	0.15	2.46	6.1
France	19.61	38.16	51.4
Federal Republic/ République fédérale	16.80	97.98	17.1
Italy/Italie	2.87	39.96	7.2
Netherlands/ Pays-Bas	0.80	9.93	8.1
United Kingdom/ Royaume-Uni	13.69	30.33	45.1
TOTAL	53.92	218.82	24.6%

(1) Source: OECD Statistics

(1) Source: Statistiques de l'OCDE

ASSUMPTIONS AS TO THE TREND IN INDEBTEDNESS

A. ASSUMPTIONS AS TO EXPORTS AND IMPORTS

1. As regards trade over the next five years, Romania appears to intend to maintain, but not to increase, the proportion of its trade at present taken by the West(1). She would thus meet her obligations, accepted by her in the draft protocol of accession to GATT, to promote imports from the contracting parties as a whole at a rate not lower than that envisaged in the Five Year Plan for imports in general. The most recent version of the Plan envisages a total increase in trade of 61% between 1970 and 1975 without any breakdown between the growth of exports and that of imports. It is known simply that growth in exports will be much greater than that of imports with a view to balancing trade with those countries with which Romania at present is in deficit.

2. Two projections of trade with the industrialised non-Communist countries have been made, one based on optimistic assumptions, the other on less optimistic ones. The first one assumes a 14% increase in exports (Table 10(a)) and a 6% increase in imports (Table 9(a)). These growth rates correspond to Plan forecasts for trade and are probably near enough to the Romanian objectives. A yearly rise of 14% in exports to the industrialised non-Communist countries was in fact achieved by the Romanians over the years 1960-1969. There is no doubt, however, that to bring down to 6% the growth in imports from these countries is a very ambitious aim, given that their average annual growth in the sixties was 21%.

3. A less optimistic hypothesis has been envisaged in Tables 9(b) and 10(b). The assumption is that total Romanian trade would grow by 55% instead of 61%. This was the target in the earlier version of the Plan. One assumes too that exports to industrialised non-Communist countries would grow by 8% a year instead of 14%. In fact the annual rate of growth of all exports between 1960 and 1969 was 8%. Bearing in mind the assumption as to the total growth of trade, the annual growth of imports would come out at 10%.

B. ASSUMPTIONS AS TO THE VOLUME OF NEW CREDITS

4. It has been necessary to postulate two hypotheses as regards the trend in credits granted to Romania after 1970(2). According to the optimistic assumption credits to Romania will

(1) See Danish Note AC/127-D/382, page 11.

(2) The method used to calculate the payments in respect of debt service is explained on page 3.

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increase by 10% annually, starting from \$146 million in 1970. On this assumption the volume of new credits obtained in 1971-1975 will correspond approximately to the total received in 1966-1970. In this case indebtedness will diminish slightly to about \$774 million in 1975 as against \$789 million in 1970.

5. The second, less optimistic assumption is that over the period 1971-1975 new credits received by Romania will decrease 10% annually. In this case only about half the credits obtained in the previous five years would be received. Indebtedness would fall to \$473 million by the end of the period.

6. Tables 11(a) and 11(b) indicate:

- (i) the trade balance of Romania with the industrialised non-Communist countries;
- (ii) net credits (new credits less debt service); and
- (iii) the impact of the above on the balance of payments, that is the surplus or the deficit which is to be otherwise financed (by invisible earnings, tourist receipts, COMECON loans, gold sales, rundown of reserves).

NOTE TO TABLES 9-11

NOTE RELATIVE AUX TABLEAUX 9-11

METHOD USED TO CALCULATE SERVICE PAYMENTS ON NEW
CREDITS PROJECTED FROM 1971 ONWARDS

METHODE UTILISEE POUR CALCULER LES VERSEMENTS AU TITRE DU
SERVICE DE LA DETTE RESULTANT DES NOUVEAUX CREDITS PROJETES
POUR 1971 ET AU-DELA

In order to calculate the debt servicing on the new credits projected from 1971 onwards, shown in Tables 9 to 11, the following assumptions have been made:

- (i) that 41% of the new credits will be of a duration of more than five years (as was the case from 1967 to 1970);
- (ii) that reimbursements of credits up to five years start, on the average, one year after they have been granted and are spread over three years;
- (iii) that reimbursement of credits over five years starts, on the average, in the third year after the credit is granted, that 15% is reimbursed in that year and 10% in each of the following years (full reimbursement 10 years after the extension of the credit).

Afin de calculer le service de la dette au titre des nouveaux crédits projetés pour 1971 et au-delà, comme indiqué aux Tableaux 9 à 11, les hypothèses suivantes ont été retenues:

- (i) 41% des nouveaux crédits auront une durée supérieure à cinq ans (comme ce fut le cas entre 1967 et 1970);
- (ii) le remboursement des crédits jusqu'à cinq ans commence, en moyenne, un an après leur l'octroi et s'étend sur trois années;
- (iii) le remboursement des crédits de plus de cinq ans commence, en moyenne, au cours de la troisième année suivant l'octroi du crédit, 15% sont remboursés cette année-là et 10% chacune des années suivantes (remboursement total 10 ans après l'octroi du crédit).

Table 9(a)

NEW CREDITS AS A PERCENTAGE OF ROMANIA'S IMPORTS
FROM THE NON-COMMUNIST INDUSTRIALISED COUNTRIES

NOUVEAUX CREDITS EN POURCENTAGE DES IMPORTATIONS DE LA
ROUMANIE EN PROVENANCE DES PAYS INDUSTRIALISES NON-COMMUNISTES

Year	Imports(1)	New Credits(2)		New credits as % of imports		
Année	Importations (1)	Nouveaux crédits(2)		Nouveaux crédits en % des importations		
(0)	(1)	(2)		(3)		
1965	358	151		42%		
1966	461	265		57%		
1967	727	229		31%		
1968	693	238		34%		
1969	730	182		25%		
1970	843	146		17%		
Projections		(a)	(b)	(a)	(b)	
	1971	(896)	(161)	(131)	(18%)	(14%)
	1972	(948)	(177)	(118)	(19%)	(12%)
	1973	(1,000)	(195)	(106)	(20%)	(11%)
	1974	(1,052)	(215)	(95)	(20%)	(9%)
1975	(1,102)	(237)	(85)	(22%)	(8%)	

(1) Imports for 1971 and following years have been estimated on the basis of an average growth trend of 6% a year.

(1) Pour 1971 et les années suivantes les importations ont été estimées sur la base d'un taux de croissance annuel moyen de 6%.

(2) New credits are estimated as from 1971 according to two assumptions. Figures on the left (a) have been calculated on the basis of an average annual growth rate of 10%, while those on the right (b) reflect an annual decrease of 10% in the amounts granted.

(2) Nouveaux crédits estimés à partir de 1971 d'après 2 hypothèses. A gauche (a) crédits en augmentation annuelle de 10% par rapport à 1970; à droite crédits en diminution de 10% par an, par rapport à 1970 (b).

Average ratio of new credits to imports:

1965 to 1969: 36%

1970 to 1975: 19% (a) or 12% (b) depending on the assumption made.

Ratio moyen des nouveaux crédits aux importations:

1965 à 1969: 36%

1970 à 1975: 19% (a) ou 12% (b) selon l'hypothèse retenue.

Table 9(b)

NEW CREDITS AS A PERCENTAGE OF ROMANIA'S IMPORTS
FROM THE NON-COMMUNIST INDUSTRIALISED COUNTRIES

NOUVEAUX CREDITS EN POURCENTAGE DES IMPORTATIONS DE LA
ROUMANIE EN PROVENANCE DES PAYS INDUSTRIALISES NON-COMMUNISTES

(million US \$)

Year	Imports(1)	New Credits(2)		New credits as % of imports		
Année	Importations (1)	Nouveaux crédits(2)		Nouveaux crédits en % des importations		
(0)	(1)	(2)		(3)		
1965	358	151		42%		
1966	461	265		57%		
1967	727	229		31%		
1968	693	238		34%		
1969	730	182		25%		
1970	843	146		17%		
Projections		(a)	(b)	(a)	(b)	
	1971	(931)	(161)	(131)	(17%)	(14%)
	1972	(1,027)	(177)	(118)	(17%)	(12%)
	1973	(1,134)	(195)	(106)	(17%)	(9%)
	1974	(1,250)	(215)	(95)	(17%)	(8%)
1975	(1,378)	(237)	(85)	(17%)	(6%)	

- (1) Imports for 1971 and following years have been estimated on the basis of an average growth trend of 10% a year.
- (1) Pour 1971 et les années suivantes les importations ont été estimées sur la base d'un taux de croissance annuel moyen de 10%.
- (2) New credits are estimated as from 1971 according to two assumptions. Figures on the left (a) have been calculated on the basis of an annual growth rate of 10% while those on the right (b) reflect an annual decrease of 10% in the amounts granted.
- (2) Nouveaux crédits estimés à partir de 1971 d'après 2 hypothèses. A gauche (a) crédits en augmentation annuelle de 10% par rapport à 1970; à droite (b) crédits en diminution de 10% par an, par rapport à 1970.

Average ratio of new credits to imports:	
1965 to 1969:	36%
1970 to 1975:	17% (a) or 10% (b) depending on the assumption made.
Ratio moyen des nouveaux crédits aux importations:	
1965 à 1969:	36%
1970 à 1975:	17% (a) ou 10% (b) selon l'hypothèse retenue.

Table 10(a)

DEBT SERVICING AS A PERCENTAGE OF ROMANIA'S EXPORTS TO
INDUSTRIALISED NON-COMMUNIST COUNTRIES

SERVICE DE LA DETTE EXPRIME EN POURCENTAGE DES EXPORTATIONS
DE LA ROUMANIE DESTINEES AUX PAYS NON-COMMUNISTES

(million US \$)

Year	Exports (1)	Debt servicing (2)(3)		Debt servicing as % of exports		
Année	Exportations (1)	Service de la dette(2)(3)		Service de la dette en % des exportations		
(0)	(1)	(2)		(3)		
1965	272	33		12%		
1966	353	27		8%		
1967	437	66		15%		
1968	437	116		27%		
1969	489	139		28%		
1970	616	165		27%		
Projections	1971	(703)	(199)		(28%)	
			(a)	(b)	(a)	(b)
	1972	(801)	(172)	(169)	(22%)	(21%)
	1973	(913)	(194)	(181)	(21%)	(20%)
	1974	(1,041)	(225)	(191)	(22%)	(18%)
1975	(1,187)	(210)	(157)	(18%)	(13%)	

(1) Exports for 1971 and following years estimated on basis of average annual growth of 14%.

(1) Pour 1971 et les années suivantes les exportations ont été estimées sur la base d'un taux annuel moyen de croissance de 14%.

(2) Debt servicing: reimbursement of credit and of interests.

(2) Service de la dette: remboursement du crédit et des intérêts.

(3) See following page for footnote.

(3) Voir page suivante pour l'annotation.

- (3) Estimated as from 1972 on the basis of two assumptions. Figures on the left (a) show the debt servicing on the basis of new credits growing by 10% a year, those on the right (b) the debt servicing on the assumption that the amount of new credits is decreasing by 10% yearly.
- (3) Estimations à partir de 1972 sur la base de 2 hypothèses. A gauche (a) le service de la dette en tenant compte de l'octroi de nouveaux crédits en augmentation de 10% par an; les chiffres de droite (b) indiquent le service de la dette dans l'hypothèse où la valeur des nouveaux crédits irait en décroissant de 10% par an.

Yearly average ratio of debt servicing to exports:

1965 to 1969: 19%

1970 to 1975: 22% (a) or 20% (b) according to the assumption.

Ratio annuel moyen du service de la dette aux exportations:

1965 à 1969: 19%

1970 à 1975: 22% (a) ou 20% (b) selon l'hypothèse retenue.

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Table 10(b)

DEBT SERVICING AS A PERCENTAGE OF ROMANIA'S EXPORTS TO
INDUSTRIALISED NON-COMMUNIST COUNTRIES

SERVICE DE LA DETTE EXPRIME EN POURCENTAGE DES EXPORTATIONS
DE LA ROUMANIE DESTINEES AUX PAYS NON-COMMUNISTES

(million US \$)

Year	Exports (1)	Debt servicing (2)(3)		Debt servicing as % of exports		
Année	Exportations (1)	Service de la dette(2)(3)		Service de la dette en % des exportations		
(0)	(1)	(2)		(3)		
1965	272	33		12%		
1966	353	27		8%		
1967	437	66		15%		
1968	437	116		27%		
1969	489	139		28%		
1970	616	165		27%		
1971	(666)	(199)		(30%)		
Projections		(a)	(b)	(a)	(b)	
	1972	(719)	(172)	(169)	(24%)	(24%)
	1973	(777)	(194)	(181)	(25%)	(23%)
	1974	(839)	(225)	(191)	(27%)	(23%)
	1975	(906)	(210)	(157)	(23%)	(17%)

See following page for footnotes.

Voir page suivante pour les annotations.

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- (1) Exports for 1971 and following years estimated on basis of average annual growth of 8%.
- (1) Pour 1971 et les années suivantes les exportations ont été estimées sur la base d'un taux annuel moyen de croissance de 8%.
- (2) Debt servicing: reimbursement of credit and of interests.
- (2) Service de la dette: remboursement du crédit et des intérêts.
- (3) Estimated as from 1972 on the basis of two assumptions. Figures on the left show the debt servicing on the basis of new credits growing by 10% a year (a), those on the right (b) the debt servicing on the assumption that the amount of new credits is decreasing by 10% yearly.
- (3) Estimations à partir de 1972 sur la base de 2 hypothèses. A gauche (a) le service de la dette en tenant compte de l'octroi de nouveaux crédits en augmentation de 10% par an; les chiffres de droite (b) indiquent le service de la dette dans l'hypothèse où la valeur des nouveaux crédits irait en décroissant de 10% par an.

Yearly average ratio of debt servicing to exports:

1965 to 1969: 19%

1970 to 1975: 26% (a) or 23% (b) according to the assumption.

Ratio annuel moyen du service de la dette aux exportations:

1965 à 1969: 19%

1970 à 1975: 26% (a) ou 23% (b) selon l'hypothèse retenue.

Table 11(a)

IMPACT OF NEW CREDITS AFTER DEDUCTION OF DEBT SERVICING
ON ROMANIA'S TRADE BALANCE WITH THE NON-COMMUNIST
INDUSTRIALISED COUNTRIES

EFFET DES NOUVEAUX CREDITS NETS DU SERVICE DE LA DETTE SUR
LA BALANCE COMMERCIALE DE LA ROUMANIE AVEC LES PAYS
INDUSTRIALISES NON-COMMUNISTES

(million US \$)

Year	Trade balance	New credits less		Net impact on		
	(1)	debt servicing		trade balance		
Année	Balance	Nouveaux crédits		Effet net sur		
	Commerciale(1)	nets du service		la balance		
		de la dette(2)		commerciale		
(0)	(1)	(2)		(3)		
1965	- 86	+ 118		+ 32		
1966	- 108	+ 238		+ 130		
1967	- 290	+ 163		- 127		
1968	- 256	+ 122		- 134		
1969	- 241	+ 43		- 198		
1970	- 227	- 19		- 246		
Projections		(a)	(b)	(a)	(b)	
	1971	- 193	(- 38)	(- 68)	(- 231)	(- 261)
	1972	- 147	(+ 5)	(- 51)	(- 142)	(- 198)
	1973	- 87	(+ 1)	(- 75)	(- 86)	(- 162)
	1974	- 11	(- 10)	(- 96)	(- 21)	(- 107)
1975	+ 85	(+ 27)	(- 72)	(+ 112)	(+ 13)	

See following page for footnotes.

Voir page suivante pour les annotations.

- (1) For the years 1971-1975, the trade balance has been calculated on the assumption that Romanian exports would increase by 14% per year and imports by 6% per year.
- (1) Pour les années 1971-1975, la balance commerciale a été calculée en partant de l'hypothèse que les exportations augmenteraient de 14% par an, tandis que la croissance annuelle des importations serait de 6%.
- (2) As from 1971 estimates have been made on two assumptions. On the left (a) the figures represent the net amounts on the basis of new credits growing by 10% annually; on the right (b) the figures indicate net amounts assuming that new credits decrease by 10% a year.
- (2) Estimations à partir de 1971. Deux hypothèses: à gauche, (a), montants résultant de crédits en augmentation de 10% par an; à droite (b), montants sur la base de nouveaux crédits en diminution de 10% par an.

Annual averages:

1965-1969: - 59

1970-1975: - 102 (a) or - 160 (b) according to the assumption made.

Moyennes annuelles:

1965-1969: - 59

1970-1975: - 102 (a) ou - 160 (b) selon l'hypothèse retenue.

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Table 11(b)

IMPACT OF NEW CREDITS AFTER DEDUCTION OF DEBT SERVICING
ON ROMANIA'S TRADE BALANCE WITH THE NON-COMMUNIST
INDUSTRIALISED COUNTRIES

EFFET DES NOUVEAUX CREDITS NETS DU SERVICE DE LA DETTE SUR
LA BALANCE COMMERCIALE DE LA ROUMANIE AVEC LES PAYS
INDUSTRIALISES NON-COMMUNISTES

(million US \$)

Year	Trade balance (1)	New credits less debt servicing (2)		Net impact on trade balance		
Année	Balance Commerciale(1)	Nouveaux crédits nets du service de la dette(2)		Effet net sur la balance commerciale		
(0)	(1)	(2)		(3)		
1965	- 86	+ 118		+ 32		
1966	- 108	+ 238		+ 130		
1967	- 290	+ 163		- 127		
1968	- 256	+ 122		- 134		
1969	- 241	+ 43		- 198		
1970	- 227	- 19		- 246		
Projections		(a)	(b)	(a)	(b)	
	1971	(- 265)	(- 38)	(- 68)	(- 303)	(- 333)
	1972	(- 308)	(+ 5)	(- 51)	(- 303)	(- 359)
	1973	(- 375)	(+ 1)	(- 75)	(- 374)	(- 450)
	1974	(- 411)	(- 10)	(- 96)	(- 421)	(- 507)
1975	(- 472)	(+ 27)	(- 72)	(- 445)	(- 544)	

See following page for footnotes.

Voir page suivante pour les annotations.

- (1) For the years 1971-1975, the trade balance has been calculated on the assumption that Romanian exports would increase by 8% annually, whereas the annual increase of imports would amount to 10%.
- (1) Pour les années 1971-1975, la balance commerciale a été calculée en partant de l'hypothèse que les exportations augmenteraient de 8% par an, tandis que la croissance annuelle des importations serait de 10%.
- (2) As from 1971 estimates have been made on two assumptions. On the left (a) the figures represent the net amounts on the basis of new credits growing by 10% annually; on the right (b) the figures indicate net amounts assuming that new credits decrease by 10% a year.
- (2) Estimations à partir de 1971. Deux hypothèses: à gauche, (a), montants résultant de crédits en augmentation de 10% par an; à droite (b), montants sur la base de nouveaux crédits en diminution de 10% par an.

Annual averages:

1965-1969: - 59

1970-1975: - 348 (a) or - 406 (b) according to the assumption made.

Moyennes annuelles:

1965-1969: - 59

1970-1975: - 348 (a) ou - 406 (b) selon l'hypothèse retenue.