

## **The international trade as an element of the sustainable development**

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**Abstract.** For the beginning, the paper deals with the necessity of the participation to the world division of labour in order to prevent the growth of the disparities between the countries. We talk about the average rate of the world exports growth and the evolution of the world trade on specific countries, as well. The second part of the paper analysis the world trade with the manufactured goods and with the basic goods. A distinct part of the paper deals with the international divided into six specific goods: food, rare materials, combustibles, chemicals, cars, equipments and means of transport and other manufactured goods. Other part of the paper analyses Romania's chronic negative sold of the trade balance. The final conclusion is that the trade policy has a significant impact on the efficiency. The trade policy is able to produce indirect effects on the labour market and the internal sold goods sector. On the other hand, the custom regulations imply institutional changes and generate shocks into the internal business environment and changes of the local attractively economy.

**Key words:** trade balance, efficiency of the foreign trade, trade policy.

### **1 Introduction**

Nowadays, the intensive participation to the world division of labour represents a necessity for the development process of each economy. Moreover, this participation is vital for the developing countries, in order to decrease their disparities from the developed countries. On the other hand the world economy needs the elimination of the high economic disparities between countries, in order to prevent the economic instability and the crisis.

The participation to the world division of labour has two important effects:

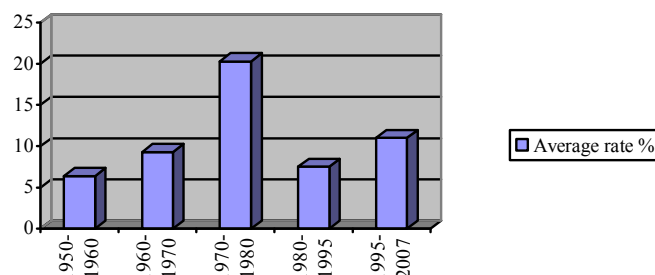
- the accentuation of the trans-nationalisation process of the world economy under the impact of the trans-national corporations which control more than 50% from the world output;
- the finalisation of the passing from the industrial era to the informational era in the world economy.

As a result, the world economy globalisation will grow, the division of labour will change and the disparities between the countries will change, as well. These cumulated elements have different social and political effects which are able to support development or to decelerate the socio-economic progress.

The evolution of the international trade was marked by some characteristics:

- the socio-economic and political effects of the second world war;
- the technical-scientific revolution, which changed the world division of labour;
- the development of the integrationist processes in different regions of the world;
- the world economic crisis from the eighties, with its oil shocks, the high interests and the appreciation and the depreciation of the dollar, as well;
- the economical cyclical crisis based on oil deficit and the elimination of the socialist system;
- the present world financial crisis, which changed the top of the greatest companies in the world and which affected the most development economies in the same manner as under the great crisis from the fourteens.

There are three specific characteristics of the world trade. The first one is connected to its greatest rate of growth. As a result, the average rate of the world exports' value was 14% during 1950-2007 (Suta N., 2007:505-521):



**Figure-1:** The average rate of the world exports growth

Source: Personal contribution

This average rate determined the growth of the world export value volume by 80 times during 1950-2007. It means a growth from 61 billion dollars to 10159 billion dollars based on the growth of the export physical volume (14 times) and the international prices (6 times). The growths of the physical volume of the world exports and the international prices differed on countries and goods.

**Table- 1:** The evolution of the world trade on specific countries during 1980-2005

Category	Exports (%)					Imports (%)				
	1980	1990	1995	2000	2005	1980	1990	1995	2000	2005
<b>Total</b>	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
<b>Developed countries</b>	65.3	72.1	69.6	65.3	64.5	70.9	73.1	68.7	69.2	68.2
<b>Developing countries</b>	29.4	24.2	27.8	32.0	32.4	23.9	22.5	28.9	29.0	29.3
<b>Ex-socialist countries</b>	5.3	3.7	2.6	2.7	3.1	5.2	4.4	2.4	1.8	2.5

Source: Nita I., Comertul interantional contemporan, Editura Independenta Economica, Bucuresti, 2005, p.46.

Moreover, the average growth rate of the international trade was bigger than the average growth of the GNP and GDP for the industrial and agricultural outputs. In 2005, the world GDP grew 9 times than in 1950, the world industrial output grew 10 times and the world agricultural output by 6 times. In the same year, the international trade grew 15 times.

Nowadays, there are new tendencies of specialisation in order to develop a new world economic process under an international economic partnership in production. 25% from the world output is realised under the international trade.

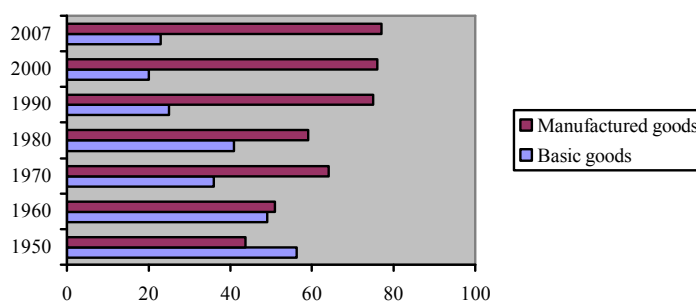
## 2 The world trade structure on the two representative categories of goods

The present international trade has a powerful industrial characteristic and it is dominated by goods with a high industrial value. As a result, the world trade with the manufactured goods is greater than that with basic goods.

**Table- 2:** The evolution of the world trade using manufactured and basic goods (% from the value volume)

Goods	1950	1960	1970	1980	1990	1995	2000	2007
Basic goods	56.3	49.0	36.0	41.0	25.0	24.0	20.0	23.0
Manufactured goods	43.7	51.0	64.0	59.0	75.0	76.0	80.0	77.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: W.T.O., U.N. Monthly Bulletin of Statistics (1950-2007)



**Figure- 2:** The evolution of the world trade structure

Source: Personal contribution

This evolution supported the changes into prices' level and physical volume of those two goods category of the world trade. Using figure no.2, we can see that the percentage of the developed countries in the basic goods exports grew during 1994-2007. The greatest percentage of the basic goods imports had the same developed countries even that this percentage decreased in the latest years. This situation is caused by the great concentration of the manufactured industry with higher production capacities in these developed countries. The contribution of the ex-socialist countries to the basic goods exports was modest, but the situation is very different on countries according to their natural resources and capital.

The exports of the manufactured goods are covered by the developed countries as a result of the great disparity between the developed and the developing countries. The developing countries had difficulties to obtain new positions on the export manufactured goods markets because they have to face to the competition of the developed countries. The General Tariff Preferences System wasn't able to support the manufactured goods export of the developing countries. Nowadays, 82-85% from the total manufactured goods exports of the developing countries is covered by 10 countries, 10-12% by 30-35 countries and 4-5% from the other developing countries. It means a very low industrial development of these countries.

**Table-3:** The world goods export in 2007 (bill. USD and %)

	Billion USD	%	
	2007	2000	2007
<b>Total</b>	10135	100.0	100.0
<i>Agricultural goods</i>	852	8.8	8.4
<b>Food</b>	683	6.9	6.7
<b>Rare materials</b>	169	1.9	1.7
<i>Mine industry</i>	1748	13.8	17.3
<b>Minerals</b>	149	1.1	1.5
<b>Combustibles</b>	1400	10.7	13.8
<b>Non-ferrous</b>	199	2.0	2.0
<i>Manufactured goods</i>	7311	75.0	71.3
<b>Iron and steel</b>	318	2.3	3.1
<b>Chemicals</b>	1104	9.3	10.9
<b>Other</b>	711	7.2	7.0
<b>Transport cars and equipment</b>	3851	42.0	37.9
<b>Fabrics</b>	203	2.5	2.0
<b>Clothing</b>	276	3.2	2.7
<b>Other consumption goods</b>	848	8.5	8.4
<i>Other goods</i>	224	2.4	3.0

Source: [http://www.wto.org/french/res\\_f/statis\\_f/its2008\\_f/its08\\_bysector\\_f.htm](http://www.wto.org/french/res_f/statis_f/its2008_f/its08_bysector_f.htm)

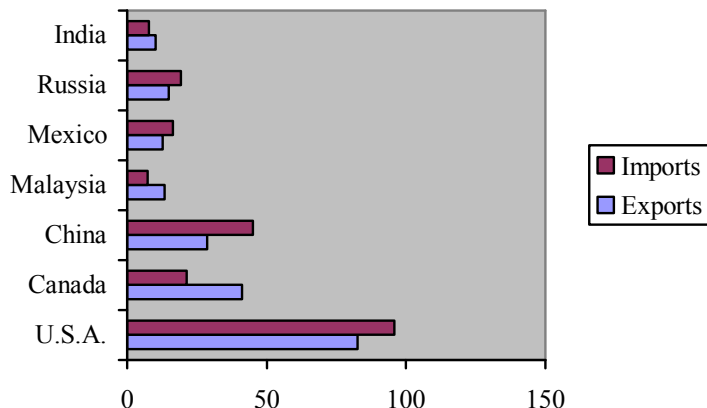
The greatest part of the manufactured goods imports (66-74%) is covered by the developed countries. Moreover, the imports of the manufactured goods between the developed countries grew very much as a result of their industrial specialisation and of the R&D monopoly.

On the other hand, the contribution of the developing countries to the world manufactured goods imports grew from 20% to 27-29% during 1991-2007.

### 3 The world trade structure on the six representative categories of goods

The international trade is analysed on six specific goods: food, rare materials, combustibles, chemicals, cars, equipments and means of transport and other manufactured goods (Suta N., Selejan S., Miron D., 2000: 53).

The food has 7-8% from the international trade and it represents 1000 billion dollars, nowadays. The latest tendency is the growth rate of that food with a high level of industrial processing. The main food exporters and importers in the world are presented in the figure number 3.

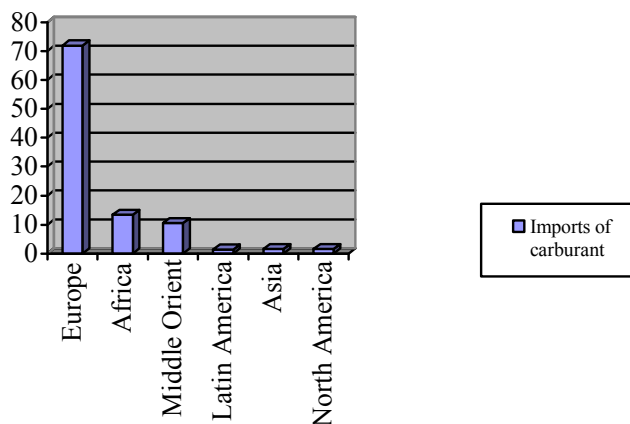


**Figure- 3:** The evolution of the world trade structure (bill. Dollars)

Source: [http://www.wto.org/english/res\\_e/statis\\_e/its2008\\_e/section4\\_e/iv08.xls](http://www.wto.org/english/res_e/statis_e/its2008_e/section4_e/iv08.xls)

Nowadays, the rare materials have a rate of 3-4% from the whole international trade comparing to 22% in 1937, for example. The nomenclature of these materials enlarged under the new syntactical substitutes and the new rare materials like cobalt, zirconium, lithium and uranium. The developed countries have 58.3% from the exports of the rare materials and 63.2% from the imports, as well.

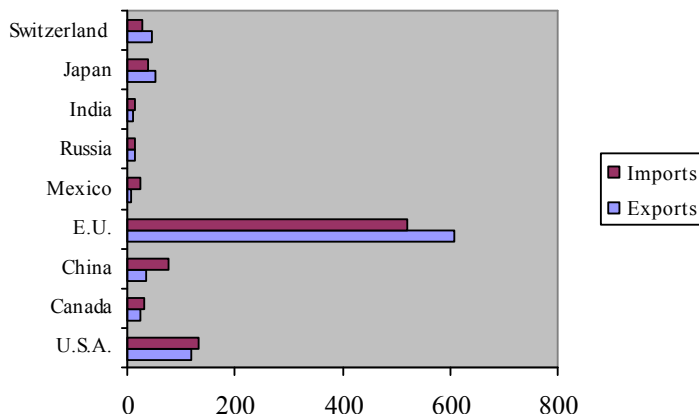
The combustibles cover 12% from the world trade and they are focused on the crude oil. The E.U.'S imports of carburant are about 500000 billions dollars and they are covered from all continents, as in figure number 4.



**Figure- 4:** The E.U.'s imports of carburant on continents (%)

Source: [http://www.wto.org/english/res\\_e/statis\\_e/its2008\\_e/section4\\_e/iv08.xls](http://www.wto.org/english/res_e/statis_e/its2008_e/section4_e/iv08.xls)

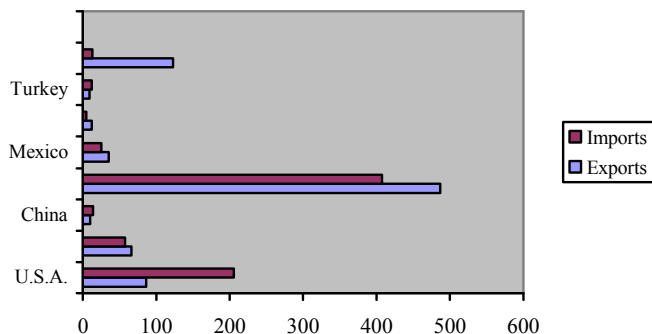
The chemicals cover 9.9% from the international trade. The greatest exporters and importers of these goods are the most developed countries in the world as we can see in the figure number 5.



**Figure- 5:** The main participants to the world chemicals trade in 2007 (bill. dollars)

Source: [http://www.wto.org/english/res\\_e/statis\\_e/its2008\\_e/section4\\_e/iv39.xls](http://www.wto.org/english/res_e/statis_e/its2008_e/section4_e/iv39.xls)

The group of the cars, equipments and means of transport has the greatest rate from the world trade (42.8% in 2007). The most dynamic evolution has the cars trade which covered more than 1800 billion dollars in 2007.



**Figure- 6:** The main participants to the world cars trade in 2007 (bill. dollars)

Source: [http://www.wto.org/english/res\\_e/statis\\_e/its2008\\_e/section4\\_e/iv66.xls](http://www.wto.org/english/res_e/statis_e/its2008_e/section4_e/iv66.xls)

#### 4 Romania as a partner in the world trade

Romania has a chronic negative sold of the trade balance. It was 20 billion dollars during 1990-2000 and 35 billions dollars during 2001-2005, for example. The forecasts of the Romanian National Forecast Commission relieve a negative trend at least 2103.

**Table-4:** The Romanian trade balance during 2005- 2013

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Export (mill.Euros)</b>	22255	25850	29402	34500	40400	47000	54400	62800	72200
<b>Rate of the yearly growth (%)</b>	17.5	16.2	13.7	17.3	17.1	16.3	15.7	15.4	15.0
<b>Import (mill.Euros)</b>	32569	40746	50993	58800	66280	74400	82700	91500	100800
<b>Rate of the yearly growth (%)</b>	23.0	25.1	25.1	15.3	12.7	12.2	11.2	10.7	10.2
<b>Sold of the trade balance (mill.Euros)</b>	-10314	-14896	-21591	-24300	-25880	-27400	-28300	-28700	-28600
<b>% from GDP</b>	-13.0	-15.2	-17.8	-18.2	-16.3	-15.0	-13.6	-12.3	-11.1

Source: adaptation after the Romanian National Forecast Commission

During 2005-2013, the Romanian exports will grow more that 3.2 times. On the same period, the imports will be 1.5 times greater than the exports. The Romanian exports and imports have a negative dynamic even that their absolute values in Euros will grow. As a result, the trade deficit will grow 2.5 times during 2005-2013.

If we analyse the Romanian trade with the E.U. and the outside E.U., we shall see an absolute growth of the exports and imports. The exports growth will be 50 million Euros and the imports growth will be 68 million Euros in the same period, as in the table no.5.

**Table-5:** The Romanian trade with the E.U. and the outside E.U., during 2005- 2013 (mill. Euros)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Exports FOB</b>	22255	25850	29402	34500	40400	47000	54400	62800	72200
<b>Intra E.U.</b>	15636	18228	21139	24940	24940	34400	40040	46540	53930
<b>Extra E.U.</b>	6619	7622	8263	4560	15460	12600	14360	16260	18270
<b>Imports CIF</b>	32569	40746	50993	58800	66280	74400	82700	91500	100800
<b>Intra E.U.</b>	20632	25944	36261	41750	46930	52525	58140	64140	70260
<b>Extra E.U.</b>	11937	14802	14731	17050	19350	21875	24560	27360	30540
<b>FOB-CIF</b>	-10314	-14896	-21591	-24300	-25880	-27400	-28300	-28700	-28600
<b>Intra E.U.</b>	-4996	-7715	-15122	-16810	-17480	-18125	-18099	-17600	-16329
<b>Extra E.U.</b>	-5318	-7180	-6469	-7490	-8388	-9275	-10199	-11099	-12271

Source: adaptation after the Romanian National Forecast Commission



The Romanian exports in the E.U. will grow 3.5 times during 2005-2013. The imports have the same evolution, but more significant. These mean an intra E.U. exports growth with 38 million Euros and an extra E.U. exports growth with 12 million Euros. As a result, the trade deficit of Romania with the E.U. will grow to 16329 million Euros in 2013 and to 12271 million Euros with the extra E.U. The Romanian trade analyse during 2005-2013 presents positive trend of the exports in the E.U. and a negative one in the extra E.U., as in the table number 6.

**Table-6:** The Romanian trade with the E.U. and the outside E.U., during 2005- 2013 (%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Exports FOB</b>	17.5	16.2	13.7	17.3	17.1	16.3	15.7	15.4	15.0
<b>Intra E.U.</b>	10.3	16.6	16.0	18.0	18.1	16.8	16.4	16.2	15.9
<b>Extra E.U.</b>	38.9	15.1	8.4	15.7	14.5	15.1	14.0	13.2	12.4
<b>Imports CIF</b>	23.9	25.1	25.1	15.3	12.7	12.2	11.2	10.6	10.2
<b>Intra E.U.</b>	18.5	25.7	29.1	15.1	12.4	11.9	10.7	10.3	9.5
<b>Extra E.U.</b>	34.6	24.0	15.5	15.7	13.5	13.0	12.3	11.4	11.6
<b>FOB- CIF</b>	40.4	44.4	44.9	12.5	6.5	5.9	3.3	1.4	-0.3
<b>Intra E.U.</b>	54.1	54.4	96.0	11.2	4.0	3.7	-0.1	-2.8	-7.2
<b>Extra E.U.</b>	29.6	35.0	-9.9	15.8	12.0	10.6	10.0	8.8	10.6

Source: adaptation after the Romanian National Forecast Commission

The Romanian imports from the E.U. and the extra-E.U. will decrease. On the other hand, the new direction of the Romanian exports is focused on the E.U. As a result,  $\frac{3}{4}$  from our exports will be sending in the E.U. in 2013. During 2005-2013, the Romanian exports in the extra-E.U. will decrease with 4%. The Romanian imports will have the same evolution like the exports. The trade deficit will grow with 9% with the E.U. and will decrease with 8% with the extra-E.U., as in the table number 7.

**Table-7:** The Romanian trade weighting with the E.U. and the outside E.U., during 2005- 2013 (%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Exports FOB</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Intra E.U.</b>	70.3	70.5	71.9	72.3	72.9	73.2	73.6	74.1	74.7
<b>Extra E.U.</b>	29.7	29.5	28.1	27.7	27.1	26.8	26.4	25.9	25.3
<b>Imports CIF</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Intra E.U.</b>	63.3	63.7	71.1	71.0	70.8	70.6	70.3	70.1	69.7
<b>Extra E.U.</b>	36.7	36.3	28.9	29.0	29.2	29.4	29.7	29.9	30.3
<b>FOB- CIF</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Intra E.U.</b>	48.4	51.8	70.0	69.2	67.5	66.2	64.0	61.3	57.1
<b>Extra E.U.</b>	51.6	48.2	30.0	30.8	32.4	33.8	36.0	38.7	42.9

Source: adaptation after the Romanian National Forecast Commission

The efficiency of the Romanian foreign trade will improve as a result of Romania’s adhering to the E.U. Romanian exports in the E.U. were 8262.5 million Euros in 2007, which mean a growth of 16% comparing with 2006. In the same year, the Romanian exports in the extra-E.U. were 8262.5 million Euros, which mean a growth of 8.4% comparing with 2006.



The Romanian FOB exports grew with 13.5% in 2008, comparing to 2007. The most important goods which cover the Romanian foreign trade are: cars and transport equipments (33.9% from the exports and 37.9% from the imports) and other manufactured goods (41.7% from the exports and 30.1% from the imports), as well.

**Table-8:** The Romanian trade structure in 2008 (%)

Goods	Exports=100.0	Imports=100.0
Cars and transport equipments	33.9	37.9
Other manufactured goods	41.7	30.1
Mineral combustibles and lubricants	10.3	12.3
Chemicals	5.6	10.6
Rare materials	5.6	3.0
Food, drinks and tobacco	2.9	6.1

Source: adaptation after the National Institute of Statistics

In 2008, Romania continued the trend from 2007 of growing exports of manufactured goods with high added value in order to obtain a better valorisation of its export possibilities. As a result, the Measures Plan of the National Export Strategy during 2007-2009 covers new actions under the Romania's position of Member State:

- the coordination of the initiatives of the exports sustaining and promoting and accessing on the European markets;
- the adaptation of the export supporting and promoting practices to those common ones;
- the implementation of the branding strategies for those sectors with export potential;
- the extension of the Export Council's activities to the counties by creating Counties Export Councils;
- the adaptation of the National Export Strategy to the developing regions and the implementation of a regional export strategy under the E.U.'s experience.

## 5 Conclusions

In order to realise its total integration on the single market, Romania has to achieve some specific trade priorities:

- the improvement of the functional market economy in order to face on the European competition pressure;
- the implementation of a institutional framework and specific mechanisms in order to eliminate the distortions and to consolidate the European model of democracy and economy;
- the achievement of those measures which are able to realise the economic growth in a new Romanian knowledge based economy;
- the compliance between the Romanian labour market and the European specific standards and objectives under a greater cohesion between the inhabitant groups and the regions;

- the achieving of a growth rate which allows Romania to realise the convergence with the European average welfare.

The trade policy has a significant impact on the efficiency. It influences the volume and the value of the Romanian imports and the exports' performances, modifies the producers behaviour and influences the consumers, as well.

The trade policy is able to produce indirect effects on the labour market and the internal sold goods sector.

On the other hand, the custom regulations imply institutional changes and generate shocks into the internal business environment and changes of the local attractively economy.

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