GENERAL AGREEMENT ON
TARIFFS AND TRADE

REPORT BY THE WORKING PARTY ON TRADE WITH
ROMANIA

1. The Council, at its meeting on 19 December 1972, established a Working Party to conduct, on behalf of the CONTRACTING PARTIES, the first consultation with the Government of Romania provided for in paragraph 5 of the Protocol of Accession, and to report to the Council.

2. The Working Party met on 19 and 22 June 1973, under the chairmanship of Mr. C.H. Archibald (Trinidad and Tobago).

3. The Working Party had before it the following documents containing information relevant to its work:

   - L/3855 and Add.1 and 2: Notifications by contracting parties of discriminatory prohibitions and quantitative restrictions still applied to imports from Romania.
   - A document concerning Romania's economy and foreign trade (annexed hereto).
   - Certain legal texts relating to Romania's foreign trade and co-operation.

4. The following report sets down the main points of discussion in the Working Party under the following headings:

   A. General
   B. Romanian exports
   C. Romanian imports
   D. Romania's trade balance and balance of payments

A. General

5. In an introductory statement the representative of Romania referred to the comprehensive documentation provided by his Government and stated that, as could be seen from that documentation, the Romanian economy had developed favourably in the
last two years. The legislative texts before the Working Party were proof of his authorities' desire to expand foreign trade relations with all countries and to enlarge its participation in the international division of labour. The fact that Romania had become a member of both the International Monetary Fund and the International Bank for Reconstruction and Development during 1972 also underlined this point.

6. He was, however, concerned that since Romanian imports from contracting parties had increased more than its exports, the balance of trade for the period was negative. Thus, Romanian imports from contracting parties had increased from 57.3 per cent of total imports in 1971 to 58.6 per cent in 1972, whereas the share of exports to contracting parties had declined from 52.3 per cent to 51.1 per cent. In 1972 imports from contracting parties had increased by 27.2 per cent, while the comparable figure for exports was 20.8 per cent. In spite of his country allocating more than 30 per cent of the national income to development, Romania remained a developing country, being separated by a considerable economic gap from the developed countries. Thus, per capita national income was only approximately US$600, per capita output in industry was considerably less than in these countries, and the proportion of people working in the agricultural sector was very large (more than 45 per cent), and the share of primary products in its exports to developed market economy countries was more than two thirds.

7. After its accession to the GATT, Romania had fully respected its provisions and had taken full part in the activities of the GATT. Regarding the future, the current Five-Year Plan provided for an overall increase in Romanian foreign trade of 61-72 per cent, compared with the preceding period. Among the most important objectives for its exports were increased economic efficiency, improved structure, and more advantageous prices. On the organizational side, efforts were being made to improve economic and foreign trade planning methods. Romania would continue its policy of expansion and diversification in its foreign trade relations, as well as in industrial, technical and scientific co-operation, in the conviction that such a policy was the most rational and beneficial from both a political and an economic viewpoint. In this context, it was the view of the Romanian authorities that the necessary premises exist for the development of reciprocal trade by all contracting parties strictly observing the provisions of the General Agreement.

8. Members of the Working Party expressed their appreciation of the extensive documentation provided by the Romanian Government, as well as of the Romanian policy of expanding international trade.

9. Replying to a question on his Government's plans regarding the possible introduction of a customs tariff, the representative of Romania confirmed that this was indeed the intention of his authorities, and informed the Working Party that it had been decided by his authorities that on 1 January 1974 a provisional customs tariff would be introduced. Several delegations, in view of the new situation created by the introduction in 1974 of a provisional customs tariff, regarding which little information was as yet available, reserved their position with respect to that tariff, and looked forward to its publication in accordance with Article X.
10. On the question of how his Government intended to approach the forthcoming multilateral trade negotiations, the representative of Romania explained that his country, being a developing country, hoped to participate in these negotiations on the basis of non-reciprocity, thus obtaining additional benefits that would contribute towards its development efforts.

B. Romanian exports

(i) General trends and development of exports of various categories of goods

11. The Working Party noted that Romanian exports to contracting parties had increased less rapidly than its total exports, and that the structure of these exports was less favourable than the structure of total exports; the share of machinery, chemical products and consumer goods in its exports to contracting parties being significantly smaller than in total exports. In Romania's relations with developed market economy countries, fuel, raw materials, agricultural products and foodstuffs still accounted for approximately 70 per cent of exports.

12. Referring to the statistical data before the Working Party, the representative of Romania expressed the desire to redress the negative balance of trade with contracting parties by increasing Romanian exports and not by reducing imports. It was important that all countries operating a Generalized System of Preferences extend beneficiary status also to Romania. He expressed his Government's gratitude towards those countries which had already done so, and the hope that the other developed countries would soon make similar decisions, thus bringing to an end this particular form of discrimination against Romania. He noted further that the trade legislation presently before the United States Congress provided for the possibility of extending most-favoured-nation treatment to his country, and expressed his belief that the beneficiary effects of such treatment, which would imply the disinvocation of Article XXXV towards Romania, together with those of the United States GSP, would significantly develop reciprocal trade between the two countries.

13. A number of delegations referred to their countries' extension of the GSP to Romania, and pointed out that this was a concrete indication of their intention to expand trade relations with Romania. The representative of Romania urged other preference-giving countries to include Romania among the beneficiaries of the GSP at the earliest date.

14. Some members of the Working Party noted that Romanian exports to their countries had increased rapidly in recent years. The representative of the European Communities stated that imports from Romania had increased by 24 per cent, that is at a rate more rapid than the average increase in Romania's exports. In addition to the rate of increase account should also be taken of the actual trade figures. The representative of Japan stated that Romanian exports to his country had trebled over the last two years. The representative of Sweden said that, in 1972, Romanian exports to his country had increased by as much as 60 per cent, and that preliminary figures for 1973 showed that this trend was continuing. The representative of Canada stated that trade with Romania had
developed in a gratifying manner since the exchange of most-favoured-nation treatment in 1968 and noted that imports from Romania had doubled in the last three years.

15. Some members of the Working Party supported the view of the representative of Romania that invocation of Article XXXV towards his country should cease at the earliest date.

(ii) Measures adopted under paragraph 3 of the Protocol by contracting parties maintaining quantitative restrictions inconsistent with Article XIII of the General Agreement

16. The Working Party agreed that it would only be possible at the end of 1974 to determine whether contracting parties maintaining restrictions had fulfilled the objective of removing these. Nevertheless, on this occasion it should be possible to see whether the contracting parties concerned had or had not increased the discriminatory element in the restrictions, and whether they were being progressively relaxed.

17. The Working Party noted that the following contracting parties had notified that they did not maintain any discriminatory restrictions of the kind referred to in paragraph 3 of the Protocol:

- Argentina
- Australia
- Brazil
- Cameroon
- Canada
- Chile
- Cuba
- Cyprus
- Czechoslovakia
- Gabon
- Indonesia
- Japan
- Malta
- New Zealand
- Poland
- South Africa
- Spain
- Turkey
- United States
- Japan
- Malta
- Norway
- Sweden
- Switzerland
- Austria
- European Communities
- Finland
- Norway
- Sweden
- Finland

19. The representative of Romania said that the notifications submitted did not give a clear picture of the situation. Several contracting parties had not submitted notifications at all. The progressive relaxation of restrictions provided for in paragraph 3 of the Protocol seemed to proceed very slowly. Some quotas were being enlarged very slowly, even though the same products were imported in greater quantities from other sources. Some countries had removed restrictions predominantly on products which Romania did not export. For instance, Romanian exports to the European Communities of Six of newly-liberalized products were of a value of approximately US$3 million and represented only 3.3 per cent of total value of exports remaining under restrictions. Out of the 18 positions liberalized in the United Kingdom as at 31 December 1972, only one was to be found among Romania's exports to that country, for a value of US$382,000.
20. The representative of Romania pointed out that the notification of the European Communities of Six did not indicate the situation for each country, but only the common list of discriminatory quantitative restrictions. Furthermore, the countries in question had not notified restrictions on EGSC products, even though restrictions were still applied to such products. Additional products had been subjected to discriminatory quantitative restrictions in violation of the commitment not to increase the discriminatory element of the restrictions.

21. In view of the concerns expressed in the preceding paragraphs, the representative of Romania, supported by other members of the Working Party, felt that he was within his rights to demand that countries still maintaining quantitative restrictions incompatible with Article XIII of the General Agreement should immediately remove the new restrictions and that they take the necessary action in order to eliminate the majority of the restrictions in 1973 so as to achieve in 1974 the objective of paragraph 3 of the Protocol.

22. With regard to individual notifications submitted for the first consultation, notifying countries added the following information:

**Austria:** The representative of Austria stressed that his country had liberalized, in 1972, a considerable number of items, and that for the remaining positions the discriminatory element had not been increased. The process of liberalization would continue.

**European Communities:** The representative of the European Communities said that the Communities had fulfilled their commitment under paragraph 3 of the Protocol, as could be seen from the reduced number of entire or partial tariff headings that were still subject to restrictions. He recalled that, for the Communities of Six, the number of entire tariff headings under restriction had been reduced from 206 to 177, and partial headings from 271 to 123. The United Kingdom had liberalized 6 entire and 12 partial, and Denmark 10 entire and 32 partial headings, while Ireland had liberalized one partial heading. Since 31 December 1972, the member States of the European Communities had introduced further liberalization measures. Thus, all nine countries concerned had relaxed the restrictions on imports from Romania. The Protocol only contained a target date for the elimination of restrictions, and nothing was laid down about the rate of progress of this elimination. As regards the allegedly increased discrimination, imports under the positions in question had previously been restricted from all contracting parties, but had subsequently been liberalized in respect of GATT countries except Romania. The European Communities could not agree that this would constitute a violation of paragraph 3 of the Protocol of Accession; rather, their view was that what mattered was whether total discrimination decreased, in which case the commitment was fulfilled. The Communities were discussing possible further liberalization measures, but no details could be provided at this stage.
Sweden: The representative of Sweden stated that only a very limited number of hard core restrictions were still applied to imports from Romania, and that only four quotas had been fully utilized. About 20 per cent of Romania's exports to Sweden in 1972 were in products under restriction. Considerable quota increases for almost all items had been agreed bilaterally for 1973; further liberalization measures were under consideration. As to the possibility of future progress in the elimination of restrictions, the principle of burden-sharing had to be underlined; in the opinion of the Swedish Government only concerted action would make it possible to arrive at solutions acceptable to all the parties concerned.

Switzerland: The representative of Switzerland stated that Swiss restrictions on agricultural products, except for eggs, applied equally to all countries and that these restrictions were covered by the Protocol of Accession of Switzerland. Furthermore, a recent long-term economic agreement between his country and Romania provided, inter alia, for the abolition of clearing arrangements.

It was noted that representatives of countries maintaining discriminatory quantitative restrictions had stated that they would take the necessary measures in pursuance of their commitments.

23. The representative of Romania, supported by other delegations, could not agree with the representative of the European Communities that removing restrictions towards some countries did not constitute an increase in the discriminatory element towards other countries vis-à-vis which the restrictions were maintained. He reiterated that any liberalization conceded to other contracting parties after Romania's accession and not extended to Romania represented an additional discrimination towards his country and, as such, was in violation of the provisions of the Protocol of Accession and of the General Agreement.

24. The representative of Romania appreciated the point made by the representative of Sweden on the burden-sharing issue, but in his view it was more important that all countries should respect the provisions of the Protocol, and that this respect should not depend on the action, if any, taken by other countries. He added that the non-utilization of the full quotas represented further proof that the maintenance of such quotas was not warranted.

(iii) Other questions

25. The Working Party noted that the provisions of paragraph 4 of the Protocol had not been invoked by either Romania or other contracting parties.

C. Romanian imports

26. The representative of Romania referred to Romania's firm intention to increase imports from contracting parties as a whole at a rate not lower than the growth of total imports as provided for in its Five-Year Plans, and stated that whether
or not this intention had been fulfilled could only be determined at the end of the current Plan. On the basis of the available evidence, however, it was clear that progress towards this target was satisfactory in that imports from contracting parties were increasing at a higher rate than Romanian total imports.

27. Some members of the Working Party expressed satisfaction that their countries' exports to Romania had increased significantly in recent years. The representative of Japan stated that Japanese exports to Romania had increased by 67 per cent in the last two years. The representative of Canada stated that Canadian exports to Romania had developed rapidly but noted that these were concentrated on a few items. He expressed the hope of his authorities for a greater diversification of Canadian exports, particularly as regards manufactured goods.

28. Members of the Working Party noted that Romanian imports from contracting parties were increasing satisfactorily in a manner corresponding with the intentions of the Protocol of Accession.

D. Romania's trade balance and balance of payments

I. The Romanian economy in the early 1970's

The economic and social development of the Romanian Socialist Republic has been proceeding in recent years in accordance with the five-year plan covering the period 1971-1975 which forms an integral part of the forward planning programme drawn up by the National Conference of the Romanian Communist Party in 1972.

Romania has adopted as the principal objective of its strategy for coming years the establishment of an advanced economy, equipped with a modern industry and high-yield intensive agriculture, capable of ensuring a continuing increase in the material and moral well-being of the people as a whole.

In determining this objective, account was taken of the fact that, despite the substantial achievements of the past twenty-five years, Romania is still a developing country and sustained efforts are therefore still necessary in order to speed up the country's general advancement with a view to overcoming the gaps that still separate it from the economically advanced countries.

To that end, Romania is pursuing a policy of industrialization, with a view to making the optimum use of the country's material and human resources and extending and diversifying economic collaboration with all States, while striving to share in the advantages of participation in the international division of labour.

Under the present five-year plan more than 30 per cent of Romania's national income is to be earmarked for development each year. Over this five-year period, the number of employment opportunities will increase by nearly one million
and the share of total manpower employed in industry and other non-agricultural sectors will reach approximately 60 per cent of the total active population.

There has been continuing improvement in economic administration and planning methods. Thus, autonomous central units which have been set up in industry and their activities are conducted in accordance with the principle of economic self-management. The field of utilization for economic and financial means has been extended: economic contracts, price system, credits, etc.

The planning activities of the economic units are based on market studies.

Over the first two years of the period covered by the five-year plan, the principal economic indicators have developed as follows:

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</thead>
<tbody>
<tr>
<td>Social product</td>
<td>110.6</td>
<td>109.8</td>
</tr>
<tr>
<td>National income</td>
<td>112.5</td>
<td>110.0</td>
</tr>
<tr>
<td>Aggregate volume of investments</td>
<td>111.0</td>
<td>110.3</td>
</tr>
<tr>
<td>from State centralized fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of jobs</td>
<td>105.2</td>
<td>104.7</td>
</tr>
<tr>
<td>Aggregate industrial output</td>
<td>111.7</td>
<td>111.8</td>
</tr>
<tr>
<td>Aggregate agricultural output</td>
<td>119.0</td>
<td>109.3</td>
</tr>
<tr>
<td>Volume of external trade</td>
<td>110.3</td>
<td>124.1</td>
</tr>
<tr>
<td>Population income from wages</td>
<td>108.1</td>
<td>106.4</td>
</tr>
</tbody>
</table>
In the industrial sector, particular attention has been given to the development and improvement of key branches such as mechanical constructions, iron metallurgy, chemicals and electric power as well as to industries producing consumer goods for domestic requirements, in particular light industry and the foodstuffs industry.

Output of the principal industrial products for 1971 and 1972 is shown in the annex.

The year 1972 also yielded positive results in the agricultural sector; increased quantities of agricultural products were assured for domestic consumption and supplies were available for export. Production of cereals reached 16.9 million tons, including 9.8 million tons of maize and 6.1 million tons of wheat and rye.

* * *

There are still substantial differences from the economic point of view in relation to the developed countries.

National per caput income is approximately $600.

Per caput production of certain industrial products is from two to four times below the level of the industrialized countries. In the agricultural sector, mechanization and yield are far below those of the developed countries: the surface of arable land per tractor is 92 hectares; consumption of chemical fertilizers is 65 kgs. of active substance per hectare. During the period 1969 to 1971, average production per hectare was 17.5 quintaux for wheat, 23.2 quintaux for maize and 90 quintaux for potatoes. At approximately 45 per cent, the share of the agricultural population in relation to total active population is still
fairly high. Fuels, raw materials and foodstuffs account for approximately 70 per cent of Romania's exports to developed market-economy countries, and machinery and tools for approximately 5 per cent. These wide differences call for increased efforts designed to speed up Romania's economic development in the coming years. As a starting point for the effort to improve activities under the plan covering the period 1971 to 1975 and achieve the objectives before the end of the five-year period, additional labour has been taken on under supplementary plans.

It is in this same context that one can situate the orientation of Romania's economic and social evolution for the period 1980-1990, determining the principal directions for the economy's prospective development, so that before the end of this century Romania may reach the level already achieved by the developed countries from the point of view of per capita production and national income as well as of the living conditions of the population.

II. **Evolution of Romania's external trade**

Romania pursues a policy of broad international collaboration in all fields and is intensifying its commercial exchanges and economic, technical and scientific co-operation with all countries without any distinction as to their respective social and economic régimes.

The process designed to improve the organization and functioning of the foreign trade system has been further pursued. Early in 1971, Law No. 1 was enacted, concerning activities relating to external trade and economic,
technical and scientific co-operation; under this legislation the central units and producing undertakings engage directly in foreign trade activities, either through their own services or through undertakings specialized in external trade. Undertakings engaged in foreign trade activities have full autonomy of action for prospecting markets and negotiating and concluding contracts.

There are at present in Romania fifty-eight units engaging in external trade activities (as against twenty-three in 1970); twenty-nine of these are answerable to ministries, and twenty-three to industrial central units and other economic units. Only six foreign trade undertakings are directly co-ordinated by the Ministry for External Trade, and four of these are service undertakings.

Under legislative measures introduced in 1971 and 1972, still more favourable conditions have been established for increased participation by the Romanian undertakings in international economic co-operation.

Under Decrees No. 424 and No. 425, adopted in late 1972, provision was made for the establishment in Romania of mixed corporations with foreign participation in the fields of industry, agriculture, building, tourism, transport and scientific and technical research, with a view to the production and marketing of goods, the provision of services or the execution of work projects. To date, mixed corporations of this type have been established in the electronics and chemicals sectors. Romania also participates in a number of mixed trade and production corporations situated abroad.

In accordance with the provisions of Decree No. 15/1971 concerning the activities of offices and permanent agencies of foreign firms in Romania, more than 100 such representative agencies are at present authorized to operate.
As is well-known, in 1972 Romania acceded to the IMF and the IBRD; this reflects the importance which our country attaches to multilateral co-operation in all fields.

In the overall context of accelerated development of Romania's economy, the country's external trade is showing sustained dynamism and structural transformations are taking place. The growth rate of the volume of external trade reached 24 per cent in 1972, well above the rates reached for all other synthetic indices.

The volume of Romania's external trade has developed as follows:

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1971</th>
<th>1972</th>
</tr>
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<tbody>
<tr>
<td><strong>Total volume of external trade:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- value ($ '000)</td>
<td>3,810,947</td>
<td>4,203,675</td>
<td>5,214,863</td>
</tr>
<tr>
<td>- increase over preceding year (%)</td>
<td>110.3</td>
<td>124.1</td>
<td></td>
</tr>
<tr>
<td><strong>Exports:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- value ($ '000)</td>
<td>1,850,816</td>
<td>2,100,993</td>
<td>2,599,101</td>
</tr>
<tr>
<td>- increase over preceding year (%)</td>
<td>113.5</td>
<td>123.7</td>
<td></td>
</tr>
<tr>
<td><strong>Imports:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- value ($ '000)</td>
<td>1,960,131</td>
<td>2,102,682</td>
<td>2,615,762</td>
</tr>
<tr>
<td>- increase over preceding year (%)</td>
<td>107.3</td>
<td>124.4</td>
<td></td>
</tr>
</tbody>
</table>
In recent years, the structure of Romania's external trade has developed as follows:

<table>
<thead>
<tr>
<th>Product group</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and equipment</td>
<td>22.6</td>
<td>23.1</td>
</tr>
<tr>
<td>Chemical products, fertilizers,</td>
<td>7.0</td>
<td>8.2</td>
</tr>
<tr>
<td>rubber</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial consumer products</td>
<td>18.1</td>
<td>18.4</td>
</tr>
<tr>
<td>Fuels, raw materials, materials</td>
<td>40.2</td>
<td>36.0</td>
</tr>
<tr>
<td>Foodstuffs</td>
<td>12.1</td>
<td>14.3</td>
</tr>
</tbody>
</table>

The share of manufactures in total exports has increased. In 1973 exports represented 20 per cent of the country's industrial output. Nevertheless, products that have undergone only limited processing still account for a large proportion of Romania's exports of machinery and other industrial articles.

In 1972, imports also increased, reaching a volume 24.4 per cent above the level for the preceding year. Substantial imports of machinery, equipment, raw materials and materials for the processing industry are needed for the country's industrialization and for the efforts designed to fill the technological gaps that separate Romania from the economically developed countries.

In 1972, Romania was maintaining trade relations with 110 countries, and the socialist countries accounted for 53.7 per cent.
Romania, which is itself a developing country, has a special interest in expanding its trade relations with other developing countries. In 1972 the aggregate volume of trade with these countries was more than 37 per cent above the 1971 level, a percentage well above the rate of growth for Romania's external trade as a whole. The value of trade in 1972 exceeded $450 million. As regards trade flows, it should be noted that in 1972 Romania's imports from developing countries increased more rapidly (by 41 per cent) than did its exports to those countries (35 per cent).

III. Evolution of Romania's trade with GATT Member countries

Romania's trade with other contracting parties has developed substantially since its accession to the General Agreement. In 1972 Romania's trade with contracting parties, expressed in current dollars, was 24 per cent above the preceding year's level.

Romania's trade with GATT Member countries has developed as follows:

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>1,099,052</td>
<td>1,327,695</td>
<td>120.8</td>
</tr>
<tr>
<td>Imports</td>
<td>1,205,122</td>
<td>1,532,692</td>
<td>127.2</td>
</tr>
<tr>
<td>Total</td>
<td>2,304,174</td>
<td>2,860,387</td>
<td>124.0</td>
</tr>
</tbody>
</table>

Exports by Romania to other contracting parties have developed less rapidly than overall exports. It should also be noted that the structure of Romania's exports to GATT Member countries is less favourable than the structure of exports as a whole. The share of machinery, equipment, chemicals and industrial consumer
products in total exports to GATT Member countries is substantially smaller than the share of those same products in the country's overall exports.

In 1972, imports by Romania from GATT Member countries increased more substantially than its overall imports. The share of contracting parties in total imports by Romania increased to 58.6 per cent in 1972, while the share of those countries in Romania's exports is at the level of 51.1 per cent. The more rapid increase in imports from these countries as compared with exports to them has resulted in a deterioration in the trade balance with the countries concerned, which in 1972 showed a deficit of more than $200 million. This trend has, of course, been reflected in Romania's balance-of-payments situation vis-à-vis the contracting parties.

Romania has set itself the objective of achieving balance-of-payments equilibrium by the end of 1974. To this end, exports will have to be increased more rapidly than imports. An essential condition for this is to ensure broader access for Romanian products to the markets of GATT Member countries.

IV. Conditions of access for Romanian products to GATT Member countries

Access by Romanian products to the markets of these countries is limited because of the fact that some contracting parties maintain discriminative quantitative restrictions on their imports of certain Romanian products; this limitation is also attributable to the measures adopted within the framework of economic groupings of developed market-economy countries, to the absence of the most-favoured-nation clause in relations with the United States, and to the fact
that Romania is not a beneficiary under the generalized preferences schemes of certain countries.

Since Romania acceded to GATT, the countries still maintaining discriminatory quantitative restrictions have taken action with a view to eliminating those restrictions on imports from Romania, but progress has been slow.

In general, the products liberalized since Romania's accession to GATT are of small importance for Romania's exports. At the same time, certain products that make up a larger share of Romania's exports and are imported by contracting parties in appreciable quantities, are still subject to discriminatory quantitative restrictions.

One may also note that since Romania acceded to the General Agreement, certain contracting parties have taken no action toward eliminating discriminatory quantitative restrictions on their imports of Romanian goods; this is contrary to the principle of the progressive elimination of these restrictions, as expressly provided in the Protocol of Accession.

Appropriate measures are needed if the objective set forth in the Protocol for the Accession of Romania to GATT, concerning elimination by the end of 1974 of the discriminatory quantitative restrictions still applied by certain contracting parties on imports of Romanian products, is to be attained. There is therefore a need to speed up the process of liberalizing imports from Romania. To that end, the Working Party should recommend that countries still maintaining quantitative restrictions inconsistent with Article XIII of the General Agreement should take the necessary action with
a view to eliminating most of those restrictions in the course of 1973 so that
the objective may be attained in 1974.

It should also be noted that in respect of products liberalized for
import from Romania, certain GATT Member countries still apply a licensing
system which in fact constitutes a discriminatory measure inconsistent with
the provisions of Article I of the General Agreement. This measure should
also be eliminated.

The enlargement of the European Economic Community and the establishment
of a large free-trade area in Western Europe are likely to cause additional
difficulties for Romania's exports. The West European countries concerned
should take measures designed to ensure that Romania's trade interests are
not adversely affected, so as to afford conditions conducive to the continuing
development of mutual economic relations.

Under the draft legislation on foreign trade recently presented to Congress
by the United States administration, the basic provisions are afforded for the
extension to Romania of the most-favoured-nation clause and likewise the
generalized preferences. If the United States were to apply the most-favoured-
nation clause to trade with Romania and, as a consequence were to cease
invoking Article XXXV of the General Agreement vis-à-vis Romania and to grant
preferences to our country, a fresh impulse would be given to economic
relations between the two countries.

The grant of generalized preferences to Romania by all the donor countries
constitutes an essential element for the expansion of trade with developed
countries that are contracting parties to GATT.
Because of the fact that certain donor countries have not yet included
Romania among the countries benefiting under their generalized preference schemes,
imports from Romania receive less favourable customs treatment than imports from
countries at a similar level of development, and Romania's exports are adversely
affected thereby. Countries that have not yet extended the benefit of the
Generalized System of Preferences to Romania should do so without further delay,
so that the principle of non-discriminatory application of the system in favour
of all developing countries, without any distinction as to their respective
social or economic systems or to their geographical situation, may be fully
respected.

Under the provisions of the Protocol for the Accession of Romania to the
General Agreement, the need to ensure broader access for Romania's products to
the markets of GATT Member countries constitutes an essential condition for the
continuing development of Romania's trade with the contracting parties, with a
view to achievement of the firm intention expressed by Romania in the Protocol
of Accession in respect of the increase in Romania's imports from those countries.

V. Development of Romania's external trade in the years 1971-1975

Romania wants to continue extending its economic relations with all
countries, taking into account the fact that its economic development, like that
of any other State, is closely linked to a broad share in economic, technical
and scientific collaboration at international level and in the world pool of
know-how.
During the current five-year period, the volume of external trade is expected to reach a level approximately 61-72 per cent above that achieved in the five preceding years. One of the most important objectives is increased economic efficacy of exports, improved structure of exports, and the marketing of products at the most advantageous prices.

In the context of its external economic policy, Romania is giving particular attention to industrial and technical co-operation with other countries, as a superior form of economic relations that is conducive to promoting trade and contributing to greater efficiency.

Prospects are favourable for the development of trade and for industrial and technical co-operation with the GATT Member countries. A further contribution to this will be the expansion and modernization of Romania's industry, the elimination of discriminatory restrictions, the grant of tariff preferences to Romania, and likewise the advantages which Romania can derive as a developing country from the forthcoming multilateral trade negotiations.
## APPENDIX

### Output of the Principal Industrial Products in 1971 and 1972

<table>
<thead>
<tr>
<th>Product</th>
<th>Unit</th>
<th>1971</th>
<th>1972</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric power</td>
<td>Thousand million kWh</td>
<td>39.5</td>
<td>43.4</td>
</tr>
<tr>
<td>Coal</td>
<td>Thousand tons</td>
<td>22,951</td>
<td>25,271</td>
</tr>
<tr>
<td>Crude petroleum</td>
<td>Thousand tons</td>
<td>13,793</td>
<td>14,128</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Million cu.meters</td>
<td>26,719</td>
<td>27,713</td>
</tr>
<tr>
<td>Steel</td>
<td>Thousand tons</td>
<td>6,803</td>
<td>7,401</td>
</tr>
<tr>
<td>Tractors</td>
<td>Units</td>
<td>30,400</td>
<td>34,883</td>
</tr>
<tr>
<td>Diesel and electric locomotives</td>
<td>Units</td>
<td>266</td>
<td>286</td>
</tr>
<tr>
<td>Lorries, tipping-lorries,</td>
<td>Thousand units</td>
<td>35.2</td>
<td>36.1</td>
</tr>
<tr>
<td>trailer trucks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger cars</td>
<td>Thousand units</td>
<td>20.5</td>
<td>28.0</td>
</tr>
<tr>
<td>Chemical fertilizers</td>
<td>Thousand tons</td>
<td>1,082</td>
<td>1,200</td>
</tr>
<tr>
<td>(100% active substance)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Man-made fibres and yarn</td>
<td>Thousand tons</td>
<td>95.4</td>
<td>100</td>
</tr>
<tr>
<td>Synthetic rubber</td>
<td>Thousand tons</td>
<td>71</td>
<td>73</td>
</tr>
<tr>
<td>Cement</td>
<td>Thousand tons</td>
<td>8,523</td>
<td>9,212</td>
</tr>
<tr>
<td>Woven fabrics</td>
<td>Thousand sq.meters</td>
<td>668</td>
<td>734</td>
</tr>
<tr>
<td>Television sets</td>
<td>Thousand units</td>
<td>300</td>
<td>324</td>
</tr>
<tr>
<td>Meat</td>
<td>Thousand tons</td>
<td>418</td>
<td>489</td>
</tr>
<tr>
<td>Sugar</td>
<td>Thousand tons</td>
<td>484</td>
<td>520</td>
</tr>
<tr>
<td>Edible oils</td>
<td>Thousand tons</td>
<td>308</td>
<td>315</td>
</tr>
</tbody>
</table>