

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

MIN/3E/DOC/2/Add.24

12 August 1974

Special Distribution

---

Multilateral Trade Negotiations

Original: English

GROUP 3(e) - BASIC DOCUMENTATION

Agricultural Policies

Addendum

ROMANIA

## ROMANIA'S AGRICULTURAL POLICY

1. In the Socialist Republic of Romania, agriculture is a basic branch of the national economy, accounting for over 17% of the total social product and 42% of the country's active population.

In the period of 1951 - 1972, agricultural production increased at an annual rate of 4,7%. It is worth mentioning that in the last three years (1971 - 1973), the increase of agricultural production was accelerated, recording an yearly rate of 9,25%.

2. Agricultural policy promoted by Romania during the post-war period has had, as main objectives, the carrying out of the agricultural reform, organization of agriculture on socialist bases by creating large state owned units and encouraging the process of joining of individual producers into agricultural cooperative farms, creation of the technical and material basis and training of the labour force able to ensure, under conditions of increased efficiency, the growth and diversification of agricultural production, the continuous raise of the material and spiritual standard of living of the rural population.

At present, about 91% of the country's agricultural land belongs to the socialist sector (state and cooperative units); 8,845,000 ha are owned by 4,549 production cooperative farms and 2,084,000 ha. by 364 state agricultural enterprises; pastures and meadows represent 4,455,000 ha, out of which 2,337,000 ha, are state property. The activity of the agricultural units is supported by 743 stations for the mecanization of agriculture, promoting the technical progress and the process of gradual industrialization of agriculture.

The Romanian agriculture disposes of 115,000 tractors, about 44,000 combines and sowing machines, as well as other machines and equipments. The arable land per tractor dropped from 684 ha in 1950 to 84 ha in 1973. Consumption of chemical fertilizers (in terms of active substance) increased from 6,000 tons in 1950 to 715,000 tons in 1973 (73.6 kg. per arable hectare). Important land improvement works—damming, draining irrigations — have been undertaken, the state allotting funds for their realisation and especially for irrigations. At the end of 1973, agriculture disposed of over 1,250,000 irrigated hectares. The number of engineers and technical personnel working in agriculture has substantially raised, attaining 30,000 engineers and senior specialists and 25,000 medium trained technical personnel. Furthermore, the research and design institutes, the network of agricultural experimental stations and the institutes of higher and medium education as well, are bringing a valuable contribution to solving matters of fundamental and applicative research of the Romanian agriculture.

3. In the process of the country's overall social-economic development, the state has supported, on multiple levels, the structural changes of agriculture. Thus, during the five-year plan 1966-1970, the investments allotted to agriculture from the state central fund amounted to 38 billion lei, while under the current five-year plan they represent over 80 billion lei (about 17% of the total investment fund), without taking into account the investments related to industries supplying means of production and to activities serving the needs of agriculture.

In order to develop agricultural production, other economic levers are being used too, like credits, contract prices interesting the producers, adoption of forms of management and organization of agricultural production in systems integrated at the level of territory and enterprise, as well as different social-cultural actions and measures

aimed at reducing the gap between living conditions in rural and urban areas.

4. The policy of raising agriculture on a superior stage has led to the improvement of the peasants' material and spiritual standard of living.

State guaranteed monthly revenue to cooperative members was introduced, the system of wages payed by state to specialists of cooperative farms was improved, the system of pensions was extended to all the cooperative farmers, allocations for their children were introduced, free medical care is being granted in villages too. In 1973, the peasants' real incomes resulting from their work in agriculture were 3.2 times more than in 1949.

In the period of 1951 - 1973 about 1,450,000 houses were bilt in the countryside, so that about half of the number of the rural families are living in new houses. The network of schools, health units, cultural establishments, cinemas, comercial units etc. has been developed.

5. In spite of the achievements scored in her national economy, Romania is still a developing country. Thus, national income per capita, of about 700 \$, is 4-5 times lower then that of the developed countries. The level of labour productivity is several times lower. The share of active population employed in agriculture is of about 3 times more than that of the industrialized countries having an advanced agriculture. The degree of technical endowment of agriculture is lagging far behind that in the developed countries. Average yield per hectare of a number a main products is still fairly under that of the developed countries.

The long term strategy of economic and social development directed towards building the multilaterally developed socialist society in Romania, takes also into account to do away with the gap between her and the developed countries.

6. The future development of agriculture is articulated with the directions of growth of all other sectors of economic

and social life. In this global approach and on the basis of the results obtained up to now, agriculture is entering a new stage of development in which the priorities of action are converging towards an intensive, high yielding and efficient agriculture, towards gradual change of farm activity into a form of industrial labour.

The main directions of prospective agricultural development are as follows:

- overall mecanization of works by 1990- both in crop production and animal husbandry; development of electrification process;

- meeting, by 1990, the requirements of chemical fertilizers, insecticides and bio-stimulators at the level of modern agrotechnics;

- irrigation, by 1990, of all areas assessed from economic point of view;

- intensification of research activity for the improvement and creation of new high -yielding varieties and livestock breed; improvement and generalization of modern technologies;

- enlarging of integrated production systems, optimization of the size of production units and increase of the share of production performed in industrial -type enterprises;

- intensification of cooperation and association among cooperative farms, as well as between these and state economic units, in order to strengthen both sectors, but maintaining their autonomy;

- stimulation of producers' material interests and bringing closer farm -earnings to industrial ones.

In the period of 1976-1980 it is envisaged an increase of the global agricultural production at an annual rate of about 6%.

By 1990 the cereal production is to be increased to 28-30 million tons, as compared to 19 million tons expected

to be achieved in 1975. Feed-grain production will overpass the rate of total cereal production, for supporting a firm development of livestock production. The envisaged increase is to be achieved on the account of high yields per ha, without important changes to be occurred in the present structure of arable and agricultural land utilization.

The carrying out of the programmes of developing the technical plant production (sugar beet, sunflower, flax, hemp, cotton, tobacco etc.) on the basis of increased yields, represents one of the main preoccupations.

Production of vegetables, fruits and grapes is to be increased in order to meet, in better conditions, domestic demand and the needs of industry, as well as to create availabilities for export of fresh products. There are conditions to obtain a total production of 4,2 million tons of vegetables by 1975.

Livestock production will increase at a higher rate than total agricultural production; to this end, by 1990, livestock will attain the level of 9-10 million cattles, 18-20 million pigs and 18-20 million sheep. Thus by 1990 animal production will account for over 50% of total agricultural production, meeting in this way the changing structure of domestic consumer demand, under the influence of the rising in people's incomes, as well as the increasing demand on the foreign markets.

7. Having as background the ascending evolution of agricultural production the export value of food and agricultural products increased at an average annual rate of 10.4% during 1951-1972. The main products exported are: meat and meat products, live cattle and sheep, wheat and maize, sunflower oil, vegetables, fruits, wine, eggs, canned meat, and canned vegetables and fruits. At the present stage, our agriculture is able to initiate various actions of cooperation, both in Romania and in other countries. However, the export achievements were not in accordance with the potential of participation of agriculture in the international trade and, on this basis, in the overall economic development.

Romania's exports to developed market economy countries are facing difficulties, tariff and, especially, non-tariff barriers (variable levies, quantitative restrictions etc.), as a consequence of lagging in behind the process of liberalization of the international food and agriculture trade, of temporizing actions of international agricultural adjustment.

Inclusion, to a very small extent, in the generalized system of preferences of food and agricultural products, the existence of certain preferential arrangements between a number of countries also represent impediments to the development of international trade, to the access on the markets of developed countries and to the increase of the share, on these markets of food and agricultural products exported by developing countries.

Within GATT multilateral trade negotiations, bearing in mind the high degree of protection in food and agricultural international trade, the agricultural trade liberalization has to be approached in the spirit of an intense and efficient international co-operation. The negotiations in this sector should lead to the conclusion of certain specific agreements and measures favouring the efficient and rational use of world agricultural resources and for a gradual removal of the backwardness in production and trade of the developing countries.

In this respect, in accordance with Tokyo Declaration, it is necessary that multilateral trade negotiations in the agricultural field, to be materialized in larger access on markets, by removing or reducing tariff and non-tariff barriers, in ensuring equitable prices, taking especially into account the interests of the developing countries, irrespective of their social-economic system or geographic area they belong to.