

CHARACTERISTICS OF THE ROMANIAN CIF IMPORTS DURING THE PERIOD 01.01.-31.12.2015

Wiegand Helmut FLEISCHER¹

“Lucian Blaga“ University of Sibiu

Abstract

The aim of this paper is to analyze the Romanian CIF imports during the period 01.01.-31.12.2015. My research goal is to identify the most important section of CIF imports during the analyzed period and the main structural modifications in evolution of the Romanian imports. The expected results are to know the most important import section of the Combined Nomenclature, the structural modification in evolution of these industries and the most important partner countries.

Keywords: *imports, structural modifications, import partner countries*

JEL classification: *F10, F40*

1. Introduction

For a better understanding of the Romanian economy, it is important to analyze the Romanian commercial relations. The characteristics of the Romanian CIF imports will give us important results regarding the main industries and the most important partner countries.

Under the Incoterms 2010 standard published by the International Chamber of Commerce, CIF means “the seller pays for the carriage of the goods up to the named port of destination. Risk transfers to buyer when the goods have been loaded on board the ship in the country of Export. The Shipper is responsible for origin costs including export clearance and freight costs for carriage to named port. The shipper is not responsible for delivery to the final destination from the port (generally the buyer's facilities). The seller

¹ *Assistant professor Ph.D., Faculty of Engineering, Lucian Blaga University Sibiu, wiegand.fleischer@ulbsibiu.ro*

is required to obtain insurance for the goods while in transit to the named port of destination. CIF requires the seller to insure the goods for 110% of their value under at least the minimum cover of the Institute Cargo Clauses of the Institute of London Underwriters (which would be Institute Cargo Clauses), or any similar set of clauses. The policy should be in the same currency as the contract. CIF should only be used for non-containerized seafreight” (***, <http://en.wikipedia.org/wiki/Incoterms>, 2016).

The CIF price (i.e. cost, insurance and freight price) is ”the price of a good delivered at the frontier of the importing country, including any insurance and freight charges incurred to that point, or the price of a service delivered to a resident, before the payment of any import duties or other taxes on imports or trade and transport margins within the country” (***, <https://stats.oecd.org/glossary/detail.asp?ID=332>, 2016).

In the period 01.01.-31.12.2015 CIF imports amounted to 62967.7 million euro and increased with 7.6% as against the period 01.01.-31.12.2014.

In the structure of exports, six sections of the Combined Nomenclature hold 72.6% of total imports, as follows:

Table 1: CIF Imports during the period 01.01.-31.12.2015

Section of the Combined Nomenclature (CN)	Value - million euro -	Structure in % as against total imports	In % as against 01.01.-31.12.2014
XVI Machinery and mechanical appliances; electrical equipment; sound and image recorders and reproducers	17900.1	28.4	112.0
XV Base metals and articles of base metals	6742.4	10.7	106.8
VI Chemicals products	6337.8	10.1	106.4
XVII Vehicles and associated transport equipment	5753.3	9.1	114.7
VII Plastics, rubber and articles thereof	4610.8	7.3	108.5
V Mineral products	4393.5	7.0	75.9

Source: (International Trade Statistic – 12/2015)

Imports of section XVI, holding 28.4% of total imports in the period 01.01.-31.12.2015, holding the first place and registered an increase of 12.0% as against the period 01.01.-31.12.2014.

The two chapters of this section hold the following weights: the products in the chapter “Boilers, turbines, engines, mechanical devices and apparatus and parts thereof” hold 46.7% of total section and 13.3% of total imports, while the products under the chapter “Electric machinery, appliances and equipment, TV sound and video reproduction and recording apparatus” had a weight of 53.3% in total section and 15.1% in total imports.

The section XV, with a weight of 10.7% in total imports, registered an increase with 6.8% as against the period 01.01.-31.12.2014.

Imports of section VI, with a weight of 10.1% in total imports, increased with 6.4% as against the period 01.01.-31.12.2014.

Imports of section XVII, with a weight of 9.1% in total imports, have increased as against the period 01.01.-31.12.2014 with 14.7%.

Imports of section VII, with a weight of 7.3% in total imports, have increased with 8.5% as against imports of similar products in the period 01.01.-31.12.2014.

Imports of section V, with a weight of 7.0% in total imports, were by 24.1% less compared with the period 01.01.-31.12.2014.

The main structural modifications came up in the evolution of imports by CN sections in the period 01.01.-31.12.2015 as against the period 01.01.-31.12.2014, consists of:

- increasing weight for section: XVI - by 1.1 percentage points;
- decreasing weight for section: V - by 2.9 percentage points.

**Table 2: Structure of CIF imports by main groups of goods per month
(value in million euro)**

Period	Section of the Combined Nomenclature					
	XVI Machinery and mechanical appliances; electrical equipment; sound and image recorders and reproducer	XV Base metals and articles of base metals	VI Chemical products	V Mineral products	XVII Vehicles and associated transport equipment	VII Plastic, rubber and articles thereof
01.2015	1249.7	501.9	438.3	287.0	419.6	314.4
02.2015	1311.3	548.7	563.0	329.8	425.7	353.5
03.2015	1512.9	598.4	589.2	443.2	526.8	400.3
04.2015	1399.4	559.9	511.1	323.1	479.3	371.6
05.2015	1406.5	560.3	453.0	458.8	457.6	369.0
06.2015	1565.7	607.0	565.6	374.5	510.6	416.1
07.2015	1578.1	659.2	563.2	470.4	509.3	435.1
08.2015	1306.9	516.0	504.7	372.9	380.1	371.7
09.2015	1610.7	590.7	540.8	383.0	536.0	429.4
10.2015	1740.1	599.0	545.3	351.4	580.4	436.7
11.2015	1679.0	550.1	539.7	292.7	504.5	393.7
12.2015	1539.8	451.2	523.8	306.6	423.5	319.2
2015	17900.1	6742.4	6337.8	4393.5	5753.3	4610.8

Source: (International Trade Statistic, 1/2015 – 12/2015)

In the period 01.01.-31.12.2015, as against the period 01.01.-31.12.2014, imports from the other 27 European Union (EU28) countries increased by 10.1%, registering a weight of 77.2% in total imports.

Partner countries holding the first 10 places in total amount of imports in the period 01.01.-31.12.2015 (representing 68.3% of total imports) were the following:

1. Germany (19.8% of total imports),
2. Italy (10.9% of total imports),
3. Hungary (7.9% of total imports),
4. France (5.6% of total imports),
5. Poland (4.8% of total imports),
6. China (4.6% of total imports),
7. Netherlands (4.0% of total imports),
8. Austria (3.9% of total imports),
9. Turkey (3.6% of total imports),
10. Russian Federation (3.2% of total imports). (International Trade Statistic, 12/2015).

In December 2015, CIF imports amounted to 5117.3 million euro, with 12.4% more compared with December 2014.

2. Conclusions

The most important import section of the Combined Nomenclature in the period 01.01.-31.12.2015 of the Romanian CIF imports are: XVI Machinery and mechanical appliances; electrical equipment; sound and image recorders and reproducers - 28.4% of the total imports, XV Base metals and articles of base metals - 10.7% of the total imports, VI Chemicals products - 10.1% of the total imports, XVII Vehicles and associated transport equipment - 9.1% of the total imports, VII Plastics, rubber and articles thereof - 7.3% of the total imports, V Mineral products - 7.0% of the total imports.

Romania's substantial expenditure for the import of foreign energy resources is a big burden for Romania's state budget and a major factor that contributes to the Romanian trade balance disequilibrium. As a solution for this problem we recommend implementing renewable energy projects (hydrological, solar, wind, biogas and biomass plants), which will provide much of the necessary energy. Thus, the cost of energy imports would be substantially reduced and this would have a beneficial effect on the trade balance of Romania (Fleischer, 2011).

We recommend the reviving of the agriculture and animal husbandry in Romania, so that the domestic production should meet, to a great extent, the need of the Romanian market and the surplus should be exported under favorable conditions (Fleischer, 2011).

In order to stabilize the trade balance of Romania, we recommend the decrease in imports as a result of the quantitative and qualitative improvement of the domestic production and a more efficient awareness of the consumers in Romania regarding the importance of supporting the Romanian industry by purchasing Romanian products (Fleischer, 2014).

3. References

- Fleischer, W.H., The Romanian-German Economic Relations between 01.2007-08.2013 in the Context of the Global Economic and Financial Crisis, *Procedia Economics and Finance*, Volume 16, Elsevier Publishing House, p. 256, Sibiu, Romania, (2014).
- Fleischer, W.H., *Relațiile economice româno-germane și Uniunea Europeană – Între controverse și realizări*, Editura Alma Mater, pp. 283-284, Sibiu, Romania, (2011).
- National Institute of Statistics, *International Trade Statistic*, 12/2014, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2014).
- National Institute of Statistics, *International Trade Statistic*, 1/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 2/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 3/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 4/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 5/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 6/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 7/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 8/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 9/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 10/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 11/2015, Editor *Revista Română de Statistică*, pp. 54-61, Bucharest, Romania, (2015).
- National Institute of Statistics, *International Trade Statistic*, 12/2015, Editor *Revista Română de Statistică*, pp. 19, 54-61, Bucharest, Romania, (2015).
- ***, <http://en.wikipedia.org/wiki/Incoterms>, (2016).
- ***, <https://stats.oecd.org/glossary/detail.asp?ID=332>, (2016).