

STRUCTURE AND SHARES IN THE ROMANIAN INTERNATIONAL TRADE

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Abstract

An analysis of a wider range of external trade sector of Romania was carried out in this paper. Main purpose of the paper was identification of the products which have submitted during the period 2002-2011 a wide dynamic with regard to trade of Romania, the total and in particular with the EU countries. The methodology used in this respect was detailed analysis of the data, of the structure of imports and exports and the dynamics of these exchanges during the ten years. Thus, we have identified productions which have had a production upward or downward trend in the structure of total trade. It is a case of grain, milk and seeds and oleaginous fruits and tobacco, which has had a positive development in imports and exports. Tobacco and meat products for the imports and live livestock and vegetables for the exports have registered a decreased share.

Key words: dynamics, European Union, international trade, Romania, structure

INTRODUCTION

During the 20 last years, from point of view of the international trade, Romania has been described as an net importer country. Still, the Romanian foreign trade has been growth in volume, especially with the EU countries. Concerning the development of the economy and in the assurance of consumer's needs (Popescu, 2013), stated that the food trade has become more and more important. Romania, as almost all the new member states, has constantly focused in exported the agri-food raw materials and imported the agri-food processed products, so this process goes to a decrease in their comparative advantage after accession (Torok and Jambor, 2012). Yet, it remains important to promote agricultural export, drive employment of rural labor, help farmers to increase their income and optimize industrial structure of agriculture (Shan, Chao and Linhai, 2011). On the other side, the process of globalization leads countries to adjust their agricultural policies toward more competitive markets (Türkekul B., Günden C., Abay C. and Bülent M., 2010). And in agriculture, the most important production factor, land, is an important input into

agricultural production and represents a significant contributor to the cost of producing agricultural products (Dale Colyer, 2005). Therefore, free commerce is thought to be crucial for a developing economy since it stimulates economic growth, ensures access to the world market and also improves access to several goods and services (Neculita, Sarpe, Cristea, Xiaoshuan and Moga, 2011).

MATERIALS AND METHODS

The statistical data on the Romania's foreign trade and agro-food trade, which are analysed here, were provided by the National Institute for Statistics and refer to the period 2002-2011.

To analyze this data we used mainly the index, share and comparison methods based on export, import and trade balance. Calculation and analyze of the trade structure on the main groups of goods was also another method for this paper.

RESULTS AND DISCUSSIONS

The Romanian imports has been increased during the analysed period 2002-2011 from an

amount of 1172.8 mil \$ to a maximum of 6133.3 mil \$ in 2008. After a slow decrease in the next years, on the background of the financial crises, in 2011 the imports reached a value of 5556.9 mil \$ (Fig.1). The imports from EU countries show a similar trend, with a higher dynamics started from 2007.

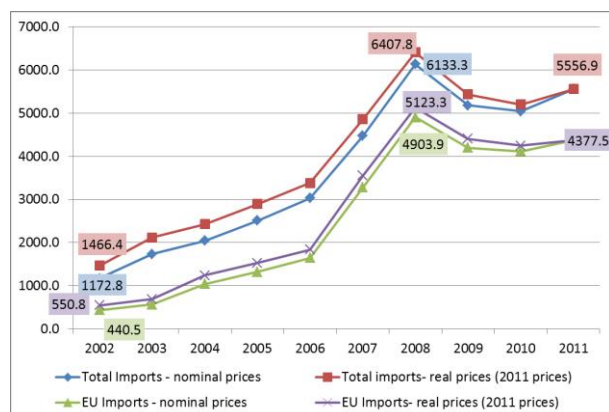


Fig. 1.Total and EU Romanian imports, nominal and real values (in 2011 prices), during 2002-2011 periods (millions US\$)

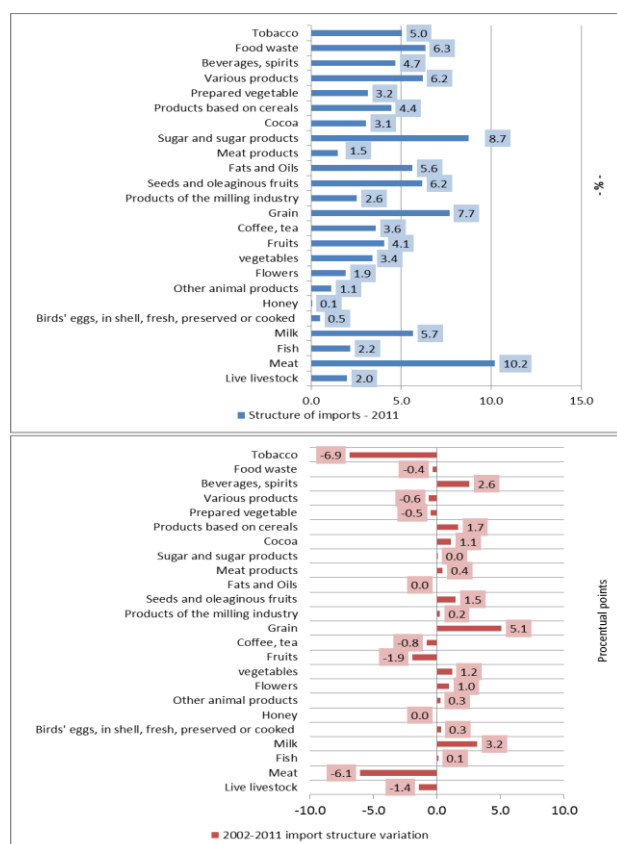


Fig. 2.Romanian import's structure in 2011 on main group of goods and 2002-2011 structure variation (real values)

In 2011, the most imported goods were: meat (10.2%), sugar (8.7%), grain (7.7%), food waste (6.3%), various products (6.2), seeds and oleaginous fruits (6.2%), milk (5.7%) and fats and oils (5.6%) (Fig.2).

Compared with 2002, the changes in imports structure show an increase of the importance of grain (5.1 pp), milk (3.2 pp) and beverages (2.6 pp). Also we may observe a decrease of the importance of, in order, tobacco (6.9 pp), meat (6.1 pp) and fruits (1.9 pp) in the imports structure. pp – Percentage points

In real terms (without the price pressure), the values of imports of this goods presented a higher variation for meat, grain, beverages and various products (Table 1).

Table 1.Mean, minimum and maximum – Romanian imports values on main group of goods, during 2002-2011 periods (real values)

Items	Mean	Min	Max	Variance
Live livestock	80.4	27.0	157.5	130.5
Meat	635.6	229.2	1071.1	841.9
Fish	97.5	30.5	150.5	120.0
Milk	171.1	36.4	315.1	278.7
Birds' eggs, in shell, fresh, preserved or cooked	18.4	2.7	39.9	37.2
Honey	1.3	0.1	3.4	3.3
Other animal products	44.2	12.9	66.0	53.2
Flowers	62.7	14.1	107.4	93.3
Vegetables	132.5	32.5	227.0	194.5
Fruits	218.5	87.7	363.5	275.8
Coffee, tea	135.7	64.6	199.8	135.2
Grain	286.1	38.2	440.3	402.1
Products of the milling industry	95.9	34.1	180.6	146.5
Seeds and oleaginous fruits	174.1	59.8	345.7	285.9
Fats and Oils	181.1	75.9	338.1	262.2
Meat products	55.5	15.6	101.3	85.8
Sugar and sugar products	270.1	127.5	485.3	357.7
Cocoa	99.2	28.4	170.2	141.8
Products based on cereals	154.5	40.8	281.3	240.5
Prepared vegetable	153.8	53.2	270.1	216.9
Various products	253.2	100.0	402.3	302.3
Beverages, spirits	158.9	31.2	347.5	316.3
Food waste	227.3	98.2	383.3	285.1
Tobacco	267.1	175.2	364.0	188.8
Total imports	3974.7	1466.4	6407.8	4941.4

For the most majority of the goods, the highest dynamics took place after 2007. As it is presented in the following figure, the real value of imports were increasing compared with 2002 more than 50 times for various

products and more that 20-30 times for tobacco, eggs, meat, sugar, fats and oils, cocoa, seed and oleaginous fruits.

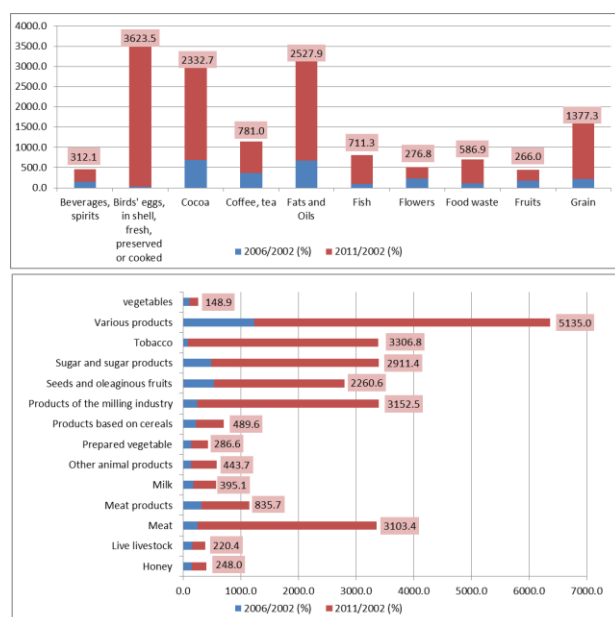


Fig. 3. Romanian imports dynamics for main group of goods (real values)

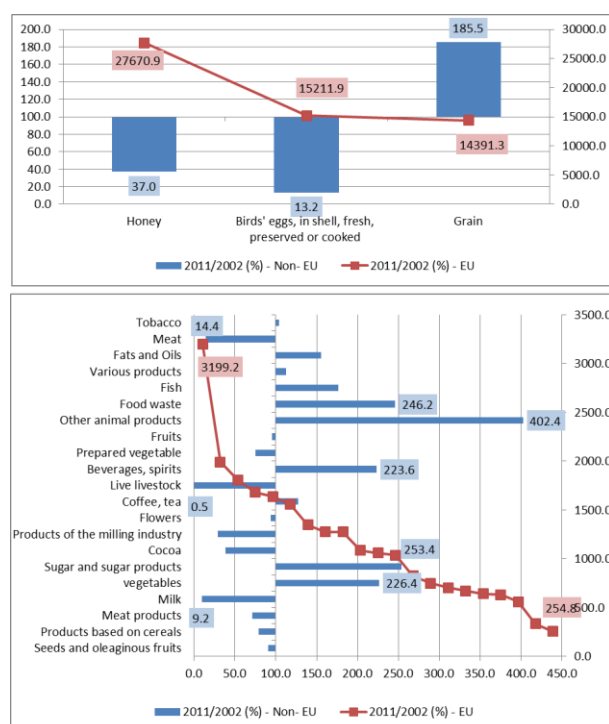


Fig. 4. Romanian imports dynamics on main group of goods, from EU and Non-EU destinations (real values)

Next, we have focused on another aspect concerning the changes in imports destinations (Fig.4). For honey, eggs and a bit less for grain, we may observe a more evident preference for the EU countries, even this

tendency it is also maintained for all goods, in the same period.

Also, for some products like other animal products, food waste, vegetable and beverages the imports from non-EU countries increased the value of imports for these goods from EU countries were higher and increasing.

The preference for the EU countries is more evident presented in the next figure, where we can observe that the share of the imports from these countries were increasing with more than 60% for eggs, live livestock, grain, seed and oleaginous fruits, meat products and products based on cereals. Also we may observe that with exception of sugar, food waste and other animal products, the most part of imports are coming from the EU countries.

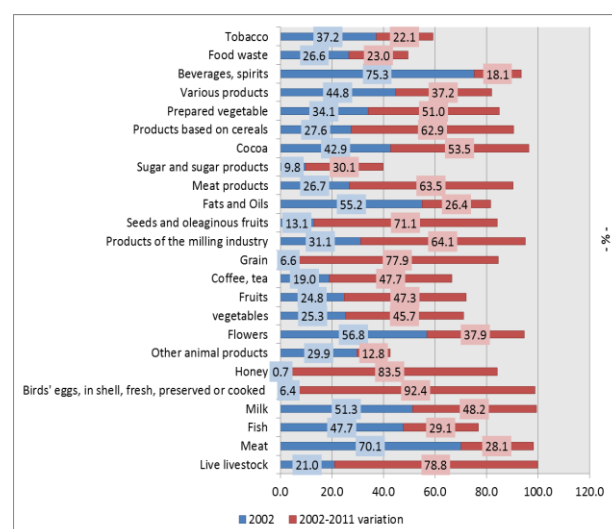


Fig. 5: Romanian imports from EU share in total imports, in 2002 and during 2002-2011 periods (real values)

The exports had a similar trend like the imports until 2008, but they had an ascending trend even in the next years reaching a maximum of 5017.2 mil \$ in 2011. In these conditions, in real terms, the Export/Import index has increasing from a value of 0.38 in 2002 at 0.9 in 2011.

The most exported goods in 2011 were grain, seed and oleaginous fruits and tobacco (Fig. 7). Compared with 2002 there was an increase of importance in structure of exports for seeds and oleaginous fruits, grain and tobacco. Also, we have pointed out here a major decrease of

the importance of livestock in exports structure 2002-2011 (-18.4 pp), while this product have had a share of 6% in 2011.

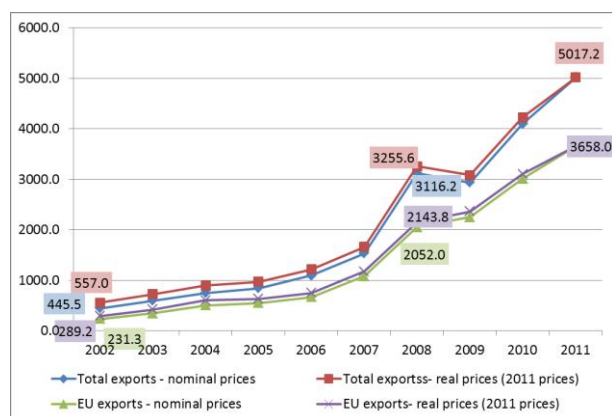


Fig. 6.Total and EU Romanian exports, nominal and real values, during 2002-2011 periods (millions US\$)

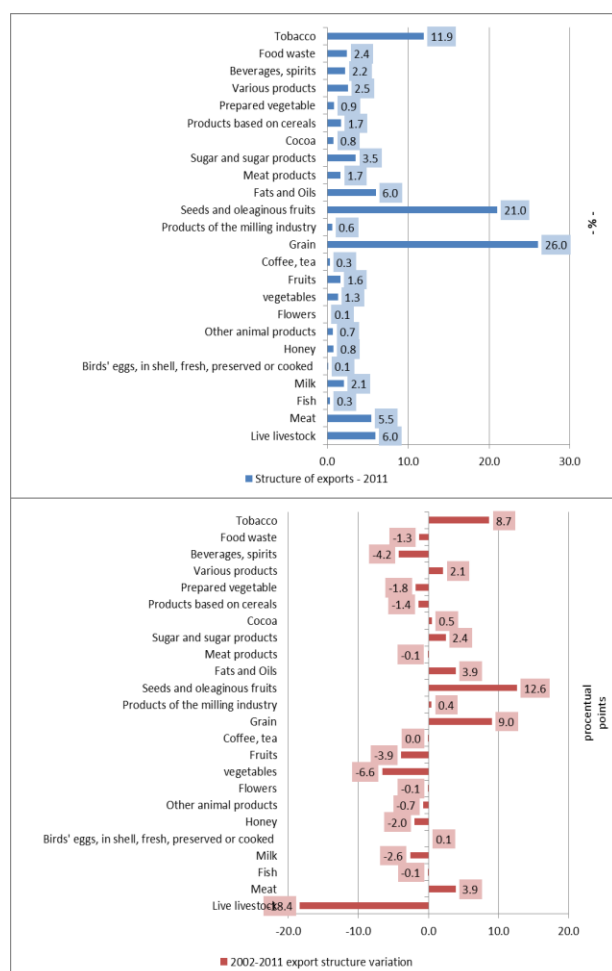


Fig. 7.Romanian export's structure in 2011 on main group of goods and 2002-2011 structure variation (real values)

In the next table (Table 2), it was presented the higher variation of the exports value (in

real terms), during the 2002-2011 periods for the grain, tobacco, seeds and oleaginous fruits.

Thus, by means of some descriptive variables (mean, minimum, maximum and variance) and for all groups of goods analysed, it was emphasized the differences among these.

Table 2.Mean, minimum and maximum – Romanian exports values on main group of goods, during 2002-2011 periods (real values)

Items	Mean	Min	Max	Variance
Live livestock	225.1	135.7	299.2	163.5
Meat	73.2	8.8	273.6	264.8
Fish	6.4	2.2	16.9	14.7
Milk	60.5	26.1	103.5	77.3
Birds' eggs, in shell, fresh, preserved or cooked	2.9	0.0	8.8	8.8
Honey	27.9	14.4	43.3	28.9
Other animal products	14.8	6.9	36.4	29.5
Flowers	2.0	0.9	3.4	2.5
vegetables	59.1	44.2	85.2	41.0
Fruits	55.8	31.1	82.6	51.5
Coffee, tea	7.8	1.8	15.3	13.5
Grain	509.7	24.0	1306.7	1282.7
Products of the milling industry	9.2	1.0	30.0	29.0
Seeds and oleaginous fruits	401.5	46.5	1052.2	1005.6
Fats and Oils	121.8	11.9	300.7	288.8
Meat products	39.9	10.0	83.3	73.4
Sugar and sugar products	46.6	4.0	177.2	173.2
Cocoa	16.5	1.7	39.8	38.1
Products based on cereals	48.0	17.4	85.4	68.0
Prepared vegetable	30.0	15.1	43.1	28.1
Various products	45.0	2.5	127.3	124.9
Beverages, spirits	72.9	36.0	136.0	99.9
Food waste	56.2	20.9	122.8	101.9
Tobacco	228.4	4.6	597.1	592.4
Total	2161.0	557.0	5017.2	4460.1

The exports also have shown a real development after the integration in EU in 2007. The good that present a real increasing trend after 2007 are: fruits, meat, vegetables, eggs, fish, milk, product based on cereals and beverages.

The exports to the EU had also an increasing trend on 2002-2011 periods, especially for fats and oils, various products, eggs, milling industry products and sugar (Fig. 9).

This evident orientation of exports to EU destinations can be better observed in the share changes of the EU exports during 2002-2011 periods (Fig.10). For sugar as example, despite the EU export increasing, the non-EU countries remain the main destinations.

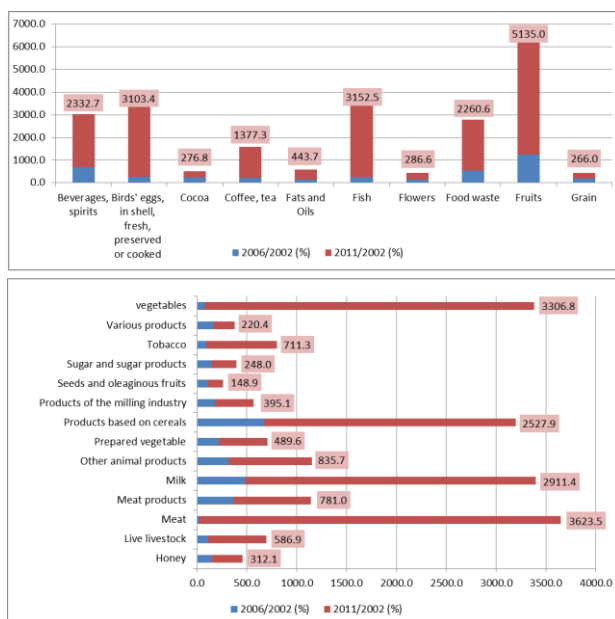


Fig. 8. Romanian exports dynamics for main group of goods (real values)

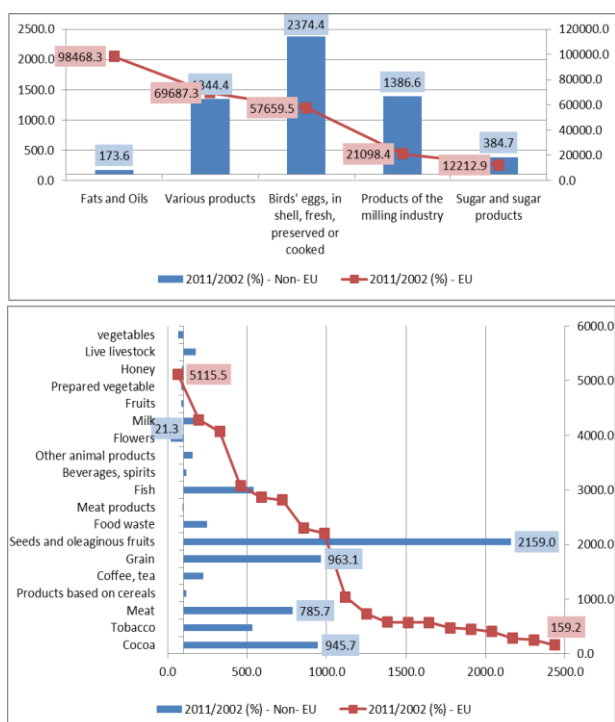


Fig. 9. Dynamics of the Romanian exports on main group of goods, from EU and Non-EU destinations (real values)

So far, in the figure above (Fig. 10), there was shown that for all the other products the trend pointed out above is relevant.

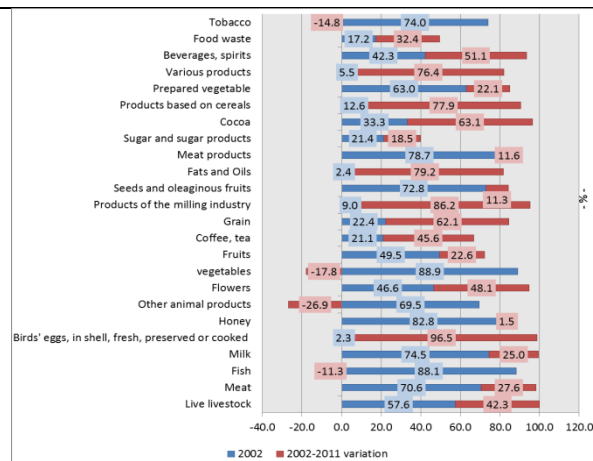


Fig. 10: Romanian exports to EU share in total exports, in 2002 and during 2002-2011 periods (real values)

CONCLUSIONS

Findings of this paper highlight the ways in which the international trade of Romania have turned after 2007 to the countries of the European Union. In particular in this work, it has been shown that as regard the structure of the imports, grain and milk had a positive development in the period under consideration. Products which have had a negative part of share in the structure of the imports were tobacco and meat. The analyze of the exports structure revealed that seeds and oleaginous fruits and tobacco have had an increase share in the structure during the period 2002-2011, and live livestock and vegetables have recorded a decrease share in trade structure.

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