

THE EXTERNAL TRADE CONCENTRATION AND SPECIALISATION INDEX OF ROMANIA IN BETWEEN 2000-2016

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Abstract: *The empirical studies carried out on Romania's foreign trade performance aimed at establishing, on the one hand, the products with which Romania is competitive in the foreign markets and which are the external markets that the Romanian products are most competitive, so that the responsible factors the Romanian foreign trade can adopt the strategy of correct and scientifically based promotion at a macroeconomic level and on the other hand to indicate to the Romanian economic agents the directions they must orientate or reorient their exports in order to maximize the derived positive effects from the EU accession, taking advantage of the free trade agreements that we have also taken as partners from the moment of Romania's accession to the EU, agreements that create us access in advantageous conditions, of high competitiveness, on foreign markets with which Romania did not agree before the EU accession, and at the same time to encourage the export activity of the Romanian economic agents that produce products identified in the researches carried out in this study, as having a high competitive potential for export on the markets concerned. In this context, we were concerned with the identification of innovative methods and strategies for establishing and capitalizing on the competitive advantages of Romanian companies with foreign trade activity as a result of our country's accession to the European Union, in order to solve the complex economic problems generated by the major trade deficit Romania, as well as the creation of mechanisms for implementing the strategies and methods resulting from the research conducted to reduce this deficit and to maximize the positive effects of Romania's accession to the EU. As it is well known, export competitiveness is a fertile ground for analyzing entrepreneurial potential and how it manifests itself, with entrepreneurial culture representing, together with other specialized factors of production, an important source of competitive advantage and one of the determinants of national competitive advantages. The analysis of the exchange ratio and coverage and specialization of the foreign trade for the whole period 1990-2016 was also carried out in order to highlight the evolution of Romania's foreign trade and the strategic role played by the European Union in this evolution. The present study presents only the analyses and their results for the period 2000-2016, considered eloquent for the European economic integration of Romania, taking into account the fact that in February 2000 the negotiations for the accession of our country to the EU started.*

Keywords: *Romania; EU membership; trade balance; external trade; concentration index, specialisation index; Herfindahl-Hirschmann coefficient; Romanian import and export.*

JEL Classification: *F10; F13; F14; F15, F19.*

1. Introduction

In the evolution and the development of the trade theories and policies, the current debates on the EU Common Trade Policy (CTP) and its impact on Romania's trade and foreign trade policy, as well as the issue of political lobbying in the context of trade policy, are addressed.

An important part of the research is devoted to the efficiency of foreign trade and export competitiveness, approached from the point of view of the results of the empirical studies on the performance of Romania's foreign trade, including by reference to the European Union. As it is well known, export competitiveness is a fertile ground for analyzing entrepreneurial potential and how it manifests itself, with entrepreneurial culture representing, together with other specialized factors of production, an important source of competitive advantage and one of the determinants of national competitive advantages. The analysis of the exchange ratio and coverage and specialization of the foreign trade for the whole period 1990-2016 was also carried out in order to highlight the evolution of our country's foreign trade and the strategic role played by the European Union in this evolution. The present study presents only the analyses and their results for the period 2000-2016, considered eloquent for the European economic integration of Romania, taking into account the fact that in February 2000 the negotiations for the accession of our country to the EU started.

2. Literature Review on the Economic Theory and Model

The dynamics of Romania's export performance was assessed by a method focused on three distinct research directions: (1) the evolution of the hierarchy of products exported in the reference years 2001 and 2011, (2) the performance evolution of key products exported in 2001, and (3) the position of key products exported in 2011 at the level of 2001. The analysis of domestic revenues generated by those who produce their exports and suppliers is based on the global value chain according to the methodology proposed by the European Commission in the Competitiveness Reports 2012 and 2013. The results of the corroboration of the two analysis conducted by Țurlea et al. (2014) can be used mainly to highlight the extent to which the current structure of Romanian exports contributes to the creation of domestic revenues in Romania.

From the research undertaken to date, it appears that there is still no unanimously accepted model of quantification of export competitiveness on the one hand because of the complexity and lack of consensus on the concept of competitiveness and on the other hand because of the multitude of factors affecting export performance. Export competitiveness is measured differently within the same institution as well as between different national and international organizations. For example, in the OECD, for the purpose of calculating export competitiveness indicators, only a limited number of members and a very small number of developing countries, whose trade holds a certain share in world trade, are considered. According to the OECD, ideally, the measurement of export competitiveness should be subject to the following three basic criteria (Durand, M., Simon, C., Webb, C., 1992, p. 149):

1. Coverage of all sectors exposed to international competition, which means taking into account exclusively all traded or tradable goods subject to international competition;
2. Coverage of all markets open to competition;
3. Building on data that is totally comparable at international level.

Within the best models of competitiveness in the nation or region (Porter, 1990, 2001; Cho, 1994, 1995; Rugman, Moon, et al., 1998; Begg, 1999) parameters and indicators for measuring national competitiveness can be identified, but not the competitiveness of exports. Quantifying international competitiveness is reflected by the OECD Secretariat suggestively: "measuring international competitiveness is - even in the context of a well-defined conceptual framework - often a problem of choice and compromise on available data and implies a series of compromises between different criteria and objectives". (Giurgiu, 2018)

3. Trade Concentration and Specialisation Index

In order to determine the share of trade with a product group in the total trade of Romania, we calculated the Herfindahl-Hirschmann-HHI coefficient (see Table 1), stating that the analysis is based on the product groups included in the Combined Nomenclature. The interpretation of the coefficient is as follows: the closer the market is to becoming a monopoly, the greater the concentration of the market (and the lower the competition). If, for example, there was a single firm in an industry, this firm would have a 100% market share and HHI would be 1, indicating a monopoly. If there were thousands of competing firms, each would have a market share of nearly 0%, and the HHI would be close to zero, indicating almost perfect competition. The aim is to highlight the importance of the groups in Romania's total trade and, depending on the results, the product groups more relevant to the analysis of Romanian foreign trade during the reference period for the present research will be analyzed in detail.

The diversification index is calculated by measuring the absolute deviation of the trade structure of a country from the world structure. The diversification index has values between 0 and 1. A value closer to 1 indicates a greater divergence from the world structure. This index is a modified version of the Finger-Kreinin method of measuring similarity in trade.

Table 1. Global Herfindahl-Hirschmann Coefficient on Romanian Import and Export (in Euro) 1995-2014

Year	Romanian exports			Romanian imports		
	Number of products	Concentration Index	Diversification Index	Number of products	Concentration Index	Diversification Index
1995	215	0.124	0.582	240	0.091	0.395
1996	216	0.127	0.605	240	0.086	0.380
1997	229	0.126	0.576	243	0.080	0.394
1998	222	0.132	0.586	240	0.063	0.357
1999	223	0.130	0.549	242	0.070	0.348
2000	226	0.133	0.540	245	0.066	0.351
2001	229	0.137	0.575	245	0.065	0.346
2002	230	0.131	0.546	245	0.056	0.345
2003	234	0.119	0.562	246	0.060	0.313
2004	235	0.124	0.505	247	0.074	0.288
2005	242	0.115	0.474	252	0.075	0.281
2006	238	0.100	0.443	249	0.069	0.261
2007	239	0.097	0.402	247	0.070	0.247
2008	239	0.096	0.435	250	0.063	0.266
2009	242	0.094	0.423	248	0.066	0.263
2010	241	0.091	0.425	247	0.063	0.260
2011	242	0.091	0.414	247	0.062	0.256
2012	242	0.091	0.414	247	0.062	0.256
2013	242	0.098	0.427	247	0.065	0.277
2014	243	0.099	0.418	249	0.068	0.272
2015	244	0.103	0.424	248	0.059	0.266

Source: Own calculations based on statistical data provided by UNCTADstat: *Table report: Merchandise: Product concentration and diversification indices by economy, annual, 1995-2015*

* Products / product groups with an export / import value of over 100,000.00 Euro.

Table 1 shows that gradually, mainly after 2007, the level of import concentration decreased, which means that a larger number of product groups corresponds to higher weights in the total import. In the case of exports, there is a relatively inverse growth trend up to the level of 2005. From a higher concentration and a high specialization in the period 1995-2005, it turned to a lower concentration, so that in the years 2008 - 2012. The concentration coefficient recorded the smallest values in the analyzed period, which means that there was

a reduced specialization. The 2010-2015 period however reveals an increasing trend, but well below the 1995-2005 level.

As far as the Diversification Index is concerned, it is between 0.402 and 0.605 for Romanian exports, with the last 10 years of the period (2005-2016) showing a downward trend and values below 0.5, indicating an increasing convergence towards world export structure.

In imports, the values of the *Diversification Index* are much lower than for exports in the case of Romania, the highest value being 0.395 (1995) and the lowest being 0.247 (2007). The tendency of the last 10 years is also decreasing on imports, which means that Romania converges with the structure of world imports, which are becoming more diversified.

Based on these results, clear conclusions cannot necessarily be drawn until we see from which groups we export and import in a larger proportion, which is why we will continue to show in Table 2 the results obtained in the calculation of the concentration indicator, i.e. the share held by each product group in total import. Larger weights are highlighted in the table to see exactly which product groups have contributed most to Romania's total imports.

Table 2. Share of CN sections in total imports of Romania in the period 2000-2016

Section CN	Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
I		1,14	1,80	1,65	1,23	1,48	2,03	1,73	1,70	2,08	2,86	2,10	1,76	1,89	2,01	2,09	1,99	2,13
II		2,08	2,16	1,56	2,81	2,06	1,34	1,32	2,02	2,20	2,57	2,43	2,41	2,59	2,63	2,59	3,23	3,46
III		0,26	0,22	0,37	0,26	0,20	0,18	0,18	0,28	0,40	0,41	0,46	0,45	0,44	0,37	0,28	0,29	0,28
IV		3,65	3,59	3,01	2,94	2,78	2,65	2,71	2,51	2,92	3,96	3,36	3,48	3,85	3,93	3,79	4,10	4,20
V		14,45	14,34	12,72	12,36	13,42	15,58	14,81	11,95	13,69	9,99	11,03	12,14	13,02	10,60	9,90	6,98	6,14
VI		8,23	7,83	8,42	7,95	7,89	7,44	7,60	7,55	8,26	11,04	9,95	9,93	10,31	10,48	10,18	10,05	9,97
VII		4,45	4,88	5,49	5,92	5,84	5,96	6,20	6,01	5,79	6,52	6,96	7,22	7,14	7,33	7,26	7,32	7,27
VIII		2,77	3,28	3,48	3,15	2,50	2,17	1,85	1,49	1,21	1,43	1,35	1,30	1,27	1,33	1,44	1,40	1,36
IX		0,64	0,71	0,83	0,85	0,91	0,98	0,95	1,13	1,05	0,97	0,85	0,69	0,68	0,71	0,75	0,85	0,95
X		2,22	2,22	2,35	2,36	2,12	1,98	1,89	1,69	1,69	2,30	2,02	1,85	1,68	1,73	1,71	1,69	1,70
XI		16,27	16,11	16,45	14,87	12,62	10,23	8,31	7,07	6,07	7,02	6,49	6,40	6,42	6,57	6,72	6,77	6,95
XII		1,69	1,63	1,64	1,49	1,24	1,11	1,02	1,00	0,96	1,14	1,11	1,16	1,05	1,12	1,21	1,10	1,19
XIII		1,38	1,48	1,63	1,69	1,74	1,88	1,81	1,84	1,88	1,63	1,42	1,36	1,23	1,22	1,22	1,26	1,32
XIV		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,17	0,18	0,17	0,19	0,25	0,26	0,25	0,27	0,27	0,30
XV		6,83	7,33	7,38	7,69	8,37	8,83	9,89	11,06	11,36	9,79	10,93	11,25	10,67	10,48	10,79	10,70	10,06
XVI		24,71	22,65	22,87	23,96	23,78	23,43	24,25	25,05	23,96	27,00	28,58	27,48	26,59	27,74	27,30	28,44	28,09
XVII		4,23	5,00	5,53	6,10	9,23	10,20	11,55	13,84	12,47	7,42	7,38	7,63	7,47	7,84	8,57	9,16	10,09
XVIII		2,69	2,61	2,44	2,22	1,82	1,73	1,74	1,60	1,65	1,67	1,68	1,62	1,69	1,84	1,97	2,27	2,19
XIX		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,05	0,03	0,06	0,04	0,03	0,02	0,02	0,01	0,02	0,02
XX		1,86	1,77	1,89	1,90	1,77	1,89	1,91	2,00	2,15	2,03	1,64	1,60	1,72	1,80	1,94	2,08	2,31
XXI / XXII		0,45	0,40	0,30	0,25	0,23	0,38	0,29	0,00	0,00	0,00	0,00	0,00	0,01	0,01	0,01	0,01	0,01

Source: Own calculations, with 8 decimal, based on statistical data processed from EUROSTAT, *EU trade since 1988 by HS2-HS4 (DS-016894)*, link: <http://ec.europa.eu/eurostat/web/international-trade-in-goods/data/database#>, accessed during June-August 2017.

In the years 2010, 2015 and 2016, there was a high concentration on imports, mainly due to the large share of V (Mineral Products), VI (Chemicals or Related Industries), VII (Plastics and Articles of Plastics rubber and articles thereof), XV (Common metals and articles of base

metal), XVI (Machinery and apparatus, electrical equipment, sound or video recording or reproducing apparatus) and XVII (Transport equipment and auxiliary equipment). Looking at the results, with the exception of Group VII over the period 2000-2010, these product groups were predominantly imported throughout the analyzed period, adding group XI (textiles), which contributed to the decrease in the concentration of the last 9 years, compared to 2000. The large share of imported metals (group XV), although fluctuating throughout the period, is not very satisfying for the metallurgical industry in our country.

The share of the first four groups, which includes the products of the agro-food industry, has grown over the last 7 years in the total imports compared to the beginning of the period, a negative fact because this share should be as low as the climatic conditions in Romania, they allow - theoretically - to ensure the need for basic agro-food products and even to obtain availability for export. The Group II (Vegetable Kingdom Products) and IV (Products of the Food Industry, Drinks, Alcoholic Liquids and Vinegar, Tobacco and Processed Tobacco Substitutes) registered a steady increase in its importance.

The lack of significant oil processing capacities could be reflected in imports with large shares of the mineral product group; however, the results reflect a significant decrease in the weight of this group (Group V) in 2015-2016, as compared to 2000. Chemicals (Group VI) have relatively large shares of total imports throughout the analyzed period, and plastics (group VII) reflects a steadily growing trend as weight, becoming increasingly significant in the structure of our imports. The rising imports of these product groups (VI and VII) are not a positive factor, as it shows the shortcomings of the chemical and plastics industry, which is not able to provide domestic demand, more and more dynamic and diversified.

Growth also records the share of imports of wood products (Group IX) by 2008, with this group actually importing unprocessed wood products (subgroup 44); anyway, starting with 2009, the trend is decreasing, which is a beneficial fact, given Romania's tradition in wood processing.

For textiles (group XI), the share is in continuous decrease so far, mainly due to the fact that it is predominantly produced in the Lohn system, with the main imports being made in subgroups 52 (cotton), 54 (synthetic or artificial filaments; similar forms of synthetic or artificial textile materials) and 55 (synthetic or man-made staple fibres). Demand for the real estate market has led to a slight increase in growth for stone, plaster and cement (Group XIII), but since 2009 has been steadily declining so far, with the level of 2016 being lower than in 2000.

In Table 3 the export weights are shown, with the weights above 4% being generally highlighted, because around this weight we can say that there is some influence of the group in the total exports. It is noted that, unlike import, on export, the concentration is lower, in the sense that several groups of products have contributed with higher shares in total exports.

A favourable conclusion based on the results in Table 3 refers to the continuous increase of the share of machinery and equipment (Group XVI) in the export of Romania, accounting for almost 30% of our country's exports in 2016, which can be explained (e.g. Plexus, Emerson, Celestica, Samsung, etc.), since the main exported subgroup was 85 (electrical machinery, apparatus and equipment and parts of them sound recorders or reproducers, television image or sound recorders or reproducers, parts and accessories of such apparatus). However, correlated with import value data for this group and subgroup, the trade balance is negative, indicating that we are used in this segment as a low cost economy, i.e. group XVI (Machinery and apparatus, electrical equipment and parts thereof; sound recorders or reproducers, recorders or reproducers, TV and parts and accessories of these apparatus) takes the place of group XI (Textiles and articles made of these materials) from the previous period, i.e. we produce in "lohn".

It is also of interest to study the partial export focus results for a comparison with the previous table and to see which groups we predominantly export.

Table 3. Share of CN sections in total exports of Romania in the period 2000-2016

Section CN	Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
I		1,22	1,15	1,04	1,21	1,06	0,88	0,82	0,85	0,82	1,12	1,16	1,29	1,62	1,50	1,42	1,44	1,41
II		1,14	1,59	1,27	1,09	1,09	1,24	1,58	1,49	3,55	3,87	4,34	4,63	4,37	6,03	5,85	5,63	6,00
III		0,20	0,22	0,07	0,18	0,34	0,28	0,22	0,23	0,31	0,30	0,44	0,53	0,41	0,48	0,41	0,41	0,34
IV		0,70	0,85	0,76	0,71	0,61	0,62	0,69	1,23	1,73	2,42	2,38	2,43	2,58	2,66	2,95	3,37	3,00
V		7,94	6,92	8,48	7,03	7,19	11,08	10,45	7,76	9,30	6,14	5,50	5,98	6,08	5,74	6,57	4,92	3,98
VI		5,00	4,38	3,48	3,70	4,06	4,47	4,06	3,82	4,23	3,68	4,44	4,82	5,30	4,47	4,02	3,75	3,23
VII		2,20	2,03	2,58	3,26	3,75	3,88	4,22	4,92	5,08	4,94	5,06	5,51	5,67	5,64	5,61	5,66	5,69
VIII		0,96	1,26	1,25	1,21	1,05	0,91	0,86	0,79	0,69	0,65	0,63	0,62	0,66	0,62	0,63	0,67	0,66
IX		5,43	4,65	4,50	4,54	4,40	3,76	3,58	3,36	2,81	3,16	3,28	3,21	3,58	3,79	3,54	3,31	2,86
X		0,78	0,92	0,90	0,86	0,81	0,58	0,52	0,60	0,48	0,57	0,62	0,61	0,62	0,66	0,67	0,69	0,74
XI		24,12	26,18	25,35	25,38	22,31	18,96	16,13	13,31	10,52	9,96	8,50	7,99	8,03	7,50	7,40	7,24	7,08
XII		7,60	8,63	8,43	8,15	6,53	5,79	5,36	4,60	3,68	3,52	3,19	3,04	2,84	2,74	2,73	2,44	2,32
XIII		1,55	1,51	1,45	1,36	1,12	0,93	0,76	0,80	0,64	0,62	0,60	0,56	0,58	0,56	0,56	0,57	0,60
XIV		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,18	0,16	0,20	0,26	0,40	0,54	0,39	0,37	0,35	0,32
XV		15,95	13,31	12,84	12,92	15,44	14,81	15,00	16,29	14,65	10,05	11,91	12,27	11,40	9,54	8,95	8,60	7,81
XVI		14,11	14,73	15,66	16,04	17,55	17,71	20,29	22,17	23,91	26,37	27,10	26,94	25,37	25,20	26,01	27,80	29,44
XVII		4,91	5,25	5,62	5,71	6,27	7,92	9,82	12,11	12,27	16,79	15,52	14,37	15,16	17,02	16,43	16,77	17,60
XVIII		0,40	0,53	0,47	0,46	0,53	0,60	0,68	0,78	0,93	1,21	1,16	1,04	1,18	1,23	1,47	1,80	2,25
XIX		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,09	0,12	0,13	0,09	0,11	0,08	0,11	0,13	0,17	0,19
XX		5,13	5,38	5,39	5,61	5,41	4,93	4,51	4,61	4,12	4,30	3,82	3,64	3,92	4,08	4,23	4,37	4,45
XXI / XXII		0,65	0,52	0,45	0,59	0,49	0,64	0,47	0,00	0,00	0,00	0,00	0,01	0,02	0,03	0,02	0,02	0,02

Source: Own calculations, with 8 decimal, based on statistical data processed from EUROSTAT, *EU trade since 1988 by HS2-HS4 (DS-016894)*, link: <http://ec.europa.eu/eurostat/web/international-trade-in-goods/data/database#>, accessed during June-August 2017.

For the first four groups, we will see the same trend as for imports. The share of rising exports in Group II and IV demonstrates that we are starting to exploit the export potential of agriculture, but adequate investments and restructuring are needed in these sectors and in the food industry. Group II (Vegetable Products) registered a constantly increasing trend, doubling in 2008 compared to 2007, and almost decreasing in 2016 compared to 2008. However, its maximum share reached only 6% (in 2016).

Group V (Mineral Products), however, had a very opposite trend to Group II, reaching 2016 by half of 2000 (3.98% versus 7.94% initially). Exports of mineral products have been reduced due to the fact that crude oil has been imported for processing, resulting in a decrease in export possibilities for the products in this group. Thus, we are afraid to say that the effect of Petrom's privatization is positively reflected on the exports of this group, but the group's balance is negative in 2016 (about EUR 1.85 billion), of which subgroup 27 (mineral fuels, mineral oils and products resulting from their distillation, bituminous materials, mineral wax) holds 86.01% (about 1.60 billion Euro deficit in 2016). (Giurgiu, 2008, 2013)

The constantly increasing trend since 2002, although quite small as a share for the whole analyzed period, was recorded also in group VII (Plastics and plastic products, rubber and rubber products), doubling its export share in 2016 as compared to 2002 (5.69% vs. 2.58%);

there is a need for a better diversification of Romanian products, as a major cause of lower export competitiveness of the products in this group.

The most spectacular decline in the analyzed period (2000-2016) was recorded in group XI (Textiles and articles made of these materials), which decreased more than 3 times in these years (7.08% in 2016, compared to 24.12% in 2000). Group XV (Common Metals and Common Metals) had the same trend as Group XI (Textiles and articles made from these materials), reaching 20% in 2016 from 2000. At the base of the temporary increase in export of products (Group XV) have been the liberalization measures adopted since 2000, in particular those concerning the lifting of export restrictions. Nevertheless, there is a cyclical decrease in the weight, which is explained by the reduction of the subsidies granted in the field, which had a considerable role in setting the low prices applied by Romania for the export of products related to this group.

Group XVI (Machinery and apparatus, electrical equipment and parts thereof, sound recorders or reproducers, television image and sound recorders and reproducers, and parts and accessories of such apparatus) and XVII (Transport equipment and ancillary equipment), intensive in technology, are by far the largest groups in our exports since 2009, accounting for 47% of the Romanian exports for 2016. Positive is the increase of the group XVII (Means of transport and equipment ancillary) 4 times during the analyzed period, because unlike Group XVI, the trade balance is positive for both total and 3 of the 4 subgroups. Sub-groups with positive balance are 86 (vehicles and equipment for railways or similar and parts thereof, mechanical (including electromechanical) traffic signalling apparatus), 87 (land vehicles, other than railway and tramway rolling stock, parts and accessories of them) and 89 (ships, vessels and floating devices); the negative trade balance recorded by the 88th subgroup (air vehicles, spacecraft and parts thereof), which is interesting considering the products in this subgroup. An explanation for subgroup 88 could be given by acquisitions to equip the army within NATO's engagement. Another interesting aspect is that the positive balance is the largest (cumulated over the whole period) in subgroup 89 (ships, vessels and floating devices); however, in the year 2016, the highest positive balance (€ 2.44 billion, or about 74% of the total group) registered, as it was natural if we take into account Renault's production in Romania, subgroup 87 (land vehicles, other than railway and tramway rolling stock, parts and accessories thereof). The favourable result obtained in Group XVII (means of transport and auxiliary equipment) can also be a consequence of the successful privatization of the Romanian automotive factories, a sector that has already re-oriented with positive effects on the world market and aims at gaining new segments in the African markets and South America, that is, precisely the markets in which our country did not have a large concentration of trade.

As a result, we calculated the geographical concentration on the relationship with the EU in terms of exports. The overall results obtained for the values of the Hirschmann coefficient on Romania's relation with the EU are higher than the Hirschmann coefficient values in the case of the Romanian commercial flows with the whole world, as can be seen from the data presented in Table 4.

Table 4 merely shows that Romania, like all the countries of Central and Eastern Europe, experienced a change in the geographical orientation of trade, with practically a diversion of trade from the traditional markets of the CAER block during the communist regime and trade creation with the countries of the European Union, so that the potential of the market for the products of these countries has become bigger.

From Romania's point of view of, the existing situation is not very favourable in the medium and long term, because the comparatively reduced advantage and the low competitiveness of domestic products in the developed EU markets leads to a rapid and strategic reorientation of our exports - maximizing the potential offered by the free trade agreements concluded by the European Union - towards the countries of Africa, the Middle East and those of Latin America, to which our openness was not so high during the period under review.

Table 4. The global and EU Hirschmann coefficient for the Romanian import and export from 1995-2014

Year	Global Import	UE Import	Global Export	UE Export
1995	0.091	0.064	0.124	0.159
1996	0.086	0.066	0.127	0.166
1997	0.080	0.073	0.126	0.174
1998	0.063	0.070	0.132	0.171
1999	0.070	0.072	0.130	0.160
2000	0.066	0.066	0.133	0.167
2001	0.065	0.066	0.137	0.170
2002	0.056	0.059	0.131	0.160
2003	0.060	0.059	0.119	0.142
2004	0.074	0.060	0.124	0.137
2005	0.075	0.062	0.115	0.124
2006	0.069	0.065	0.100	0.108
2007	0.070	0.063	0.097	0.097
2008	0.063	0.056	0.096	0.105
2009	0.066	0.058	0.094	0.102
2010	0.063	0.056	0.091	0.097
2011	0.062	0.055	0.091	0.098
2012	0.062	0.055	0.091	0.098
2013	0.065	0.062	0.098	0.107
2014	0.068	0.064	0.099	0.109

Source: Own calculations based on data taken from UNCTADstat ([Bilateral concentration indices of merchandise exports and imports, annual, 1995-2014](#))

4. Conclusions

The results obtained from the empirical researches on the performance and efficiency of Romania's foreign trade and the competitiveness of its exports have opened new horizons for the deepening of the research, which has focused in the last years on the sectors of the Romanian economy identified with competitive advantages and potential for export, the tourist services sector and the medical sector, interconnected by their competitive advantages in agro-tourism, rural tourism and medical tourism respectively, which can also benefit from the potential offered to the food industry by the competitive advantages of organic agricultural products in our country; also the textile industry (including clothing) has a very high export competitiveness, which is why it has been the subject of in-depth research under various economic aspects, all the more so - even if, as shown in the present study - there has been a decline in competitiveness in the recent period - we are convinced that, alongside the footwear industry and the furniture industry, they still have high competitive potential if they are reoriented towards high quality, sophisticated, high-value products for developed markets (e.g. footwear leather with leather soles, solid wood furniture, hand carved). For this reason, we intend to deepen the research of these sectors of the Romanian economy and in the future in multidisciplinary teams, which allow us to better diagnose the causes of the loss of competitiveness and identify viable solutions for the recovery of these sectors on a competitive basis.

Certainly, future research directions will mainly address and develop the same directions we have been dealing with so far, but have deepened our research in a number of directions, such as the competitiveness of product groups belonging to Section II (Vegetable Products) Section IV (Food Industry Products), Section XI (Textiles and articles thereof, including clothing), Section XII (Footwear) and Section XX (Furniture), respectively, of the Romanian Export Nomenclature according to TARIC3, by investigating the links dynamic between productive activities that go beyond a certain sector and a disaggregated analysis at the

industry level, to be correlated later with the results already achieved with regard to the geographic orientation of our foreign exchanges and the export market shares.

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