STATE TRADING

Notification Pursuant to Article XVII.4(a)

Addendum

ROMANIA

I.

In the Socialist Republic of Romania, according to Law No. 1/1971 on foreign trade activity and economic and technico-scientific co-operation, foreign trade operations are effected directly by the industrial centrals, units assimilated to centrals, and other manufacturing units performing services or executing works authorized for this purpose, and by the specialized foreign trade enterprises.

The concrete organizatory forms in foreign trade activity and the economic units entitled to effect direct foreign trade transactions are approved by the Council of Ministers.

Until now, eighty-four units have been authorized to effect direct foreign trade operations of which thirty-four units belonging to industrial centrals, ten intra-central foreign trade enterprises, twenty-eight foreign trade enterprises subordinated to the economic ministries, nine studying, designing and research units.

Each manufacturing enterprise is directly in charge of, and responsible for its foreign trade activity, even in cases where foreign trade is carried out by the industrial centrals or by specialized enterprises in foreign trade.

II.

The activities of the Romanian foreign trade units in foreign markets are carried out in the same manner as in any foreign trade organization or other countries. The main features of the foreign trade units' activities are the following:

- As independent organizations according to the provisions of Articles 22 and 25 of the Law on Foreign Trade, foreign trade units undertake market research in foreign countries, draw up export and import plans, organize export production.

---

1A detailed explanation of the Romanian foreign trade régime is contained in L/3101/Rev.1
The foreign trade units are fully autonomous in choosing their trading partners and in negotiating and concluding contracts.

The autonomy of the Romanian foreign trade units is consolidated by the currency-financial mechanism. In this respect the Law provides that:

(a) Only those goods for which sale on the domestic and external market has been ensured can be put into production;

(b) each manufacturing unit should attempt to accumulate the necessary foreign currency for ensuring its imports from its own export earnings and, if possible, to achieve a foreign currency surplus, which is necessary for the national economy;

(c) foreign currency obtained through export, the execution of works, the performance of services and from other foreign trade activities is remitted to the State through the Romanian Bank for Foreign Trade. The foreign currency necessary for the repayment of imports, services and other foreign trade activities is obtained through the Romanian Bank for Foreign Trade. The amounts in "lei" obtained in exchange from the Bank in return for proceeds from exports and other foreign trade activities, as well as those paid to the Bank to obtain currency necessary for the repayment of imports are directly included by the economic units in their own accounts;

(d) the foreign trade activity units may obtain credits in foreign currency for temporary requirements and may set up foreign exchange deposits from receipts achieved in excess of those which had been estimated in the annual plan.

III.

Being effected on the basis of these principles, Romanian foreign trade has expanded continuously and has increased its contribution to the economic development efforts of the country.

During the period 1966-1970, the total value of foreign trade increased by 60.4 per cent over the period 1961-1965. The following table indicates the growth in Romanian imports and exports over this period:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,399</td>
<td>2,942</td>
<td>3,045</td>
<td>3,371</td>
<td>3,808</td>
</tr>
<tr>
<td>Import</td>
<td>1,213</td>
<td>1,546</td>
<td>1,592</td>
<td>1,739</td>
<td>1,958</td>
</tr>
<tr>
<td>Export</td>
<td>1,186</td>
<td>1,396</td>
<td>1,453</td>
<td>1,632</td>
<td>1,850</td>
</tr>
</tbody>
</table>

In the context of the overall development of Romania's economy, a further increase of foreign trade is envisaged over 1971-1975. It is planned that the total volume of foreign trade will increase during 1971-1975 by 61-72 per cent, as compared to the period 1966-1970.