

The Analysis of Romanian Agricultural Trade Competitiveness in the Period 2004-2013

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Abstract

The aim of this paper is to evaluate the evolution of export performance and competitiveness of Romanian agricultural trade, based on data provided by International Trade Centre. Agriculture represents an important sector for the economic and social development of a country, having a major impact on its evolution. The analysis reflects that Romania is a net exporter country only for livestock and cereals, while for meat and edible meat offal, fish and other aquatic invertebrates, dairy products, eggs, honey and beverages is a net importer country.

Keywords: trade, Romania, agriculture; export performance; agricultural trade

JEL classification: Q10, Q13, Q17

1. Introduction

Agricultural trade is widely considered as an important contributor to developing countries' economic growth, poverty alleviation and food security.(1) With agro-food exports reaching €120 billion in 2013, the EU28 became the world's first exporter of agricultural and food products. (2) Also, rapid growth in processed and high-value agricultural and food products, and a revolutionary spread of retail supermarkets accompanied the "second wave" of globalization in the modern era, so that it is no longer fanciful to talk of a global market for farm products. (3)Romanian export is still dominated by agricultural commodities and low-processing products (cereals, oilseeds, fruits, livestock).(4) Some authors identified the trade in live animals at global level as one of the few categories of trade surplus in Romania, knowing that overall our country is seen as a net importer of food products.(5)

2. Material and methods

For this paper, we processed time series from The International Trade Centre in order to obtain a point of view concerning evolution of Romanian trade

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in the period 2004-2013. The indicators that were included in this paper in order to evaluate Romanian agricultural trade competitiveness are related with export and import of different agricultural product categories, expressed in value terms.

3. Results and discussion

The evolution of Romanian trade between 2004 and 2013 had a positive trend. In 2013, Romania's trade reached 104.8 billion euros, which was the record volume of foreign trade, with an increase of 5.26% compared to 2012 and with 5.07% compared to 2011.

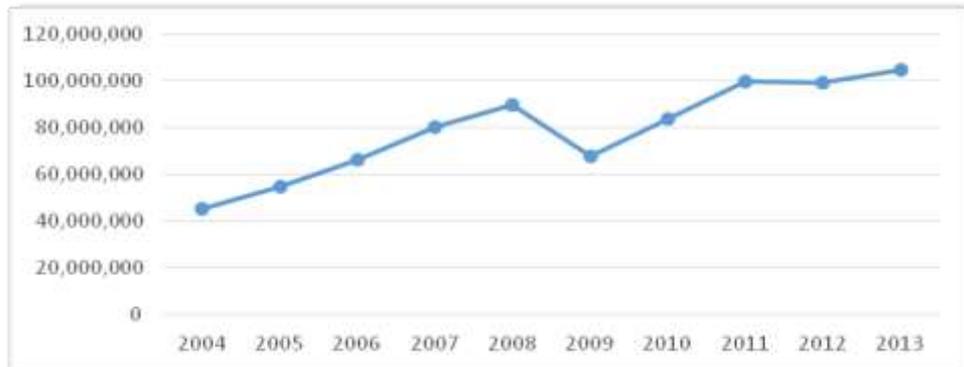


Figure 1. The evolution of Romanian trade in the period 2004-2013 (thousand Euro)

Source: own calculation based on data from International Trade Centre, 2015

Regarding the evolution of trade components, respectively export and import, Romania is a net importer country in the analyzed period, as we can see in the figure below:

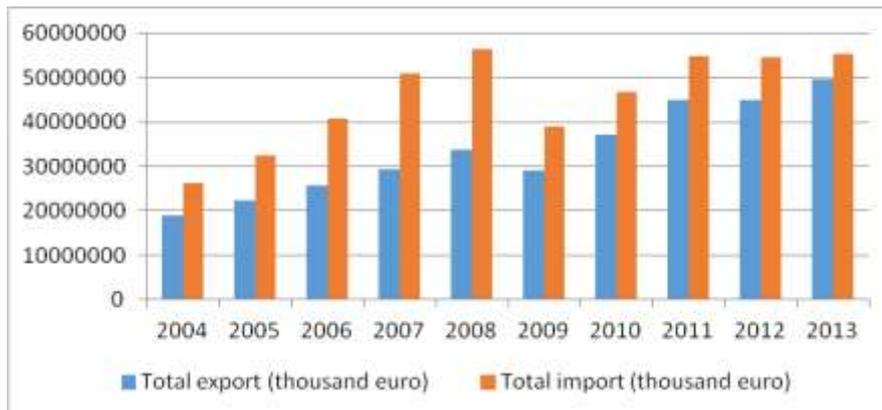


Figure 2. The evolution of Romanian exports and imports in the period 2004-2013 (thousand Euro)

Source: own calculation based on data from International Trade Centre, 2015

Romania couldn't export livestock of sheep, cattle or goats by EU member states, except for immediate slaughter. Restrictions were imposed in the context of bluetongue disease cases. But, we can see that the export trend registered an increasing rate:

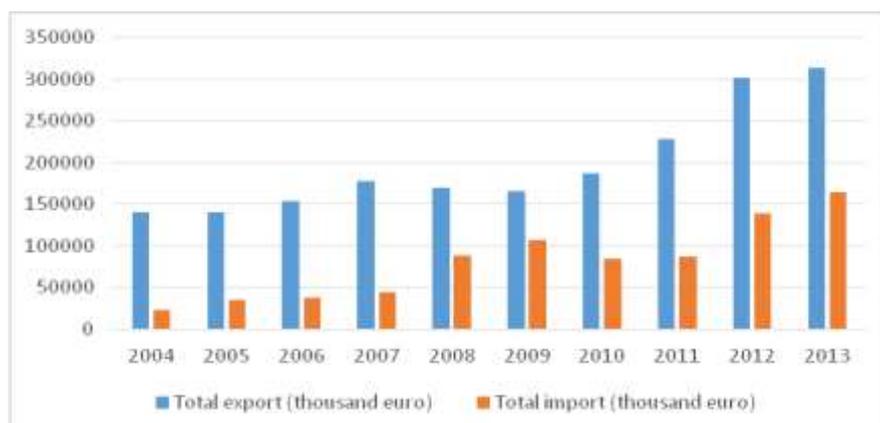


Figure 3. The evolution of Romanian livestock trade in the period 2004-2013 (thousand Euro)

Source: own calculation based on data from International Trade Centre, 2015

The exports and the imports of meat and edible offal had fluctuated in the analyzed period. From the data shown in Figure 3 it can be seen that in 2013 the total export reached the amount of 227.194 thousand euro, while the import was 489.680 thousand euro in the same year. This fact can be explained as it is known that Romania exports livestock and imports processed meat.

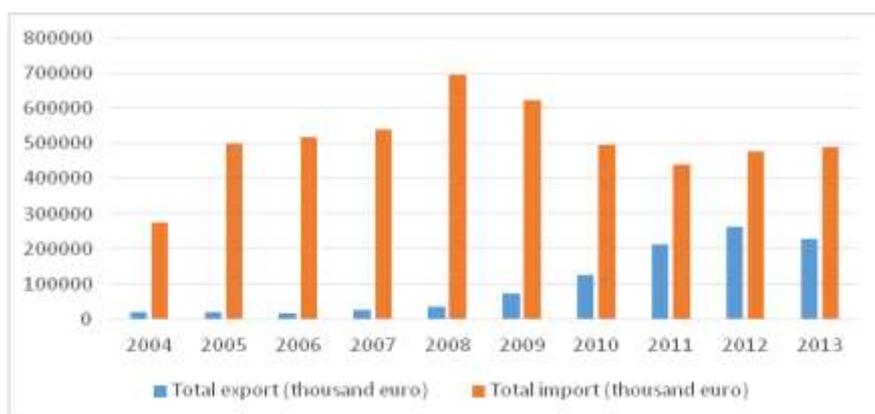


Figure 4. The evolution of Romanian meat and edible meat offal trade in the period 2004-2013 (thousand Euro)

Source: own calculation based on data from International Trade Centre, 2015

The evolution of Romanian trade with fish reflects that imports are the main source of fish supply in the food market, as it is shown in the figure below:

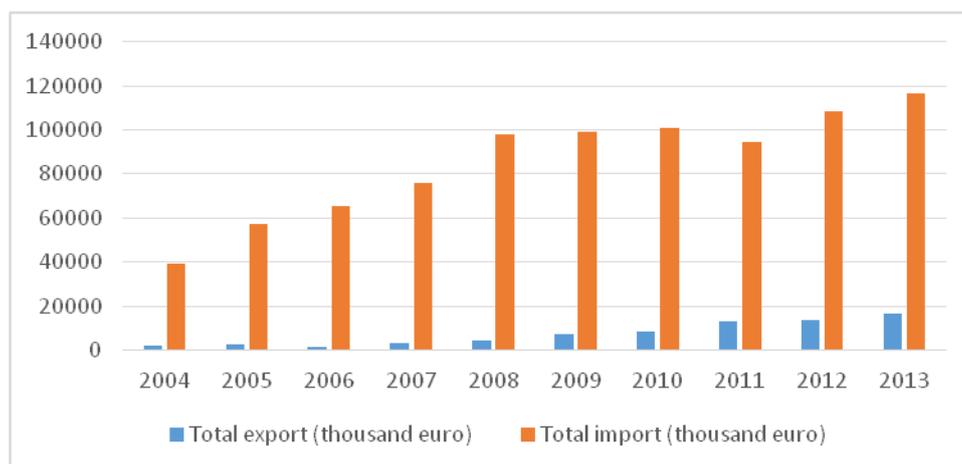


Figure 5. The evolution of Romanian exports and imports of fish and other aquatic invertebrates during 2004-2013 (thousand Euro)

Source: own calculation based on data from International Trade Centre, 2015

The evolution of Romanian trade with dairy products, eggs and honey reflect an increasing trend, respectively: the exports increased with 377,17% (in 2013 was 150.867 thousand euro) and imports increased with 949,99% (in 2013 was 300.102 thousand euro).

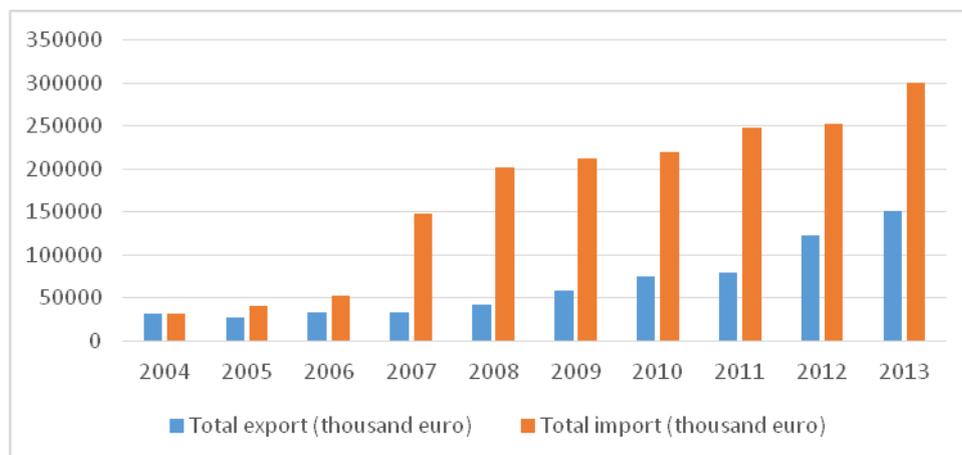


Figure 6. The evolution of Romanian exports and imports of dairy products, eggs and honey during 2004-2013(thousand Euro)

Source: own calculation based on data from International Trade Centre, 2015

The evolution of Romanian trade with cereals reflects that exports registered an increasing of 4486,60% during 2004 and 2013, which reflects the increasing of cereals supply around the world.

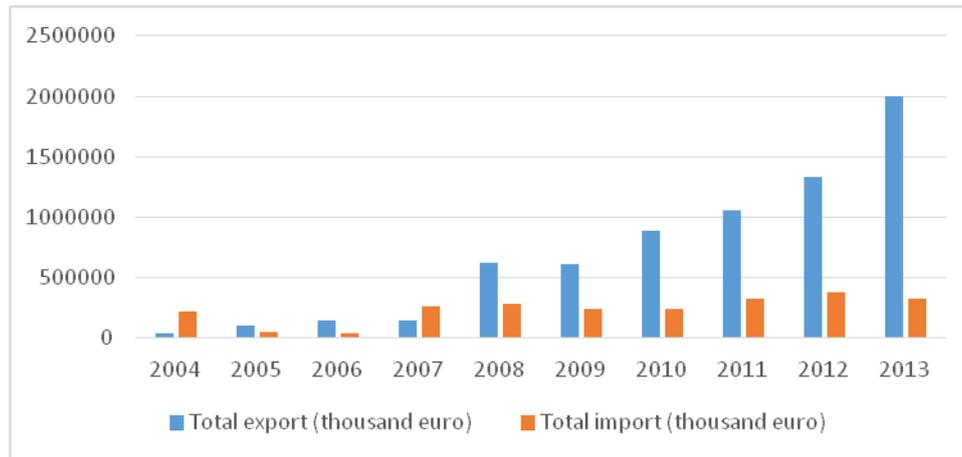


Figure 7. The evolution of Romanian exports and imports of cereals during 2004-2013 (thousand Euro)

Source: own calculation based on data from International Trade Centre, 2015

In the analyzed period, the beverage sector registered an oscillating trend for trade sector, but we can see an increasing rate of export, which reflect that the Romanian beverage sector became competitive in the international market.

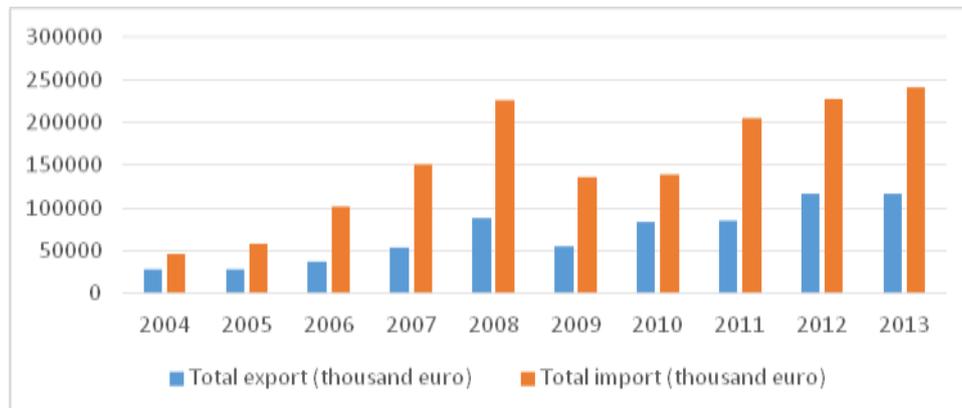


Figure 8. The evolution of Romanian exports and imports of beverages during 2004-2013 (thousand Euro)

Source: own calculation based on data from International Trade Centre, 2015

4. Conclusions

The analysis reflects that the Romanian agricultural potential is not sufficiently exploited, which means that it is necessary to increase the competitiveness of agricultural products on international markets. The accession of European funds can be a tool to increase the competitiveness of agricultural products, taking into account that the financial support for the period 2014-2020 is now available. The competitiveness of Romanian agricultural trade can be increased if the Romanian agricultural production will significantly grow in the next years and the export infrastructure will be developed in a manner that will allow diversification of Romania's foreign trade partners and the increase of exported quantities.

Acknowledgement

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