

INTERNATIONAL TRADE WITH AGRIFOOD PRODUCTS OF ROMANIA, AS A CONSEQUENCE OF THE EUROPEAN QUALITY CONFORMITY LEVEL

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Abstract

The paper aimed to find the tendency of the volume of international agrifood product exchanges that should enable the substantiation of decisions regarding the structure and level of the international trade of Romania. By the adequate indicator is rendered the tendency of the import and export that should finally substantiate the degree of ensuring competitiveness on the market of Romania. We start from quantitative issues (progressive quantities of agrifood product exchanges) to qualitative ones (with reference to the balance level), deducting the knowledge of policies on product quality in the market competitiveness. On such basis may be configured exchanges and two-dimensional involvements of the production volume ↔ commercial agrifood product exchanges.

Key words: commercial deficit, Community standard, international trade (import/export), market competitiveness.

INTRODUCTION

The main feature of the world economic situation is the tendency towards globalization. This implies that goods, services, capital and labour will move freely and companies, products will be treated equally, regardless of their nationality or origin. This process has a positive impact on the need for obtaining competitive agricultural products whereas the market will be the regulating factor of the economy, both nationally and internationally. Romania as an EU country has adapted its legislation to European and global regulatory requirements, to ensure export of some agricultural products, which meet the requirements of public health safety.

MATERIALS AND METHODS

In methodological view was targeted by comparative analyses the description by a set of characteristics (variables) of the differences/homogeneity of annual exchanges of the main agrifood products countrywide within the dynamics of the period 2006-2011. The features of the main agrifood products have been concurrently analysed in view of the commercial exchanges (import/export), in view of the value and the percentage, framed on three levels, i.e.: for the aggregate of the

agricultural and hunting products, the import and export level worldwide, of the international trade of Romania with the European Union.

The statistical analysis of the indicators has been performed by comparison to the total international exchanges of Romania also at the level of the basic year. In the same comparative form has been also determined the rest of the commercial balance with agrifood products.

The working methodology targeted the knowing of the rhythm and tendency of the international trade that should enable also the taking of decisions on the highlighting the structure of agrifood products by adequate indicators and substantiate the quality insurance degree in the market competitiveness from Romania.

RESULTS AND DISCUSSIONS

The adoption of Community standards regarding commercial policies in Romania in the field of agrifood products targets a series of objectives regarding the food market and the and competitiveness policy, the warranting of quality/ sanitary security of food products (starting from the phitosanitary control and sanitary-veterinarian controls) and the increase

of the self-sufficiency level. However, the quality research and assurance in general are insistently claimed by the contemporaneous society, as the quality research and assurance of goods is an express requirement of varied economic sectors.

1. The international trade with agricultural and hunting products in Romania.

It can be assessed for Romania that the significant difference between the export and import of agricultural and hunting products poses variations within the period 2009-2011 (table 1). It results that the exports of agricultural products have increased in weighting versus the national total from 4.46% in 2009 to 6.06% in 2011 and imports have decreased from 2.7% in 2009 to 2.62% in 2011.

Table 1. The evolution of value in the international trade with agricultural and hunting products in Romania for the period 2009-2011

Specification	UM	EXPORT (FOB)			IMPORT (CIF)		
		2009	2010	2011	2009	2010	2011
TOTAL (countrywide) d.c.:	mil. euro	29084	37360	45274	38953	46869	54948
Agricultural and hunting products	mil. euro	1300	1802	2294	1054	1198	1442
	% versus total	4.46	4.82	6.06	2.70	2.55	2.62

Source: Statistic Yearbook of Romania, INS, 2012[1]

In accordance with the categories delimited in the "agricultural products" [2] are identified the requirements of quality categories and size that Romania has to observe.

This is one of the main reasons due to which it was necessary to adopt in Romania the European policies of promoting the quality of agrifood products that represents a component of the Community agricultural policy (PAC). Such policies are simultaneously destined to enterprises, public authorities and consumers.

2. The current standing of commerce with food products.

The effects of the worldwide economic crisis started to manifest themselves quite intensely also in Romania in regard to the economic slowdown that became a reality. Differentiated rhythms upon the level of economic activities can be noticed that by direct repercussions upon the international commercial relations of Romania have been strongly limited. The levels of imports and exports have been analysed that at the countrywide level within

the period 2006-2011 frame significant fluctuations in the structure of the main groups of agricultural/agrifood products.

The import in the international trade with agricultural/agrifood products illustrated in Table 2 signifies a differentiation out of which it results:

Table 1.2. The structure of the import in the international trade with agricultural/agrifood products in Romania for the period 2006-2011

Specification	2006		2007		2010		2011	
	mil RON	%	mil RON	%	mil RON	%	mil RON	%
Total import (countrywide level) d.c.:	144087	100.0	171319	100.0	197458	100.0	232853	100.0
1. Livestock and animal products	2500	1.73	2900	1.69	4147	2.09	4089	1.75
2. Vegetable products	1902	1.32	3470	2.02	4802	2.43	5599	2.40
3. Animal/vegetal fats and oils	261	0.18	483	0.28	916	0.46	1041	0.44
4. Food products, beverages and tobacco	3913	2.72	4305	2.51	6645	3.36	8099	3.47

Source: Statistic Yearbook of Romania, INS, 2005-2012[3]

1) All products record annual increases and the most accentuated rhythms are signalled for fats and (from RON 261 mil in 2006 to RON 1041 mil in 2011, being an increase of 3.98 times);
 2) Livestock, animal and vegetable products are recorded in similar annual rhythms, signalling however for milk products also dairy products besides cereals that signify growth rhythms exceeding all other products.

In regard to the export can be assessed similar phenomena regarding the levels of annual variations (Table 3).

Table 3. Structure of the export in international trade with agricultural/agrifood products in Romania million RON

Specification	2006		2007		2009		2010		2011	
	mil RON	%	mil RON	%	mil RON	%	mil RON	%	mil RON	%
Total export (countrywide)	91472	100	98579	100	123344	100	157471	100	191914	100
1.- Livestock and animal products	746	0.81	839	0.85	1380	1.11	1829	1.16	2475	1.28
2.-Vegetal products	1442	1.57	1468	1.48	4768	3.86	6892	4.37	8947	4.66
3.- Animal/vegetal fats and oils	201	0.21	225	0.22	374	0.30	694	0.44	1027	0.53
4.- Foodstuff, beverages and tobacco	633	0.69	1209	1.22	2983	2.41	3752	2.38	4655	2.42

Source: Statistic Yearbook of Romania, INS, 2005-2012[4]

1) The highest weighting from exports is held by vegetal products (4.37 % in 2010), cereals having priority among them;

2) Livestock and animal products besides other foodstuff, beverages and tobacco also hold significant weightings on export (1.28% in 2011).

We can also highlight the fact that a niche of the commerce was created that clearly considers the innocuousness and quality of foodstuff that is represented by the bio or premium products for which due to the difficult economic situation consumers are less willing to spend, given the fact that they have higher prices. In the EU, meat without chemicals has a double price versus conventional meat. Due to such differences, either humans cannot consume the meat, or they choose the conventional variant. Concurrently, dairy products and ecologic vegetables tend to have prices higher by 20%-30% than their conventional counterpart [5].

3. The international commerce of Romania with the European Union.

It can be said that especially for agrifood products in the international commerce of Romania, the commercial exchanges with EU-27 have priority. Thus, within the period of the years 2009-2011, exports of agricultural/agrifood products to such destination have had a value weighting of approximately $\frac{3}{4}$ and imports from EU member states weighting about 80 %.

In table 4 is deepened the analysis of such levels for the main group of products for the period 2009-2011.

Table 4. The structure of international trade of Romania with the European Union (EU-27)

Section	2009		2010		2011	
	thousands euro	%	thousands euro	%	thousands euro	%
Total (countrywide)	21600.4	100.0	26952.9	100.0	32160.1	100.0
d.c.: Livestock and animal products	275.2	1.27	339.3	1.3	472.2	1.5
Vegetal products	765.0	3.54	1019.3	3.8	1254.0	3.9
Animal/vegetal fats and oils	76.4	0.35	159.2	0.6	226.7	0.7
Foodstuff, beverages and tobacco	625.9	2.90	785.3	2.9	958.5	3.0

Source: Statistic Yearbook of Romania, INS, 2008-2012[6]

1) Vegetal products and foodstuff including beverages and tobacco occupy the highest weighting countrywide (2.90% in 2009 and 3.0% in 2011), such levels currently rising;

2) In the group livestock and animal products, to which fats and oils are added, at which are recorded the lowest levels (1.62% in 2009 and 2.20% in 2011).

4. The commercial balance with agrifood products of Romania.

For the period 2002 – 2011 resulted from the analysis of the export/import relation of agrifood products from Romania a balance that for Romania that may be interpreted, as follows:

Table 5. The evolution of the commercial balance in the trade with agrifood products of Romania

Specification	U M	2002	2005	2006	2007	2008	2009	2010	2011
Export	mi								
	l \$	433.13	830.85	1070.4	1514.4	3087.8	2892.2	4049.6	4974.4
Import	mi								
	l \$	1173.1	2512.7	3034.3	4473.2	6125.0	5165.4	5030.0	5547.3
Total rest	mi								
	l \$	-739.9	-1681	-1963	-2958	-3037	-3273	-980.4	-572.9
	%	100.0	227.2	265.7	399.8	410.5	307.2	132.5	77.4

Data source, Dinu, T., ș. a., - Dynamics of commercial exchanges with agrifood products of Romania during the last decade, MADR, 10.07.2012, Commerce with agricultural products, agribusines2012 [7]

1).further to the evolution of the two components (import/export), the rest of the commercial balance with agrifood products for each year from the analysed period is negative and with varied levels (-739.9 mil\$ in 2002, -3037 mil\$ in 2008, -572.9 mil\$ in 2011);

2). from the total commercial deficit with agrifood products of Romania, a significant weighting is granted to the trade with soy, derivative products and fodder for animals.

3). the deficit is annually rising and it risks to amplify itself during the following years, unless the meat production rises in its turn and unless measures are adopted to ensure the domestic production of the necessary vegetal protein;

4). The crisis, the decrease of the purchase power, the measures to fight against tax evasion in the commerce with agrifood products and other causes made Romania a country that is getting close to the desiderate of food self-sufficiency.

Within the period of the last decade can be noticed the existence, but also the limitation of the commercial deficit that was due to the permanent increase of exports of agrifood products, especially on the intra-Community markets, where Romania exported

agricultural/agrifood products. Concurrently, due to the pro rata increase of exports, the rest of the commercial balance in the relation with third countries has been in surplus.

CONCLUSIONS

Commercial exchanges with agrifood products of Romania are the result of a complex of factors, among which the quality of competitiveness is a driving element.

From the aggregate situations rendered in the structure of this paper, conclusions can be synthesized, such as:

1. The international trade of Romania is a consequence of the European quality level of the conformity of agrifood products, the knowing of which was necessary to adopt European policies of promoting the quality of agrifood products. This because the demand of food products Romania slowly tends to the same phenomena specific to the food demand from Western Community countries.

2. Agrifood policies and the increase of the qualitative level of the products in Romania target the revival and development of research-development activities in view of the technological extension and transfer in the industrial field. For such purpose, by international, European and national programs have been assigned significant funds for the research in the field of food and nutrition.

3. The current standing of the commerce with food products renders differentiated rhythms upon the levels of activities from the economy that have had direct repercussions upon the international commercial relations of Romania. From the analysis of the main groups of agricultural/agrifood products, it can be assessed: *a)* for the import significant fluctuations for all products that register annual growths out of which milk and dairy products besides cereals means growth rhythms that surpass the level of the other products; *b)* for the export can be noticed similar phenomena regarding the levels of annual variations referring to the highest weighting held by vegetal products, whereas livestock and animal products besides other foodstuff, beverages and tobacco, also holding significant weightings on export.

4. The European Union was the main partner in the agricultural trade of Romania. In the destinations of international trading of Romania, the commercial exchanges with the EU-27 have priority, which analysed in the structure of the product can be mentioned for: vegetal products and foodstuff, beverages and tobacco that occupy the highest weighting versus the national level (such levels being on the rise); the group of livestock and animal products, to which are added fats and oils that record the lowest levels.

5. At national level is manifested a limitation of the commercial deficit that was due to the permanent increase of exports of agrifood products, especially on the intra-Community markets, where Romania exported agricultural/agrifood products. The rest of the commercial balance with agrifood products, analysed for the period 2002 – 2011 further to the evolution of the two components (import/export) for each year from the analysed period is negative, but also the existence of a decreasing tendency.

6. The main fields related to the commercial policy of the EU with which the companies with Romanian capital are less familiarized are issues of adapting to regulations that concern on one side the procedures of certifying the products for the export and on the other side the use of measures to protect the commercial interests (anti-dumping, anti-subsidy and safeguarding measures).

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