

**Security Council**Distr.  
GENERALS/24142  
23 June 1992

ORIGINAL: ENGLISH

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**LETTER DATED 22 JUNE 1992 FROM THE CHARGE D'AFFAIRES A.I.  
OF THE PERMANENT MISSION OF ROMANIA TO THE UNITED NATIONS  
ADDRESSED TO THE SECRETARY-GENERAL**

Upon instructions from my Government, I have the honour to transmit herewith the memorandum of the Government of Romania on the measures taken for the implementation of Security Council resolution 757 (1992) (see annex).

The memorandum is also presenting the extremely serious economic and financial consequences on Romanian economy of the implementation of the sanctions on Yugoslavia (Serbia and Montenegro), especially the insurmountable difficulties arising from three particular situations.

Accordingly, the Romanian Government is requesting consultations with the Security Council, on the basis of Article 50 of the Charter of the United Nations, in order to find appropriate solutions for compensation.

I would be grateful if your forthcoming report on the implementation of resolution 757 (1992) would draw the attention of the Security Council to the very difficult problems confronting Romania as a result of sanctions against Yugoslavia, as well as the possibilities for rendering assistance to my country by the world Organisation and its Member States.

I would like to convey the hope of the Romanian Government that the most serious effects on Romania resulting from the implementation of the sanctions on Yugoslavia will be examined with utmost attention and willingness by the Security Council in adopting appropriate recommendations in order to compensate severe material losses my country is confronted with. It is particularly hoped that the Security Council will devote special attention and understanding to the extreme difficulties connected with the three particular situations presented in the memorandum.

I would appreciate it very much if you circulate the present letter and the attached memorandum to the members of the Security Council to be considered in accordance with Article 50 of the Charter.

(Signed) Valeriu FLOREAN  
Chargé d'Affaires a.i.

Annex

Memorandum of the Government of Romania on the implementation  
of Security Council resolution 757 (1992)

1. On 3 June 1992, the Government of Romania issued a Declaration on the setting up by the United Nations Security Council, on 30 May 1992, of economic and other sanctions against Yugoslavia (Serbia and Montenegro), which reads as follows:

"Firmly abiding by the principles of strict observance by all States of international legality and of the settlement of conflictual situations, of all international disputes exclusively by peaceful means, Romania undertakes to observe the decisions of the Security Council.

"The Romanian Government has also declared that the implementation of this resolution's provisions has extremely serious consequences for Romania, due to the extensive relations of commercial and economic cooperation historically developed between the two neighbouring States."

Consequently, the Government of Romania has reserved the right to present to the Security Council, on the basis of Article 50 of the Charter of the United Nations, the consequences for the Romanian economy of the implementation of the sanctions and to request appropriate compensations. Without such compensations Romania, which is a loyal Member of the United Nations, would become itself a victim of the implementation of the sanctions of the Security Council.

2. According to the Romanian Government's Declaration of 3 June 1992, the governmental authorities issued orders establishing concrete measures for the implementation of Security Council resolution 757 (1992).

Consequently, starting with 7 June 1992, 0000 hours, the import and export of any basic products and goods coming from, or being directed to, the Federal Republic of Yugoslavia (Serbia and Montenegro) have been prohibited.

Starting with the same date, the import and export licences issued by the Ministry of Trade and Tourism for basic products and goods originating from, or being directed to Yugoslavia, have been suspended.

In the case of the import and export licences previously issued for Yugoslavia, but having as origin and, respectively, destination Bosnia and Herzegovina, Croatia and Slovenia, the concerned Romanian economic agents were invited to the Ministry of Trade and Tourism in order to have them reconfirmed.

It was decided that the Romanian economic agents having foreign trade activities deployed or operated on, or from, the territory of the Federal Republic of Yugoslavia (Serbia and Montenegro) should cease all activity meant to promote and/or favour selling or the supply of basic products or goods from or to the Federal Republic of Yugoslavia (Serbia and Montenegro).

The carrying out of all contracts for receiving and sending tourists concluded by commercial tourism companies and other Romanian economic agents with companies from the Federal Republic of Yugoslavia (Serbia and Montenegro) has been suspended and the conclusion of new contracts for receiving or sending tourists has been prohibited.

Detailed measures have been taken to stop all merchandise transports having as origin or destination the Federal Republic of Yugoslavia.

Take off from, or overflight of, the territory of Romania by any aircraft having as landing destination the territory of Yugoslavia (Serbia and Montenegro), as well as landing in, or overflight of the territory of Romania by aircraft having taken off from the territory of Yugoslavia have also been prohibited.

Exceptions are made for aircraft making flights for humanitarian purposes.

At the same time, the ministries concerned took the necessary measures in order to implement the embargo in the fields of sports, cultural exchanges and technical and scientific cooperation.

3. Upon analysing the situation created by the implementation of the provisions of resolution 757 (1992), the Government of Romania makes known the following:

The implementation of the embargo set up against the Federal Republic of Yugoslavia (Serbia and Montenegro) generates major disturbances in the carrying out of economic activities in Romania. The magnitude of the global effects, both direct and indirect, on the Romanian economy results mainly from the intense economic exchanges, developed in the course of years, from technological links between production units from Romania and the Federal Republic of Yugoslavia (Serbia and Montenegro) and from the complementarity and uniqueness of certain cooperation projects.

The direct effects ensued by not carrying out some of the contracts of import and export currently under way, of transport, joint ventures, services, due payments, tourism, as well as by the non-collection of import customs taxes will amount to around \$550 million for the current year.

The Romanian economy is largely dependent on the import from Yugoslavia of certain energetic agents (electric power, energetic coal) which is achieved through cooperation contracts under special conditions of payment.

The interruption of this cooperation endangers the stability of the national energetic system and can lead to serious consequences on the quality of life in Romania.

The indirect effects, resulting from the propagation to the economy of direct effects, are estimated at over \$2.5 billion.

4. The Romanian Government informs the Security Council that, by implementing resolution 757 (1992), it is confronted with insurmountable difficulties, especially in the following situations:

(a) Cooperation in the framework of the Iron Gates hydroenergetic and navigational systems on the Danube. These systems are built and run jointly by Romania and Yugoslavia, on the basis of inter-State agreements. The continuous turning to account, by means of these systems, of the Danube's hydroenergetic potential is achieved by each party in its own power station, permanently, by mutual coordination imposed by this type of station. The cessation of this cooperation could create a situation likely to endanger the stability of the Iron Gates I and Iron Gates II systems and the safe international navigation on the Danube;

(b) The convention on production cooperation in the fields of chemistry and petro-chemistry, between the commercial company Solventul in Timisoara and the Pancevo chemical plant. This is a type of joint venture where the production is provided with technical and technological links specific to chemical and petrochemical products. Its interruption poses security problems for the installations and creates the danger of industrial accidents. On the other hand, if this convention of cooperation with the Pancevo chemical plant were to be suspended, the commercial company Solventul in Timisoara would have to cease production owing to lack of raw materials. The suspension of this cooperation convention would have multiple implications for the Romanian chemical industry and would aggravate the social problems resulting from unemployment. It would also generate negative consequences in all branches of the industry, as well as in all fields of the Romanian economy;

(c) The production and the very existence of the scotechnical unit Comtim Holding S.A. of Timisoara depend upon the import of fodder and veterinary drugs from Yugoslavia. Survival of over 1 million hogs raised in this unit depends upon the above-mentioned fodder and drugs. Taking into account the impossibility of quickly changing these supply flows, the cessation of such imports would create a disastrous situation and lead to the disappearance of an important source of food for the Romanian population.

Taking into account the seriousness of the above-described problems the Government of Romania is faced with the impossibility to implement, in the above-mentioned cases, resolution 757 (1992) and expresses its conviction that this situation will find the necessary understanding on the part of all members of the Security Council.

5. The interruption of Romania's economic links with one of its most important partners undoubtedly represents yet another hard test for the Romanian economy, which is already in an extremely difficult situation. Thus new obstacles are raised for our efforts in the restructuring and recovery of the economy and additional difficulties are created in the process of ensuring minimal living standards for the population.

In expressing its conviction that the extremely serious economic effects for Romania, resulting from the implementation of the sanctions imposed on Yugoslavia, will be examined with utmost attention, Romania expects the adoption by the Security Council of appropriate recommendations to compensate all our material losses.

6. The Government of Romania reaffirms its determination to observe the provisions of Security Council resolution 757 (1992). At the same time, the Government of Romania expresses its belief that all interested parties will act in good faith for the settlement of the Yugoslav crisis, so that the established sanctions be terminated as soon as possible.

20 June 1992

