

The Arab States from the Middle East and Iran in Romania's Foreign Policy Agenda

Eduard Rudolf Roth¹

Abstract: This paper aims at exploring the geometry of the Romania's relations with the Arab states from the Middle East (Kuwait, Lebanon, Iraq, Egypt, UAE, Saudi Arabia, Jordan, Syria, Qatar, Yemen) and Iran, by unveiling the responsible elements that shaped the matrix of bilateral interactions in the period 1989-2010. Moreover, the paper will focus on the conceptual overlapping between Romania's relations with these actors and the exogenous patterns of influences that played an important role in the articulation and development of Bucharest's foreign policy deliverables.

Keywords: Romania; foreign policy; Middle East; international trade; international relations

Following the 1989 unrest that led to the collapse of the Ceausescu regime, Romania's privileged relations with the large plethora of (non US-aligned) Arab states and Iran manifested a gradual slowdown, to the very point that they eventually occupied – after mid-1990s, only a *peripheral* and *deeply rhetorical* role in Bucharest's foreign policy agenda.

In particular, Ceausescu's 1989 execution equated with the disappearing of the *cardinal catalytic force* that energized and directed the development of the Romanian-Arab relations, especially as the new leadership tried – in order to highlight its democratic, moral and political pedigree – to repudiate all policies and connections associated with Ceausescu's independent foreign policy agenda and domestic *sultanistic* regime.

Although it is difficult to assess its magnitude in terms of foreign policy deliverables, the employment of the Arab commandos thesis – picturing Libyan, Syrian and Palestinian terrorists fighting alongside Ceausescu's fanatic supporters

¹ PhD candidate, National School of Political Science and Public Administration, Romania, Address: 6 Povernei Str., Bucharest, Tel.: +4 021 318 0897, Corresponding author: eduardroth@yahoo.com.

and murdering Romanian civilians – by chief figures of the new establishment (the president of the first Parliamentary Commission for the Research of the 1989 Revolution included) could have had a moulding role in the development of the Romanian-Arab relations.¹

Without a key figure to cultivate the pro-Palestinian and pro-Arab credentials and arguably lacking a real interest in continuing former regimes' policies aimed to develop the indigenous oil and chemical industries or export-oriented industries that supplied most of Romanian exports to developing countries, the new regime found no incentives in pursuing privileged relations with Arab states.

Moreover, gradual trade liberalization that ended all nonconvertible currency transactions, led to a structural shift of Romania's trade orientations towards convertible markets interested in Romanian exports and where quality imports were abounding (Shen, 1997, p. 173), a perspective change that could be easily visualised in the case of Romanian trade relations with its partners from within the Arab world.

For instance, if in 1989 Iraq, Egypt and Iran occupied the 7th, the 8th and respectively the 10th positions among Bucharest's main trade partners, totalling more than 10% of Romanian exports and 17% of Romanian imports, although Iran – the country to which Romanian recorded its biggest trade deficit – counted for 12% itself (*National Commission for Statistics, Romanian Statistical Yearbook*, 1994, pp. 618- 635) by 1993 – due to the UN embargo on Iraq, solidification of trade liberalization, diversification of trade relations and securitization of generalized customs preferences from many Western economies which '*prompted the trade efforts' convergence on hard currency markets*' (Shen, 1997, pp. 175, 180) and diversification of indigenous export base – no Arab country was among Romania's top 6 export markets. Between 1990 and 1994, Iran would however remain an important import source and a trade partner with which Romania recorded exceeding trade deficit as it counted for US\$ 604 million equating 9.3% of Romania's imports in 1993, yet slowly falling to US\$ 223 million by 1995 – when it left the top 6 sources for Romanian imports, in favour of Egypt (*National Commission for Statistics – Foreign Trade Statistics, Romanian Statistical Yearbook*, 1995, pp. 10-17).

¹ See *Jurnalul National newspaper, Libienii pe frecvența revoluției [Lybians on the frequency of the revolution]*, January 6, 2005; *Adevarul newspaper, Dumitru Graur a păzit teroriști: "Erau libieni" [Dumitru Graur guarded terrorists: "They were Lybians"]*, December 11, 2011.

This situation happened, argues Rus, due to the fact that by the end of 1995 Romania increased its attention to Egypt – a traditional mediator in the Middle East – an attitude that materialized through a boost of the bilateral trade that reached US\$ 600 million in 1996, yet of which US\$ 400 million represented Egyptian exports in Romania (2009, p. 100) while trying to comply with US foreign affairs perspectives, in order to capitalize from Washington's support and thus strengthen its Euro-Atlantic membership candidate file.

In the absence of Ceausescu, Romanian relations with the Arab world continued to manifest certain inertia, yet the new Romanian leadership actions lacked a certain convergence in maintaining the pace and amplitude they had in the Communist period. Furthermore, despite inheriting the state's '*balanced relationship with both Palestinians and Israelis*' – resulting from Bucharest's pre-1989 efforts to '*bridge the gap*' separating the two conflicting camps and also despite the fact that Ceausescu's perspectives and influence shaped prepared ground for the 1991 Peace Conference and for the 1993 Oslo Agreement (Govrin, 2002, pp. 166, 138) – the lack of political and economic resources severely limited Romania's chances to play the mediator role in the Israeli-Palestinian conflict.

However, Romanian diplomatic efforts, allowed President of the *Crans Montana Forum*, Jean-Paul Carteron to gather in Bucharest, during organization's reunion from Bucharest in April 1994, both PLO President Yasser Arafat and (then) Israeli Foreign Affairs Minister Shimon Peres. The meeting aimed to find a solution for overcoming the obstacles that stalled the negotiations and thus to contribute to the resuming of the seriously threatened peace process, played a nodal role in the drafting of the Gaza-Jericho Agreement, signed on May 4th 1994 in Cairo. Romania's steadfastly opposition to an imposed solution and its preference and support for dialogue and direct negotiations between the parties, granted Bucharest an invitation to '*participate into the multilateral negotiations over the Middle East conflict*' (Melescanu, 2002, p. 180; Ciuhandu, 2008, p. 9) and – in recognisance of its involvement – to take part in the Agreement's signing ceremony (Cioculescu, 2009: 201).

A significant moment in the evolution of the Romanian-Arab relations was represented by the 1990 outbreak of the Ba'athist Iraqi invasion of Kuwait, when Romanian Ambassador to the United Nations, Aurel Dragos Munteanu was holding the presidency of the UN Security Council. Somehow forced to attenuate the negative effects generated by the governmental support for the '*mineriads*' and

by the management of the '*inter-ethnic conflicts from TarguMures*' Bucharest leadership used this position in order to reassert itself as a promoter, by endorsing the idea that UN have to take action in order to protect the sovereignty of a state – in the framework defined by the international law. However, through its Ambassador, Romania expressed the fears that unilateral action of the US to intervene in the Middle East crisis could act as a precedent for future Soviet behaviour within Kremlin's sphere of interest (Harrington et al, 1995, p. 208).

Although Romanian stance was a pro-democratic and arguably pro-Western one, it wasn't at all anti-Soviet: as Kosminsky and Jones summarize, unlike other post-World War II conflicts, Saddam's invasion of Kuwait '*wasn't mainly 'an East-West confrontation' as Washington and Moscow neither weren't 'squared off eyeball-to-eyeball as they were in the 1973 Arab-Israeli War' neither were 'backing opposing sides, as they were in the 1982-1983 Lebanon crisis'* (1990, p. 1). In addition, claim the authors, despite being very vocal against the Iraqi aggression against the small emirate, and by endorsing UN resolutions against Iraq, including a trade embargo and the use of force for enforcing the embargo if needed, Gorbachev appeared to chart '*a middle course in the Iraqi crisis, maintain his military ties with Baghdad, while offering some rhetorical and diplomatic support in the West*' (Kosminsky & Jones, 1990, p. 2).

On another hand, by supporting all the resolutions and sanctions against Iraq, a political stance severely directed against its immediate economic interests as it had to face a potential loss of '*up to US\$3 billion in oil refining revenues and defaulted Iraqi loans*' Bucharest gained some stature and legitimacy in the international community. Nevertheless, Bucharest's commitment to '*the full respect for international law*' is not only the proof of a newly discovered democratic vocation of the early 1990 Romanian government but an expression of the very conviction that such behaviour could be the '*best shield for Romania*' in its interaction with Kremlin (Harrington et al, 1995, p. 208). Furthermore, in order to highlight Romania's '*genuine vocation*' for the respect of the UN Charter, Romanian Prime Minister paid a visit to Kuwait, in May 1991, while later Bucharest joined the military mission for monitoring the Kuwait-Iraqi border.

In this context – by taking advantage of the increased visibility and positive image of a state that defends the international law – Romania established diplomatic relations with United Arab Emirates, Saudi Arabia, Qatar and Bahrain, thus completing the diplomatic portfolio that previously included Oman, Kuwait,

Palestinian Authority, Egypt, Iraq, Syria, Algeria, Lebanon and Iran (Cioculescu, 2009: 200).

With mid-1996, the monopolization of Bucharest's foreign policy resources – due to the prevalence of NATO accession process in Romania's agenda – left only marginal and thus modest institutional capacities to tackle alternative diplomatic projects. The impossibility to recoup substantial debts from Iraq, Egypt or Libya, the diversification of trade relations, the structural mutations of the economy during its transition period and the tendency to support trade efforts converging on Western markets led to a certain distancing from the Arab markets, especially in the case of the states that were placed under the incidence of US '*state-sponsors of terrorism*' designation – Syria (1979), Libya (1979), Iraq (1979), Iran (1984), or under UN sanctions, as a manifestation of Romania's diplomacy's *extreme responsiveness* to Washington's and generally Western sensitivities.

After 9/11 and arguably till mid-2000s, Romania's relations with the (non US-aligned) Arab world and Iran followed the lines established by the mainstream Euro-Atlantic epicentres of power – as Middle East's political, security and economic architecture was granted different valences in Washington and, more or less, Brussels. The terrorist attacks that hit US (2001) but most of all those from Madrid (2004) – when the number of Romanian citizens killed was surpassed only by the number of the Spanish victims – and London (2005), triggered important mutations in the relatively Islam-friendly Romanian society (Rus, 2009, p. 180), as the general social perception began to align itself with the *mainstream stereotypes* picturing any Muslim or Arab as a potential terrorist. The absence of a significant Muslim minority and of a powerful Muslim lobbies like in France, Germany or UK left the development of the public perceptions at individual level.

On another hand, Romania's relations with the *benign*, US-friendly Arab states were characterized by a relatively positive dynamic, materialized through reciprocal high level visits, through various agreements meant to bolster economic trade, investment and through the establishment of various joint institutions, ministerial commissions, or parliamentary friendship groups.

The advert to power of president Traian Basescu triggered a *spectral shift* in Romania's perception and attitude towards the Middle East, arguably due to the fact that the completion of the EU accession negotiation process in 2004 confined Romania's EU membership to 2007 or, in the worst-case scenario to 2008, changed the attractiveness of Romanian economy for foreign capital. However, one

important *catalyst* for the *revamping* of the Romanian relations with the Arab World was represented by the 2005 hostage crisis, when former interpersonal networks were resuscitated and when a large part of the plethora of Romanian-educated Arab elites (a result of the Communist educational policy towards the Arab countries), Arab expats and Arab leaders responded positively to Romanian requests. For Bucharest, it was clear that by revamping Ceausescu's legacy Romania could derive many benefits from its relations with the Arab World.

In this context, realizing the relatively high chances for the *latent* Romanian-Arab networks to be revived, Traian Basescu and governmental officials included in their agenda a myriad of high level visits from and to Arab countries and began to manifest interest in the Israeli-Palestinian conflict, by maintaining and enhancing dialogue and relations with both Israel and Arab states and by voicing out loud that the solution for ending the violence resided in the political cohabitation of two distinct states (Cioculescu, 2009, p. 202).

One of the foreign policy deliverables generated by the *Americanization* of the Romanian foreign policy was represented by Romania's 2005 decision to voluntarily comply with a Paris Club debt reduction Recommendation – and therefore reduced its Iraq debt (which totalled US\$ 2.6 billion) by 80 per cent while allowing Baghdad to pay the rest of the debt in subsequent instalments till 2028, with 5 years grace.

After 2007, Romanian political relations with the Arab world and Iran began to be circumscribed to EU general strategy towards these states – as according to the provisions of the Accession Treaty – Romania had to replace its legal patchwork consisting in bilateral political and trade treaties to the EU agreements signed with the countries that were part of the Charter of the Cooperation Council for the Arab States (GCC) – and namely the State of the United Arab Emirates, the State of Bahrain, the Kingdom of Saudi Arabia, the Sultanate of Oman, the State of Qatar and the State of Kuwait – while amending its bilateral economic cooperation and investment protection treaties according to the provisions of the *acquis communautaire*.

In this context, although the new government manifested a strong political openness towards the strengthening of the political and economic cooperation, the materialization of Bucharest's endeavours to '*renew*' its relations with the Arab states were relatively modest.

For instance, the dynamics of the Romanian-Kuwait trade exchange reveals a relatively a *sinusoidal tendency*, rising from US\$ 7 million (all Romanian exports) in 2001 to US\$ 26.7 million in 2005 (out of which US\$ 0.5 million in Kuwaiti exports) to US\$ 61.2 million in 2007 and US\$ 55.6 million in 2008, yet with a dramatic decrease in 2009 and 2010 – to US\$ 18.4 million and US\$ 23.5 million respectively, arguably tributary to the effects of the financial crisis and global recession (*Ministry of Economy of Romania – Department of Foreign Trade, Practical Business Guide for Kuwait*, Bucharest, 2013, p. 10)

In the case of Lebanon – the acclaimed Romania's *ideal gateway* to Middle East and North Africa Region and a key player in tapping the potential of the Iraqi market – the evolution of the bilateral trade reveal that Beirut remained a relatively important market for Romanian products, although the figures were significantly inferior to those recorded before 1989. Practically the trade volume in 2007 was situated at US\$ 133.5 million (out of which US\$ 128.8 million Romanian exports to Lebanon), went more than double in 2008 to a level of US\$ 280.1 million (with Lebanese exports to Romania reaching a historical high of US\$ 11.7 million), decreased to US\$ 190 million in 2009 and rose again to US\$ 235.2 million in 2010, with Lebanese exports being situated at US\$ 1.9 million and US\$ 2.7 million respectively (*Ministry of Economy and Trade of Lebanon – Economic Research Unit, Lebanese exports to Romania*, 2012, p. 1).

An interesting aspect of the Romanian exports in Lebanon is that petroleum oils and oils obtained from bituminous minerals represented 52% respectively 57% of the export value from 2009 and 2010, while sawn wood came into second place with 20% and respectively 16%. The main imports from Lebanon consisted in guts, bladders and stomachs of animals and aluminium and copper waste and scrap.

The most important dimension of the Lebanese Romanian relations derives not so much from the dynamics of bilateral trade but from the investment dimension of the bilateral cooperation. Historically speaking, Lebanese business circles were among the first Arab investors to place capital into the Romanian economy, with more than 10.000 companies established immediately after the fall of communism, yet due to the economy's *volatility* and *restrictive and bureaucratic regulations*, their numbers diminished by two thirds reaching 3000-3500 business ventures, mainly small and medium enterprises. However, as of early 2000s and after, especially due to the escalating problems in West Africa – a *predilectarea* for Lebanese capital – and in the light of Romania's 2007 accession to the EU,

Romanian economy become again increasingly interesting for Lebanese investors, managing to attract – according to a public statement by Romanian president Basescu – more than US\$ 2 billion by 2012, an amount that placed Beirut first among Arab investors. (*Romanian President Traian Basescu and Lebanese President Michel Sleiman, Joint Press Conference, February 28, 2012, Cotroceni Palace, Bucharest*).

The trade exchange pattern between Syria and Romania reveal that Damascus remained a constant partner for Bucharest, and that Romania's EU integration was *superimposed* over a positive tendency of Romanian exports in Syria. For instance if in 2001 the total volume of bilateral trade was US\$ 129.09 million (with Syrian exports to Romania reaching only US\$ 4.72 million), the figure recorded *constant fluctuations* in the period 2002-2005: from US\$ 104.05 million in 2002 (with Lebanese exports increasing to US\$ 35.5 million), to US\$ 171.26 million in 2003 (with a record of Lebanese exports of US\$ 74.95 million) and to US\$ 101.64 in 2005 and US\$ 102.08 in 2006. After integration, the trade volume entered once again on a positive path growing to US\$ 138.8 in 2007 and US\$ 183.64 in 2008 (*Ministry of Foreign Affairs of Romania, Romanian Embassy in the Arab Republic of Syria, Bilateral economic relations, 2009*).

Overall, Syrian market remained relatively open to Romanian exports throughout years 2000, with Romanian companies selling electric equipment, automobiles, buses, trains, wagons, construction materials and livestock, while Romanian market was targeted by relatively limited imports mainly consisting in cotton, textile products, fruits and vegetables, olive oil. In terms of bilateral economic cooperation, however, Romanian companies played an important role in the Syrian economy as they had a major contribution in the development of the Baniyas Refinery and of Sheikh Said Cement factory, in expansion works for Jibissa gas transport and treatment complex and last, but not least, in the land melioration for 27000 ha of agricultural land in the Euphrates basin. Of note, Romanian-Syrian relations benefited – to some extent – from the presence of an active Syrian community in Romania, of roughly 10.000 members and by the existence of a 4000 people Romanian community in Damascus.

Romania and the Hashemite Kingdom of Jordan enjoyed a traditional good relation, both in the political and economic field, with Bucharest being Amman's main Central and South Eastern European trade partner and Jordan one of the most important commercial partner of Bucharest in the Middle East region. As of 2007,

the bilateral relations were circumscribed to the provisions of the *Association Agreement between the European Union and Jordan*, which formed the legal basis of the EU-Jordan relationship and which entered into force in May 2002.

The trade balance – with an exceeding deficit against Jordan reveal a strong and constant positive tendency for Romanian exports and a relatively low penetration of Jordan products on the Romanian market (Jordan imports in Romania reached a historical high in 2007 when they were situated at US\$ 7 million, with values ranging between US\$ 2.38 in 2005 and US\$ 4.9 in 2010). Overall, the bilateral trade between Bucharest and Amman was US\$ 34.68 million in 2005, roughly US\$ 50 million both in 2007 and 2008, US\$ 66.4 million in 2009 and US\$ 82.63 million in 2010 (*Ministry of Foreign Affairs of Romania, Romanian Embassy in the Hashemite Kingdom of Jordan, Bilateral economic relations*, 2011). The structure of the Romanian exports reveal a significant reliance on energy equipment, steel-processing, chemical products, spare parts, household equipment and sawn wood.

Apart from trade, the two countries have witnessed a long term and mutual beneficial economic cooperation, with Romanian companies participating in various development projects in Jordan, such as energy sector (power generation facilities, medium and high voltage transmission lines, substations etc., oil sector (modernization and extension works at Zarqa refinery), extension of the storage capacity of Aqaba Oil Terminal. Jordan investments in Romania, either direct either in association with other Arab or European investors targeted touristic and commercial sectors, chemical and pharmaceutical industries and real estate.

Moreover, Romania and Jordan signed a military agreement in 2004 and agreed to intensify the cooperation between Amman's and Bucharest intelligence Structures (Cioculescu, 2009:2004).

An important market in the MENA Region, Egypt is also one of the few countries in the area whose exports to Romanian recorded a significant value. The trade volume between Bucharest and Cairo recorded a level of US\$ 251.9 million in 2004, US\$ 369.25 million in 2006 and US\$ 358.83 million in 2007 (on the fond of a significant increase of the Egyptian exports to Romania of US\$ 150.79 million and US\$ 120 million respectively). In 2008 the bilateral exchange fall to US\$ 262.62 million (mainly due to a significant decrease of Egyptian exports) and entered on a *sinusoidal trajectory* in 2009 and 2010 when it reached US\$ 302.87 and US\$ 277.54 respectively (*Ministry of Foreign Affairs of Romania, Romanian Embassy in the Arab Republic of Egypt, Bilateral economic relations*, 2012).

The structure of Romanian exports to Egypt mainly consists of tractors, spare parts for automobiles, equipment, machinery and spare parts for the cement and oil industries, locomotives, components for coaches, rolling stock, timber and timber products, scrap metal, bearings, electric motors and switchgear low voltage, power windows and glassware, paper and paperboard, plastics, chemicals, mineral oils, rubber, synthetic fibres and yarns. On another hand, Egyptian exports to Romania are represented by oil (till 1997 accounting for debt claims) cotton, animal hides and leather, flax, rice, medicines, detergents and cosmetics, vegetables and fruits, ceramic, sanitary ware, consumer goods. However, as in the case of Romanian-Jordanian relations, an important dimension of the Romanian-Egyptian cooperation is that Bucharest and Cairo share not only economic and political, economic and cultural relations, but also a military agreement signed in 2001 and an intensive cooperation of the two states' intelligence structures (Cioculescu, 2009, p. 204).

The evolution pattern of the Romanian-Saudi trade exchange reveal steady tendency of growth, with Saudi market absorbing significantly higher quantities of Romanian merchandise, and with the exception of the year 1992 – when Romania imported significant quantities of crude oil from Saudi Arabia – the trade balance surplus in favour of Romania was permanent.

Since 2006, the trade volume expanded exponentially, mainly due to the increased level of Romanian exports into the Arabian Kingdom, although way beyond the bilateral potential of such relation. Practically, while at the beginning of the year 2000 the volume of the bilateral trade was situated at US\$ 48.7 million, by 2004 it reached US\$ 110 million. From 2006 till 2008 the figure rose from US\$ 165.9 million to US\$ 190.239 million and US\$ 212.09 million respectively with Saudi exports varying between US\$ 9.2 million in 2006 to US\$ 31.38 million in 2008 (*Ministry of Foreign Affairs of Romania, Romanian Embassy in the Kingdom of Saudi Arabia, Bilateral economic relations*, 2009).

The Romanian - Saudi trade is that it is conducted directly with the Saudi companies (especially after the establishment of a bilateral Council of Businessmen, following a 2003 Memorandum of Understanding between the Chamber of Commerce and Industry of Romania and Bucharest and the Council of Saudi Chambers of Commerce and Industry), but also indirectly through already established companies in Lebanon, Jordan, Kuwait, Syria or UAE. The structure of Romanian exports to Saudi Arabia relies on wood and wood products, metal products, marble, paper, cardboard, light bulbs, electric motors, cables, fertilizers,

textiles, clothing, food, live animals, tires, electric meter, equipment and petroleum accessories, industrial boilers, while imports mainly consists of mineral oils, sulphur, chemicals, furniture, carpets and dates. In terms of investment, according to Romanian Ambassador to Saudi Arabia the level of Saudi investment in Romania was situated – in 2007 – at US\$ 2.2 billion (International Business Publications – US-Saudi Arabia Diplomatic and Political Cooperation Handbook, 2009, p. 196), out of which US\$ 174 million represented the acquisition of a 63% stake in Romania's manufacturer of train engines, generators and electrical transformers, Electroputere Craiova, by the Saudi Al-Arab Contracting Company (ACC) in June 2007.

Romanian-Iraqi patterns of trade – are *entangled* with the constrains imposed by supranational institutions, yet tributary to the bilateral relation before 1989 when Iraq held the first place in Romania's exports of special products, vehicles, clothing and military supplies, textiles, knitwear and footwear, industrial equipment and electronics, sodium products, sanitary ware and household items, etc., with Bagdad delivering to Romanian market commodities like crude oil, sulphur, aluminium fluoride, car batteries or medicines. The embargo instituted by UN Security Council, following the first Gulf crisis – led to a complete stop of mutual deliveries of goods and of the works under execution in Iraq by Romanian enterprises and thus to a zero level in bilateral trade between 1991 and 1995. Between 1997 and 2003 – in accordance with the provisions of 'Oil for food' UN program, Romanian companies resumed relations with Iraqi partners, yet the trade level – Romania concluded export contracts of US\$ 105 million, of which approximately US\$ 65 million, under the approval of Committee 661 of the UN Security Council.

After 2004, bilateral trade was relatively *modest* and *fluctuant*, growing from US\$ 22 million in 2004 to US\$ 68.59 million in 2006, then falling to US\$ 26.86 million in 2007 and exponentially grow in 2008 and 2009 to US\$ 93.6 million and US\$ 116.23 million respectively and fall again in 2010 to US\$ 66.31 million. With Iraqi exports to Romania mainly situated under US\$ 1 million, Iraq usually ranked on an important position among Romanian trade partners on whom Bucharest records a trade balance surplus. The structure of Romanian export in Iraq mainly consisted in mineral products (app. 50% of the total trade), machinery and electrical equipment (app. 47%) with wood, charcoal, livestock and animal products completing the list (*Ministry of Economy of Romania – Department of Foreign Trade, Information by country: Iraq*, 2011, p. 3).

United Arab Emirates, Romania's main commercial partner among the member states of the Charter of the Cooperation Council for the Arab States (GCC), and third commercial partner from Africa and Middle East, is also a *re-export hub* for Romanian products (mostly metal products and bearings) to other regional markets in which Romanian presence is insignificant (Yemen, Oman, Qatar, Bahrain). The level of the bilateral trade-exchange between the two states reached US\$ 290 million in 2009, US\$ 340 million in 2010 and US\$ 530 million in 2011, with Romanian exports dominating the trade balance with values situated at US\$ 241 million in 2009, US\$ 320 million 2010 and US\$ 461 million in 2011. Emirati exports, although substantial in comparison with other countries from the region, topped only US\$ 70 million in 2011 from US\$ 38 million (*Bode, Romanian Minister of Economy, Trade and Business Environment, cited in Bursa Newspaper, April 26, 2012*).

The structure of Romanian exports to EAU mainly consist in petrochemicals and metallurgy, electric motors and transformers, industrial valves, bearings, timber, helicopters and spare parts, paper, chemicals, while Emirati exports to Romania, more diversified and without a dominant product holding a significant share, includes electronics and home appliances, consumer goods, cosmetics, essential oil, laboratory equipment, textiles, car accessories and seafood.

Romanian relations with Qatar, Yemen, Oman and Bahrain – severely limited, either due to the absence of a diplomatic representation, either due to low possibilities for Romanian companies to penetrate the already established local markets – are materialized through *relatively insignificant* levels of the bilateral trade: approximately US\$ 10 million (2006) and respectively US\$ 18 million (2007) in the case of Qatar (with Qatari exports being situated at less than US\$ 0.5 million), with Oman at US\$ 13 million (2008).

After 1996, tributary to Romania's foreign policy orientation that started to manifest an increased interest towards Egypt and an extreme sensitiveness to American foreign policy interests and perceptions, Romanian – Iranian relations began to *degrade* in terms of *quality* and *engagement*, though they were not formally severed. In particular, Iran and Libya Sanctions Act (ILSA) – an 1996 act of the US Congress that imposed economic sanctions on firms doing business with Teheran and Tripoli, and thus allowed Washington to involve into the bilateral relations of Iran and third countries – did triggered important effects to Romanian-Iranian relation as Bucharest, struggling to 'come closer to EU and NATO' was

undertaking any possible actions that could have ‘*won it US’ good will*’ (Cioculescu, 2009, p. 203).

Moreover, Romania aligned itself with West in its conflict with Iran regarding Teheran’s nuclear program which erupted in 2003 – after the discovery in 2003 of nuclear activities undisclosed by Iranian authorities to the International Atomic Energy Agency (IAEA) – and reached a critical level – after several failed rounds of negotiations (in 2005, 2006 and 2008) during which Iran rejected various far-reaching proposals for developing a modern civil nuclear power programme under the control of IAEA, and also important cooperation incentives with the EU – and finally leading to a series of subsequent UN Security Council Resolutions imposing a plethora of sanctions to Teheran. Furthermore, Romania adhered to 2009 France-Germany-United Kingdom’s proposed set of even stricter sanctions to Iran which were adopted in July 2010, and aimed Iran’s crucial areas of international trade: financial services, energy and transport.

However, till 2010, the loopholes and gaps in the laws imposing the sanctions, allowed various companies to sell equipment’s for Iran oil and gas industry or petrochemical plants, the very backbone of the Iranian economy. In this context, argues Kozhanov, although during the period 2006-2010 Washington occasionally managed to persuade Western oil companies to stop the selling of such equipment to Teheran, ‘*it failed to do the same with companies from Eastern Europe (the most active were companies from Romania, Hungary and Belarus) and the Far East*’. Moreover, until 2010, sanctions also failed to seriously influence oil and petrol trade with Iran (2011, p. 1).

In this context, Romanian-Iranian trade exchange reached in 2008 US\$ 245.71 million, with the Romanian exports to Iran skyrocketing from US\$ 59.04 million in 2004 to US\$ 167,86 million in 2008 (*Ministry of Economy of Romania – Department of Foreign Trade, Iran Business Handbook*, Bucharest 2014: 1). In 2009, the bilateral trade manifested a negative tendency with a total level of US\$ 141.4 million with Romanian exports to Iran reaching US\$ 118.5 million, yet the trend eventually reversed in 2010 when the volume topped US\$ 195.96 million, out of which Romanian exports represented US\$ 154 million (*Balkananalysis Research Service – Romanian-Iran Bilateral Trade Statistics, Contacts and Companies*, 2011, p. 1). According to Romanian governmental data, the structure of Romanian exports to Iran reveals a relative dominance of vehicle parts and

accessories, metal products and machinery, with Iranian exports to Romania mainly consisting in crude oil, hydrocarbons, paraformaldehyde and fruits.

To a certain extent the data might be somehow biased, as some exports are believed to take place – due to transport and payment related reasons, through intermediary countries like Turkey. Similarly, in terms of investments, the data from the Romanian Ministry of Foreign Affairs – stating that in 2008 more than 2500 joint ventures involving Iranian capital activated in Romanian economy thus placing Iran on the 38th positions among the states making foreign investments in the indigenous economy – might equally fail to reflect the real dimension of the Iranian investment, as an important part of the capital and business fluxes take part through third-country or indirectly registered companies, mostly Russian based joint-ventures.

Conclusions

The fall (and execution) of Ceaușescu during December 1989 riots and violence meant that the cardinal force that cultivated the pro-Palestinian and pro-Arab credentials and acted as the main catalyst for political and socio-economic cooperation between Romania, Iran and the (non-US aligned) Arab world, ceased to exist.

Moreover, in the aftermath of the events, the new leadership – trying to exhibit democratic and European pedigree – oriented Romania's trade fluxes towards convertible (mostly Western) markets and gradually renounced at the development of the indigenous oil, chemical and export-oriented industries that supplied most of Romanian exports to developing countries. In this context, Bucharest found no incentives in pursuing privileged relations with the Arab world, despite of the fact that following the Ba'athist Iraqi invasion of Kuwait, Romania established diplomatic relations with United Arab Emirates, Saudi Arabia, Qatar and Bahrain, states with an immense economic potential for absorbing Romanian imports.

In general, by mid 1990s and till late 2000s, Romania's behavioural dynamics towards the Arab World and Iran took place under the form of an alter casting process – implemented through institutional, organizational or legal means – through which Washington or EU provided Bucharest cues, norms and expectation to elicit certain behaviour. However, although politically, Romanian leadership aligned the country with US and EU articulated preferences and perspectives, in

the economical realm, indigenous companies' behaviour wasn't necessarily circumscribed to the governmental rhetoric and actions.

By 2006, faced with the perspective of EU single-market pressures, Romanian government embarked itself a quest to resuscitate the latent relations with the Arab states from the Middle East and Iran. The materialization of these endeavours remained – despite some revamping of the bilateral trade fluxes – at a modest level for the next years, in comparison with the level they recorded in throughout the 1980s.

References

- Balkananalysis.com Research Service (2011). Romania-Iran Bilateral Trade: Statistics, Contacts and Companies. *Balkananalysis.com* no. November (http://www.balkananalysis.com/romania/2011/11/23/romania-iran-bilateral-trade-statistics-contacts-and-companies/) (accessed January 21, 2014).
- Cioculescu, Serban Filip (2009). *România postcomunistă în „ecuația” strategică a vecinătăților: Balcanii, Marea Neagră și Orientul Mijlociu Extins/Post-communist Romania in the strategic “equation” of neighborhoods: the Balkans, the Black Sea and the Greater Middle East*. Bucharest: Editura Universitatii Bucuresti.
- Ciuhandu, Gheorghe (2008). Romania: From revolution to European integration. *Michigan Paper Series* no. http://www.ii.umich.edu/UMICH/ces/Home/Resources/Michigan%20Paper%20Series/Ciuhandu_Romania_from_Revolution.pdf (accessed January 14, 2014).
- Govrin, Yosef. 2002. *Israeli-Romanian Relations at the End of Ceausescu Era*. New York: Routledge.
- Harrington, Joseph F.; Karns, Edward & Karns, Scott (1995). American-Romanian Relations, 1989-1994. *East European Quarterly*, no. 29 (2).
- Kosminsky, Jay P. & Michael, Johns (1990). Bush To Gorbachev: Choose Between Saddam and the West. *Heritage Foundation Executive Memorandum* no. 280.
- Kozhanov, A. Nikolay (2011). U.S. Economic Sanctions against Iran: Undermined by External Factors. *Middle East Policy Journal* no. XVIII (3).
- Melescanu, Theodor (2002). *The Rebirth of the Romanian Diplomacy: 1994-1996*. Cluj-Napoca: Dacia.
- Ministry of Economy and Trade of Lebanon - Economic Research Unit (2012). *Lebanese exports to Romania*: Beirut, LB.
- Ministry of Economy of Romania - Department of Foreign Trade (2011). *Information by country: Iraq*. Bucharest.

Ministry of Economy of Romania - Department of Foreign Trade. 2013. *Practical Business Guide for Kuwait*: Bucharest.

Ministry of Economy of Romania - Department of Foreign Trade. 2014. *Iran Business Handbook*: Bucharest.

Romania, National Commission for Statistics (1994). *Romanian Statistical Yearbook*. Bucharest.

Romania, National Commission for Statistics (1995). *Romanian Statistical Yearbook*. Bucharest.

Rus, Raluca (2009). *Intre mit si realitate. Lupta pentru Tara Sfanta [Between Myth and Reality. The Battle for the Holy Land]*. Iasi: Lumen.

Shen, Raphael (1997). *The Restructuring of Romania's Economy - A Paradigm of Flexibility and Adaptability*. Westport: Greenwood Publishing Group.