STUDY CONCERNING ROMANIA'S AGRI-FOOD FOREIGN TRADE

STUDIU PRIVIND COMERTUL AGROALIMENTAR AL ROMANIEI

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Abstract: *The paper presents the evolution of agri-food foreign Trade and its place within Romania's foreign trade, identifying the main trends and evaluating its efficiency in the period 2000-2008. Romania is still a net importing country with a negative impact upon domestic producers and its economic development. The main trade partner is the EU-27 (70 % of its export and 69.5 % of its import). The main commercial partners are Germany, Italy, France, Hungary, but also Russian Federation and Turkey. Agri-food export is mainly represented by raw materials provided by agriculture and hunting, but also by forestry and fishery, while its agri-food import is focused especially on manufactured products. Romania's foreign trade is highly unefficient with a negative impact on economic development and GDP.*

Keywords: *agri-food, foreign trade, Romania*

INTRODUCTION

Foreign trade plays an important role in Romania's economy, contributing to GDP increase, reduction of the gap existing between prices on various markets, production encouragement and product quality improvement.

Romania's international trade assures a diminished seasonality of agri-food products in the market, a better demand coverage by a diversified offer, an incentive for local producers to carry out more and higher quality products [4],Romania's agri-food foreign trade has been continuously developing, being especially focused on the EU. However, Romania is still a net importer of agri-food products [3,5]. It still exports many raw materials provided by agriculture and less manufactured products [1,2,6].

In this context, the purpose of the paper is to analyze the evolution of agri-food foreign trade and evaluate its place in Romania's foreign trade, in the period 2000-2008 based on the statistical data [7].

MATERIALS AND METHODS

The data have been collected from National Institute for Statistics for the 2000-2008. The following indicators have been used: export, import and foreign trade balance both at national level and also for agri-food trade, share of agri-food trade in Romania's foreign trade, agri-food foreign trade by sections, activities and product group, agri-food products external suppliers and beneficiaries, share of agri-food export in agricultural production, export-import-ratio, Romania's position into the EU's and world trade.

RESULTS AND DISCUSSIONS

Romania's Foreign Trade has been continuously developing during the period 2000-2008. In 2008, Romania's export has reached Euro Mil. 33,725 being by 2.99 times higher than in 2000, while its import accounted for Euro Mil. 57,240, being 4 times higher than in the first year of reference period. As a result, the trade balance is a negative one, its deficit registering a continuous increasing trend and Romania is a net importing country (Table 1).

Table 1. Romania's Foreign Trade, 2000-2008 (Euro Million)

Year	Export FOB	Import CIF	Trade Balance	Year	Export FOB	Import CIF	Trade Balance
2000	11,273	14,235	-2,962	2005	22,255	32,568	-10,313
2001	12,722	17,383	-4,661	2006	25,850	40,746	-14,896
2002	14,675	18,881	-4,206	2007	29,549	51,332	-21,773
2003	15,614	21,201	-5,587	2008	33,725	57,240	-23,515
2004	18,935	26,281	-7,346	2008/2000 %	299.16	402.10	793.88

Romania's Agri- Food Trade has registered a similar evolution. In the year 2006, agri-food export accounted for Euro Million 879, compared to Euro Mil. 394 in the year 2000. Therefore, it increased by 2.2 times. The agri-food import has reached Euro Mil. 2,429 in 2006, being by 2.38 times higher than in 2000. Agri-food trade balance has been permanently a

negative one, the deficit registered in 2006 was Euro Mil. 1,550 by 2.4 times higher than in the year 2000.(Table 2).

Table 2. Romania's Agri-Food Foreign Trade, 2000-2006 (Euro Million)

Year	Export FOB	Import CIF	Trade Balance	Year	Export FOB	Import CIF	Trade Balance
2000	394	1,017	-623	2004	607	1,721	-1,114
2001	515	1,352	-837	2005	692	2,029	-1,337
2002	483	1,250	-767	2006	879	2,429	-1,550
2003	530	1,544	-1,014	2006/2000 %	223.09	238.83	248.79

* Figures include only agriculture and hunting

The Share of Agri-Food Foreign Trade in Romania's Foreign Trade is very low. In the year 2000, export share was 3.49 % in foreign trade, it reached 4.04 % in 2001 and then decreased to 3.4 % in 2006. The share of agri-food imports has varied between 7.14 % in 2000 and 5.96 % in the 2006 in Romania's imports. Agri-food trade balance represented 21.03 % of Romania's trade balance in 2000 and 10.40 % in 2006 (Table 3).

Table 3. Share of Agri-Food Trade in Romania's Foreign Trade, 2000-2006 (%)

	2000	2001	2002	2003	2004	2005	2006
Export FOB	3.49	4.04	3.29	3.39	3.20	3.10	3.40
Import CIF	7.14	7.78	6.62	7.28	6.54	6.23	5.96
Trade Balance	21.03	17.95	18.23	18.14	15.16	12.96	10.40

Agri-food Trade Balance by Sections. In the period 2000-2006, the export of food and live animals increased 2.1 times, while import grow up 2.36 times, resulting a negative balance of this section. Beverages and tobacco have recorded a similar trend. In 2006, their exports were 1.84 times higher and imports 2.29 times higher than in 2000 leading to a negative trade balance for this section too. The trade with inedible crude materials from agriculture is the only section with variations from a year to another. Despite that its imports are 3.04 times higher and exports 2.65 higher in 2006 compared to the year 2000, the balance of this section has been either a positive a negative one along the reference period. The imports of animal and vegetal oils and fats have increased faster than exports, resulting a negative trade balance, but its deficit was by 44 % lower in 2006 compared to 2000 (Table 4).

The Share of Agri-Food Sections in Romania's Agri-Food Trade. Food and live animals have the highest weight in agri-food trade: 68 % in 2000 and 64 % in 2006. On the 2nd position are "Crude materials (inedible from agriculture), whose share reached 24.1 % in 2006. Animal and vegetal oils and fats represent 6.7 % of agri-food trade and finally, beverages and tobacco 5.2 % (Table 5).

Table 4. Romania's Agri Food Foreign Trade by sections, 2000-2006 (Euro Millions)

		2000	2001	2002	2003	2004	2005	2006	2006/2000%
Food and Live Animals	E	268	358	359	344	404	489	563	210.07
	I	774	1,060	905	1,204	1,297	1,528	1,833	236.82
	B	-506	-702	-546	-860	-893	-1,039	-1,270	250.98
Beverages and Tobacco	E	25	38	46	37	31	31	46	184.00
	I	158	185	176	199	260	308	363	229.74
	B	-133	-147	-130	-162	-229	-277	-317	238.34
Crude materials inedible from agric.	E	80	92	69	122	108	106	212	265.00
	I	48	64	92	82	100	115	146	304.16
	B	+32	+28	-23	+40	+8	-9	+66	206.25
Animal and vegetal oils fats and waxes	E	21	27	9	27	64	63	58	276.19
	I	37	43	77	59	64	78	87	235.13
	B	-16	-16	-68	-32	0	-15	-9	56.25

Table 5. The Share of Sections in Romania's Agri-Food ForeignTrade, 2000-2006 (%)

		2000	2001	2002	2003	2004	2005	2006
Food and Live Animals	E	68.0	69.5	74.3	64.9	66.6	70.6	64.0
	I	76.1	78.4	72.4	77.9	75.4	75.3	75.4
	B	81.2	83.8	71.1	84.8	80.1	77.7	81.9
Beverages and Tobacco	E	6.3	7.4	9.5	6.9	5.1	4.5	5.2
	I	15.5	13.7	14.0	12.9	15.1	15.2	14.9
	B	21.3	17.5	16.9	15.9	20.5	20.7	20.4
Crude materials inedible from agric.	E	20.3	17.8	14.3	23.0	17.7	15.3	24.1
	I	4.7	4.7	7.4	5.3	5.8	5.7	6.0
	B	5.1	3.3	3.0	3.9	0.7	0.7	4.2
Animal and vegetal oils fats and waxes	E	5.4	5.3	1.9	5.2	10.6	9.6	6.7
	I	3.7	3.2	6.2	3.9	3.7	3.8	3.7
	B	2.5	1.9	8.8	3.1	0	1.1	0.6

Agri- Food Foreign Trade according to Products classification by activities. In the year 2008, Romania's export consisted of 62.4 % products of agriculture and hunting, 25.56 % food products and beverages, 11.7 % tobacco products, 1.3 % products of forestry and pisciculture and 0.04 % fish and other fishing products and its agri-food import included: 70.5 % food products and beverages, 28.7 % products of agriculture and hunting, 0.4 % products of forestry and pisciculture and 0.4 % fish and fishing products. Therefore, exports are dominated by raw materials while imports are mainly represented by manufactured products (Table 6).

Agrifood Export and Import by Product Group. In the period 2000-2006, the following product groups registered a positive balance: live animals, cereals, hides, skins and raw for skins, oil seeds and oleaginous fruit and the following product groups performed a negative one: meat and meat preparations, dairy products and eggs, fish and acquaculture products, vegetables and fruit, sugar, coffee, tea and spices, feeding stuff for animals, beverages and tobacco and other crude animal and vegetal materials, animal oils and fat (Table 7).

Table 6. Romania's Agri Food Foreign Trade according to Classification of Products by Activities (Euro Million)

		2006	2007	2008	2008/2006 %
Products of Agriculture and Hunting	E	553	614	1,328	247.3
	I	547	1,038	1,274	232.9
	B	+6	-424	+94	1,566
Products of Forestry and Pisciculture	E	18	23	30	166..6
	I	29	28	19	65.5
	B	-11	-5	+11	200.0
Fish and other Fishing Products	E	-	1	1	-
	I	8	13	20	250.0
	B	-8	-12	-19	237.5
Food Products and Beverages	E	318	407	564	177.3
	I	1,724	2,283	3,042	176.4
	B	-1,406	-1,876	-2,478	176.2
Tobacco Products	E	9	135	262	291.1
	I	199	61	76	38.1
	B	-190	+74	+186	197.8
TOTAL	E	898	1,180	2,225	247.7
	I	2,507	3,423	4,431	176.7
	B	1,609	-2,243	-2,206	137.1

In 2007, Romania's Trade Partners by Country group. The share of **e**xport partners : 72 % the EU-27, 11.9 % other European countries, 14.3 % AELS and 1.8 % others and the share of import partners : 71.3 % the EU, 13.7 % other European countries, 14.1 % AELS and 0.1 % others. In 2008, Romania's export in the EU countries was 3 times higher than in 2000, accounting for Euro Million 23,765. Imports from the EU countries increased 4 times, reaching Euro Million 39,838. Romania is a net importer of products coming from the EU member states (Table 8).

The main EU – member states and other partners in Romania's trade. In 2007, Romania exported mainly to Germany 17 %, Italy 17 %, Turkey 8 %, France 7.7 % and Hungary 5.7 %, whose share together represents 55.4 % of Romania's export. The share of the main Romania's suppliers is: Germany 17.2 %, Italy 12.7 %, Hungary 6.9 %, Russian Federation 6.4 % and France 6.3 % , whose total share in Romania's import is 49.5 % .

The main agri-food Trade partners by product. The structure of live animals export by beneficiary includes: Bulgaria 11 %, Greece 19.7 % and Italy 26.7 %.Animal and vegetal fats and oils are mainly exported in: Hungary 10.3 %, Spain 10.4 % and Italy 27.3 %, whose share together totalized 50 % of product group export.

Table 7. Agri-Food Export and Import by Product Group, 2000 and 2006 (Euro Mil.)

Product Group	Export FOB		Import CIF		Balance		E 2006/2000 %	I 2006/2000 %
	2000	2006	2000	2006	2000	2006		
Live animals	107	153	23	37	+84	+316	142.9	160.8
Meet and meat preparations	15	37	92	511	-77	-474	246.6	555.4
Dairy products and eggs	8	16	29	56	-21	200.0	200.0	193.1
Fish, crustaceeas, molluses	3	3	22	88	-19	-85	100.	400.0
Cereals and cereals preparations	43	174	121	145	-78	+29	404.6	119.8
Vegetables and fruit	53	89	133	358	-80	-269	167.9	269.1
Sugar, sugar preparations and honey	12	37	124	195	-112	-158	308.3	157.2
Coffee, tea, cocoa, spices	3	19	107	173	-104	-154	633.3	161.8
Feeding stuff for animals	20	16	57	108	-37	-92	80.0	189.4
Misceblaneous edible products and preparations	4	19	66	162	-62	-143	475.0	245.4
Beverages	23	36	18	101	+5	-65	156.5	561.1
Tobaco	2	10	140	262	-138	-252	500.0	187.1
Hides, skins and raw for skins	28	23	5	10	+23	+13	82.1	200.0
Oil seeds and oleaginous fruit	39	174	21	42	+18	+132	446.1	200.0
Other crude animal and vegetal materials	13	15	22	94	-9	-79	115.3	427.2
Animal oils and fats	-	7	13	20	-13	-13	-	153.8
Fixed vegetable fats and oils	20	50	18	53	+2	-3	250.0	294.4
Other animal and vegetal fats and oils	1	3	12	14	-11	-11	300.0	116.6

Table 8. Romania's Foreign Trade with the EU, 2000-2008

Romania's Trade with EU	MU	2000*	2001*	2002*	2003*	2004*	2005*	2006*	2007**	2008**	2008/ 2000%
Export	Euro Mil.	7,863	9,382	10,648	11,498	13,807	15,043	17,500	21,269	23,765	302.2
Import	Euro Mil.	9,237	11,524	12,720	14,250	17,065	20,951	25,487	36,587	39,838	431.2
Trade Balance	Euro Mil.	-1,554	-2,142	-2,072	-2,752	-3,258	-5,208	-7,987	-15,318	-16,073	1034,2
Share of the EU in Romania's Trade :											
Export	%	69.7	73.7	72.6	73.6	72.9	67.5	67.6	71.9	70.4	-
Import	%	64.8	66.2	67.3	67.2	64.9	62.1	62.5	71.2	69.5	-
Trade Balance	%	52.4	45.9	49.2	49.5	44.3	50.4	53.6	70.3	68.3	

* EU-25, ** EU-27

Food products of animal origin are especially exported to Bulgaria (23 %) and Germany (15 %), while beverages and tobacco are exported mainly to Italy (29.4 %).

The main suppliers of live animals for Romania are: Netherlands (14.6 %), Hungary (16.4 %) and Poland (7 %).Romania also imports animal and vegetal fats and oils, provided mainly by Hungary (29.7 %), Netherlands (12.4 %) and Italy (10.8 %). Animal food products are coming

especially from Netherlands (19.1 %), Italy (15.1 %) and Germany (13.5 %).The main suppliers of beverages and tobacco are: Hungary (20.5 %), Germany (15.8 %) and Poland (11 %).

Romania's position in the EU and World Trade. In the year 2008, Romania's export FOB accounted for Euro Bil. 33.7, representing 2.57 % of the EU export FOB, Euro Bil. 1,308.6. In the same year, Romania's import CIF reached Euro Bil. 57.2, contributing by 3.68 % to the EU import, Euro Bil. 1,550.7. At world level, Romania is of less importance, its contribution to the world export being very modest, just 0.31 %.

Romania's Foreign Trade Efficiency. Romania's GDP has continuously increased reaching Euro Million 140,140 in the year 2008, being by 35 % higher than in the year 2000. In the period 2000-2008, trade balance has been a negative one, its deficit continuously increasing. As a result, net trade balance had a negative impact upon economic development of Romania accounting for – 16.78 % in the year 2008 compared to – 7.34 % in the year 2000.

Export/import ratio has registered a decreasing trend from 0.79 in the year 2000 to 0,58 in the year 2008, reflecting an unefficient foreign trade. Agrifood export-import ratio has registered a similar trend, going down from 0.39 in the year 2000 to 0.36 in the year 2006.

Despite that agricultural production increased by 317 % in the period 2000-2008, agri-food exports in agricultural production increased just from 4.92 % to 6.14 % (Table 9).

Table 9. Romania's Foreign Trade efficiency

	MU	2000	2004	2006	2008
GDP	Euro Mil.	40,322	60,976	97,398	140,140
Trade Balance	Euro Mil.	-2,962	-7,346	-14,896	-23,515
Impact of Trade Balance on GDP	%	-7.34	-12.04	-15.29	-16.78
Export/ Import Ratio	-	0.79	0.72	0.63	0.58
Agri-Food Export/Import Ratio	-	0.39	0.35	0.36	-
Agri-Food Export Share in Agric.Production	%	4.92	4.45	6.14	-

CONCLUSIONS

1. Romania's agrifood trade is continuously developing. Both export and import have increased in the period 2000-2008, but despite its agricultural potential, Romania is still a net importing country with a negative impact upon domestic producers and its economic development.

2. The main trade partner is the EU-27 whose share in Romania's export is 70 % and in its import 69.5 %.

3. Romania's main commercial partners are Germany, Italy, France, Hungary, but also with Russian Federation and Turkey.

4. Agri-food export is mainly represented by raw materials provided by agriculture and hunting, but also by forestry and fishery, while its agri-food import is focused especially on manufactured products.

5. Romania's foreign trade is highly unefficient with a negative impact on economic development and GDP.

6. In order to improve trade efficiency, Romania has to pay more attention to product quality, external trade partners and to look for the best opportunities in the external markets.

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