

## INTERNATIONAL TRADE WITH ONIONS

Radu Lucian PÂNZARU<sup>1</sup>, Dragoş Mihai MEDELETE<sup>1</sup>

<sup>1</sup>University of Craiova, Faculty of Agriculture and Horticulture,  
19 Libertăţii, 200421, Craiova, Romania, Phone: +40 727 712 967,  
Fax: + 40 251 418 475, E-mail: rlp1967craiova@yahoo.com, medelete@yahoo.com

*Corresponding author* : rlp1967craiova@yahoo.com

### Abstract

*The paper refers to the global trade situation with onion, 2008-2010. Besides presenting the existing situation of the five units continents (Africa, America, Asia, Europe and Oceania) study shows worldwide level of imports and exports, as well as its contribution to the performing acts of international exchange. Quantitative aspects of trade are filled with values data, that allowed the preparation of trade exchanges for this product. The main importer (in quantitative terms) is represented by Asia, followed by Europe and at greater distance by the America, while the value of imports was dominated by operations performed in Europe, Asia and America - weights of 39.7, 38.1 and 18.6% respective (of the world total). Concerning the quantity, the major players on the market exports are represented by Asia and Europe. They have dominated the world market, achieving 45.6 and respective 30.8% of world exports. America ranks third with a share of 17.4%. In terms of value, world exports were dominated by Asia, Europe and America (33.5, 32.7 and respective 26.7%), with a downward trend in the share of Asia and increasing European weights and American (compared to the specific situation of the quantities exported).*

*Key words:* export, import, onion, trade balance

### INTRODUCTION

Onion is a vegetable species quite important in terms of its significance in the production of vegetables. Onion importance of culture derives from issues related to food, industry, increased productive activity, land use, labor resources, animal feed, exports and as a source of profit realization [3].

For achieving international trade prospecting the market plays an important role. **External prospecting** for import export of agricultural products and / or food must undergo several stages.

**The first stage is the stage of documentation and information.**

Information gathered aims inter alia: economic potential, production trends, investment and accumulation, agricultural development, etc.

**The second stage refers to the study of foreign market opportunities and key economic indicators analysis.**

**The third stage is considering the exploration (the study) itself of the foreign market.** To get a more complete picture on the external market information is collected strictly necessary, such as market structure,

family budgets, the power household purchasing, consumption and purchasing habits, local competition and other countries, the price system, the system of promotion and optimum forms of advertising; methods used for trade, trade discounts and commissions etc.

Stage four is for conclusions to be drawn on foreign markets studied, in which is presented an overall appraisal of it.

Finally, external market research ends with the decision-making phase in which they set goals for the export-import of goods and services and the concrete organizational forms of sales [2].

Regarding the agricultural exports, it should be understood as all commercial operations through plant and animal products - unprocessed or processed in varying degrees - are traded in foreign markets.

Factors that influence the export of agricultural products plant and animal are: - Internal market supply and demand of agricultural products - direct and indirect supply for industrial population; - Trends in demand and supply on the world market for agricultural products [1].

## MATERIALS AND METHODS

Carrying out the work involved documenting, through the use of the reporting statistical data [4]. In order to achieve the work was operated with a system of indicators to highlight specific trade in some agricultural products and recommended system used by the United Nations Food and Agriculture Organization - FAO.

So were collected quantitative data on the volume and value of imports and exports volume of onions made globally and for the five continents (Africa, America, Asia, Europe and Oceania). The paper tried to capture the world market and positioning Romania in terms of foreign trade with onions.

The data collected and analyzed, covers the period 2008-2010, are launched with the average period. Media was determined by computing the following equation:

$$A = \frac{X_1 + X_2 + \dots + X_n}{n}$$

## RESULTS AND DISCUSSIONS

Table 1 presents the evolution and structure of globally imports.

In the case of 2008, worldwide total imports reached 5916,9 th. tons, while the five continental units have achieved levels of indicator 20,700 th t Oceania - 0.3% 248,7 th. t Africa - 4.2% 798,5 th. t America - 13.5% 2095,9 th. t Europe - 35.5%, 2753,1 th. t Asia - 46.5%.

In Romania it is found an import of 32,6 th. t, which represented 0.6% of the global indicator.

For 2009, are noted the changes in the indicator stands from 19,9 th. t for Oceania, up to 3183,1 th. t in the continent of Asia (weights - in the structure - of 0.3 and 51.1%). The remaining units were recorded continental levels of: 304.0 th. tons Africa,

795.6 th. t America and 1929.0 th. tons Europe (4.9, 12.7 and respectively 31.0% in the structure indicator - 6231.6 th. tons). At national level the volume of imports was 21.5 thousand tons, volume that caused - compared to global situation a participation quota of 0.3%.

If we look at the specific situation of 2010 can be seen sequential volumes continental imports of onions, as follows: 3015.2 th. tons Asia, Europe 2260.5 th. tons, 922.2 th. tons America, Africa and 318,8 th. tons 23,6 th tons Oceania. Following these quantities, indicator structure includes weights of: 46.1, 34.5, 14.1, 4.9 and 0.4% for the continents, in the order shown above. Regarding Romania are observed a large amounts of 35,3 th. tons, which led to a level of 0.5% in the share of 6.5403 million tonnes of onion imported globally.

Based on the three temporal sequences, described above, was determined the average period which is characterized by an amount of 6229.6 th. tons imported onions. Indicator structure (Fig. 1) are as follows: 0.3% Oceania (21.4 th. tons), 4.7% Africa (290.5 th. tons), 13.5% American (838.8 th. tons); Europe 33.6% (2095.1 th. tons) Asia 47.9% (2983.8 th. tons). Regarding Romania's contribution to achieving global level indicator, average participation rate was 0.5% (Fig. 2).

Table 2 presents the onion exports and food aid carried out worldwide.

In 2008 the worldwide export of onions reached 6227.9 th. tons, a level which was attended, differentiated for the five continental units:

46.6 thousand tons Oceania, Africa 202.5 th. tons, 1125.6 thousand tons America, Europe 1798.7 thousand tons, 3104.5 thousand tons Asia. A result of these amounts the indicator structure is as follows: 0.7% Oceania, 3.2% African, 17.9% American, 28.7% Europe 49.5% Asia.

Table 1. Onions - World Imports (2008-2010) \*

Specification	2008		2009		2010		Average 2008 – 2010	
	Th. t.	Str. %	Th. t.	Str. %	Th. t.	Str. %	Th. t.	Str. %
Africa	248,7	4,2	304,0	4,9	318,8	4,9	290,5	4,7
America	798,5	13,5	795,6	12,7	922,2	14,1	838,8	13,5
Asia	2753,1	46,5	3183,1	51,1	3015,2	46,1	2983,8	47,9
Europa	2095,9	35,5	1929,0	31,0	2260,5	34,5	2095,1	33,6
Oceania	20,7	0,3	19,9	0,3	23,6	0,4	21,4	0,3
Total	5916,9	100	6231,6	100	6540,3	100	6229,6	100
România	32,6	0,6	21,5	0,3	35,3	0,5	29,8	0,5

\*<http://www.fao.org/>

Table 2. Onions - World Exports (2008-2010) \*

Specification	2008		2009		2010		Average 2008 – 2010	
	Th. t.	Str. %	Th. t.	Str. %	Th. t.	Str. %	Th. t.	Str. %
Africa	202,5	3,2	324,5	5,2	561,5	7,9	362,8	5,5
America	1125,6	17,9	1021,9	16,2	1284,3	18,0	1143,9	17,4
Asia	3104,5	49,5	2846,3	45,1	3039,8	42,5	2996,9	45,6
Europa	1798,7	28,7	2066,2	32,7	2205,3	30,9	2023,4	30,8
Oceania	46,6	0,7	51,1	0,8	48,4	0,7	48,7	0,7
Total	6277,9	100	6310,0	100	7139,3	100	6575,7	100
România	0,6	0,01	2,0	0,03	2,1	0,03	1,6	0,02

\*<http://www.fao.org/>

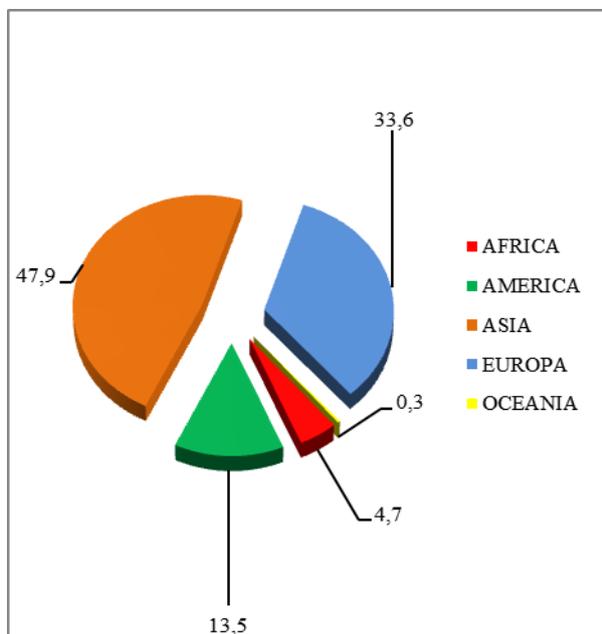


Fig. 1. The structure of world imports - period average (%)

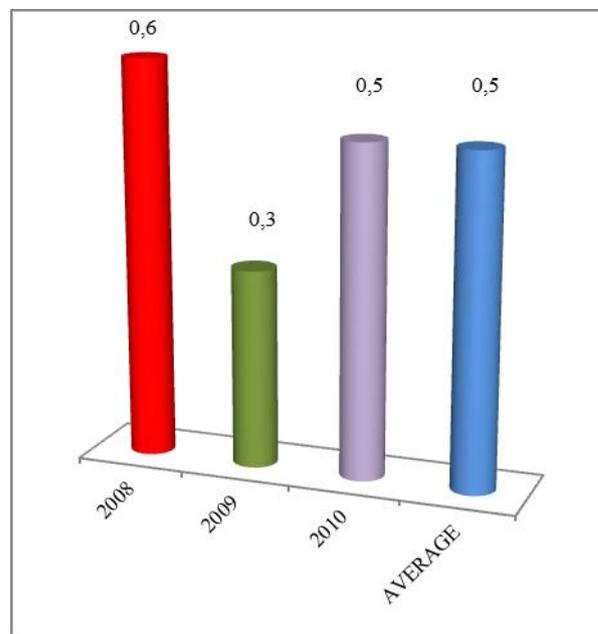


Fig. 2. Romania - share in global structure imports (%)

Romania has made quantitative export 0.6 th. tons onions, which represented only 0.01% of the global indicator.

If we look at the specific situation of 2009 can be seen limits of variation of the indicator, from 51.1 thousand tons in the case of Oceania, to 2846.3 th. tons in the Asian continent (weights of 0.8 and 45.1% respectively in the structure of the index). Rest of the world have achieved varying amounts of onions exported. So Africa recorded 324.5 th. tons - 5.2%, America 1021.9 th. tons - 16.2%, and Europe 2066.2 th. tons - 32.7%. For Romania exports were very low 2.0 th. tons, respectively 0.03% of the global indicator, level which reached 6310.0 th. tons.

The year 2010 is characterized by a total volume of exports of 7193.3 th. tons, volume to which the five continental units contributed variable. So, effectively, there were 3039.8 thousand tons quantities for Asia (42.5%), 2205.3 th. tons for Europe (30.9%), 1284.3 th. tons in the American continent (18, 0%), 561.5 th. tons for Africa (7.9%), 48.4 thousand tons in the Oceania (0.7%). Romania has sold only 2.1 th. tons, respectively 0.03% of the global indicator.

Based on the above, we determined the average period. It has reached 6575.7 th. tons, with the following structure (Fig. 3): 0.7% Oceania (48.7 th. tons), 5.5% Africa (362.8 th. tons), 17.4% American (1143.9 th. tons) Europe 30.8% (2023.4 th. tons) Asia 45.6% (2996.9 th. tons).

Romania recorded worldwide, a weight of only 0.02% of the total quantity of onions exported (Fig. 4).

Table 3 shows the trade balance of exchanges in the world achieved of the product onion.

For 2008 global trade balance was poor -31.5 million dollars, which is based on aspects of European deficit \$ -280.9 million. Rest of the world realized trade surpluses: \$ 6.0 million Africa, Oceania \$ 9.5 million, 17.0 million \$ 216.9 million \$ Asia and America. However covering European the deficit fails.

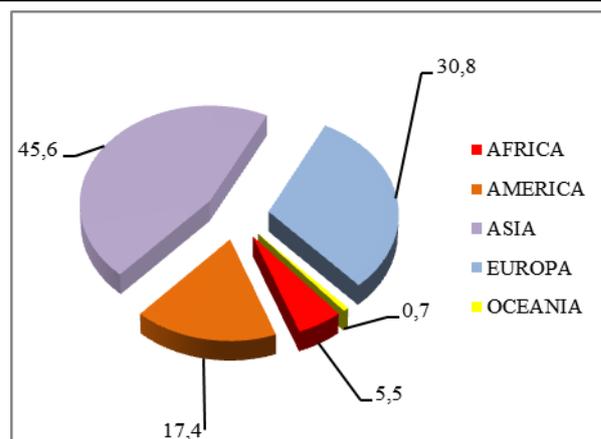


Fig. 3. Structure of world exports - average period (%)

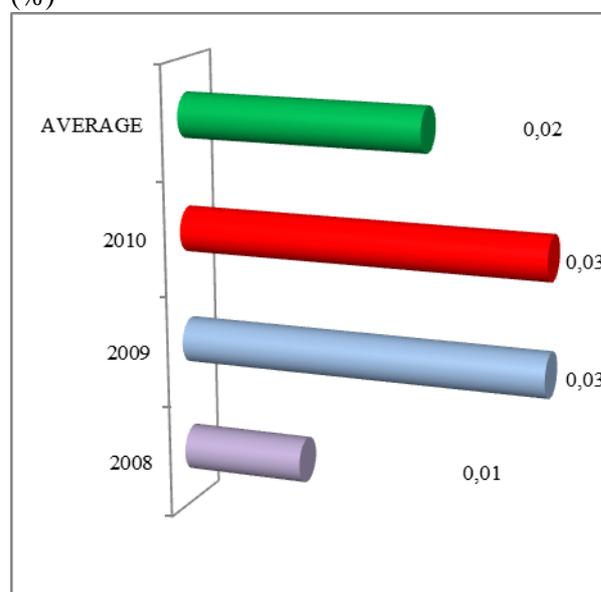


Fig. 4. Romania - share in global structure of exports (%)

In 2009, global trade balance deficit \$ -65.3 million, is determined by specific deficits Europe and Asia -116.8 million \$ respectively -231.3 million \$. Reducing the trade deficit, caused by the two continents, is achieved through specific surpluses Oceania, Africa and America + 9.4, respectively +118.5 and +154.9 million dollars.

If we look at the specific situation of 2010, we see that this is the only year with surplus (\$ 8.1 million) worldwide, which is determined by specific positive state of affairs for America, Africa and Oceania + 212.4, + 112.3 and respectively 6.8 million \$. However for the European continent and for Asia are recorded trade deficits: -164.2 -159.2 million dollars respectively.

Table 3. Onions - Trade balance global of exchanges, Mil. \$ (2008–2010)\*

Specification	2008			2009			2010			Average 2008 – 2010		
	Export	Import	±	Export	Import	±	Export	Import	±	Export	Import	±
Africa	65,5	59,5	+6,0	190,3	71,8	+118,5	205,6	93,3	+112,3	153,8	74,9	+78,9
America	662,3	445,4	+216,9	568,7	413,8	+154,9	750,0	537,6	+212,4	660,3	465,6	+194,7
Asia	744,5	727,5	+17,0	766,5	997,8	-231,3	983,4	1142,6	-159,2	831,5	956,0	-124,5
Europa	710,1	991,0	-280,9	705,1	821,9	-116,8	1016,1	1180,3	-164,2	810,4	997,7	-187,3
Oceania	23,6	14,1	+9,5	22,0	12,6	+9,4	23,4	16,6	+6,8	23,0	14,4	+8,6
Total	2206,0	2237,5	-31,5	2252,6	2317,9	-65,3	2978,5	2970,4	+8,1	2479,0	2508,6	-29,6
România	0,1	9,1	-9,0	0,6	6,0	-5,4	0,7	9,2	-8,5	0,5	8,1	-7,6

\*<http://www.fao.org/>

Determining the average period it can be seen (Fig. 5) its weak character (-29.6 million dollars), aspect determined by the following state of things: \$ 194.7 million America, \$ 78.9 million Africa, 8.6 million dollars Oceania, Asia \$ -124.5 million, \$ -187.3 million Europe.

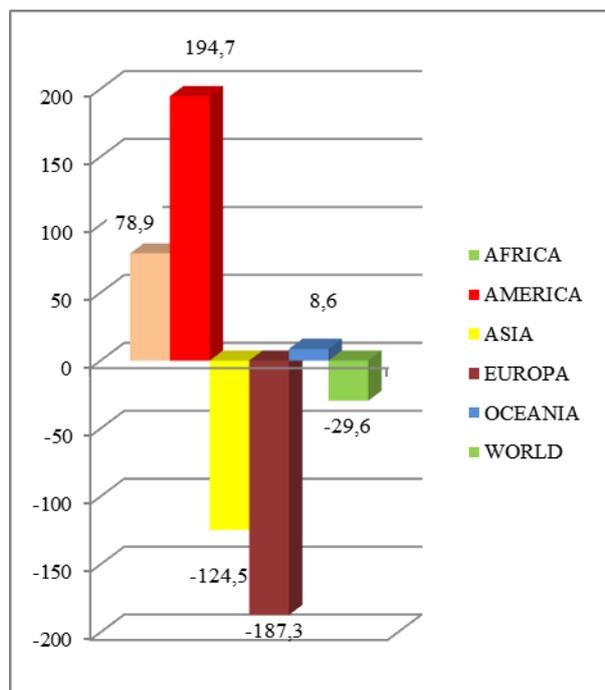


Fig. 5. Global trade balance - the average period (million \$)

For Romania (fig. 7) it can be seen that foreign exchange trade balance with onions, is strictly poor: \$ -9.0 million for 2008, \$ -8.5 million in 2010 - \$ 7.6 million for the period average, \$ -5.4 million in the year 2009.

Figure 6 presents the evolution of the trade balance for onions during the period analyzed (2008-2010).

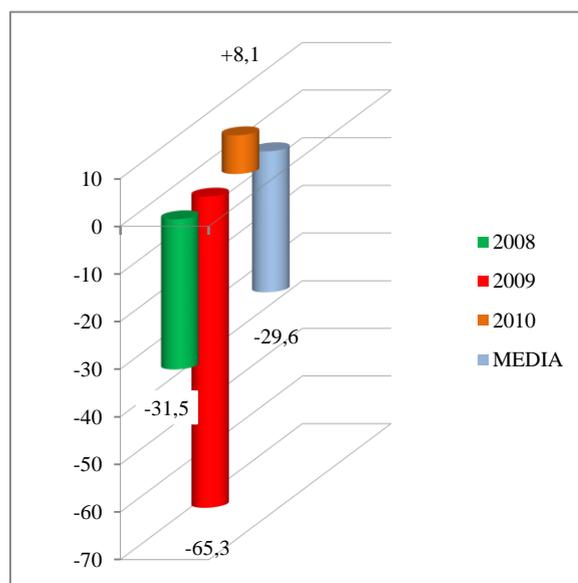


Fig. 6. Global trade balance - annual trend (million \$)

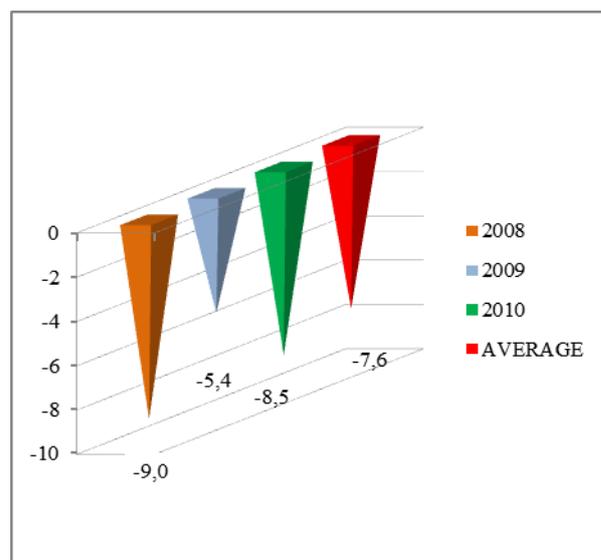


Fig. 7. Romania. National trade balance (million \$)

## CONCLUSIONS

Regarding import situation appear as following conclusions:

-the main importers represented by Asia followed by Europe and at largest distance by America - 47.9, 33.6 and respectively 13.5% (as compared quantitatively);

-the value of imports was dominated by operations carried out in Europe, Asia and America - weights of 39.7, 38.1 and respectively 18.6% (increased the weights over 5 and 6% in America and Europe compared to the quantities imported).

Therefore it can be concluded that the European and American markets transaction unit prices are higher than in the Asian markets;

-Romania is not a major player, in terms of imports, the global market share holding 0.5 and respective 0.3% of quantities imported values - aspect beneficial. Variation has been one uneven for the indicators during the period analyzed.

When referring to the export situation, there are a number of aspects, such as: -as compared quantitatively, the main actors are represented by Asia and Europe. They have dominated the world market, achieving 45.6 and respective 30.8% of world export quantity.

America ranks third with a share of 17.4% (situation somewhat similar to that of the quantities imported);

-quantities exported globally evolved upward, which is determined by developments in the Europe and Africa. For the rest of the world has evolved the indicator uneven, with some increasing trends for Oceania;

- in value terms, world exports were dominated by Asia, Europe and America (33.5, 32.7 and respective 26.7%), with a downward trend in the share for Asia and an increasing for European and American weighting (compared to the specific situation of the quantities exported);

-as for imports and exports Romania is not a major player in the global market (weighted average of 0.02% for both export volumes and values) - very unfavorable situation.

In terms of trade balance for onions, the situation existing global and national sequence is characterized by:

-the weak global balance phenomenon is contradicted only of the specific situation appeared in 2010 when appear a small surplus;

-analyzing the situation in each continent stands surplus situations specific to Africa, America and Oceania. They could not counterbalance the recorded consistent deficits, from Europe and Asia;

-Romanian trade balance is severely impaired, a phenomenon that stresses our country momentary inability to secure domestic consumption needs from their own production.

## REFERENCES

- [1]Barbu, C., Pânzaru, R.L., 2000, Agricultural Economics,Hyperion Publishing House, Craiova, Chapter 8, Part I, p 110-123
- [2]Constantin, M. et al., 2009, Marketing of agricultural production, Agro Technical Publishing, Bucharest, Chapter 3, Part I, page 37-70
- [3]Pânzaru, R.L., Medelete, M.D., Stefan, G., 2009, The Economics of crop production, Universitaria Publishing House, Craiova, Chapter 3, pp. 141-188
- [4] <http://faostat.fao.org>