

Constanța County Exports in the Last 10 Years

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Abstract

In this paper I will make an analysis of the exports registered in Constanta County in the period 2011-2021 inclusive. Although there are statistical data available, there are no works that have addressed this topic. Constanta County is on the first places in the country in terms of production and export, holding also the largest port on the Black Sea. The flow and composition of exported goods are important to know, both for statistical reasons, but especially for economic and social reasons.

Key words: exports, Constanța, international trade

J.E.L. classification: F31

1. Introduction

Romania's exports are analysed by several organisations and institutions, at national and international level. At the national level, the most important, in terms of data accuracy, are the reports issued by the National Institute of Statistics and the Ministry of Entrepreneurship and Tourism on Romania's international trade.

Considering the fact that an analysis of exports at the level of Constanta County has not been carried out, in this paper we have undertaken this approach. Following the study, we will draw important conclusions, we will identify which products have registered the highest export growths and which products have registered decreases. We will also see the impact of the pandemic on the exports of Constanta county, because the years 2020 and 2021 will be analyzed.

2. Theoretical background

There is a vast amount of empirical literature on exports.

Studies in the field have concluded from the outset that there is a direct link between export growth and productivity (Kunst and Marin, 1989; Laszlo, 2006).

Studies showed that net growth of surviving firms is negatively related to the experience of the firm in the export market, while the impact of size is non-monotonic. The growth premium of new exporters decreases progressively over time. The significance of firm experience in the export market, beyond the effect of size, points to the existence of some form of learning on foreign markets. Young exporters contribute disproportionately to export volatility through both firm turnover on the export market and within firm entry and exit of product and destination markets (Berthou and Vicard, 2013).

Exports are extremely concentrated among a limited number of very large firms, whereas a large number of small exporters ship one product to a single destination (Eaton et al., 2004). This distribution of the size of exporters is influenced by the process of entry and exit, as new exporters tend to be small, grow fast and have a low rate of survival (Eaton et al., 2007; Freund and Pierola, 2010).

Regarding an analysis of Constanta County exports, for a long period, has not been made. However, statistical data are available for each county, which can be used for a detailed analysis, which we have done in this paper. County Directorate of Statistics Constanța periodically publishes “Evolution of the main statistical indicators of Constanța county”.

The National Institute of Statistics publishes every month a press release with a brief analysis of Romania's international trade and the changes recorded. The Ministry of Entrepreneurship and Tourism issues a monthly information bulletin on Romania's international trade, which goes into more detail on the important changes that have been recorded, as well as a wide range of statistical data.

Within the European Union, quarterly economic forecasts for each Member State are published on the European Commission's home page, analysing, among other things, the indicators relating to Romania's exports, with statistical data obtained from Eurostat.

The World Trade Organization provides centralized and easily navigable information as well as news and important new publications on Romania's international trade.

The online publication TradingEconomics provides a detailed report every 1-5 months on all indicators of the national economy. This report is based on statistical data collected from the National Institute of Statistics, Eurostat and the World Bank, and is one of the most comprehensive and detailed reports designed to provide investors with an overview of the national economy.

3. Research methodology

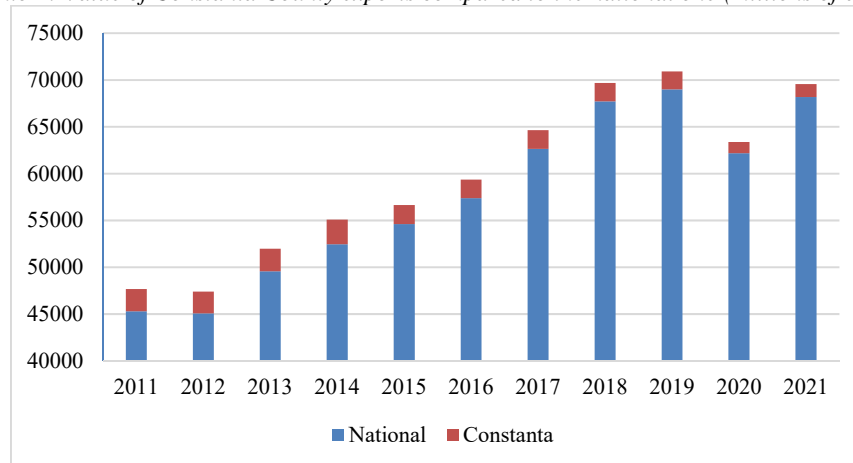
We use data analysis, that summarizes collected data. It involves the interpretation of data gathered through the use of analytical and logical reasoning to determine patterns, relationships or trends.

The data used in the analysis are taken from the publications of the National Institute of Statistics. County Directorate of Statistics Constanța periodically publishes “Evolution of the main statistical indicators of Constanța county”, also representing a source of data.

4. Findings

Analysing the data made available by the National Institute of Statistics, we observe that exports from Constanța county have experienced a slight increase in the period 2011-2014, from 23,814 to 26,173, representing 5.26% respectively 4.99% of national exports, followed by a significant decrease until 2021, reaching 14,039 million euros, representing 2.06% of national exports.

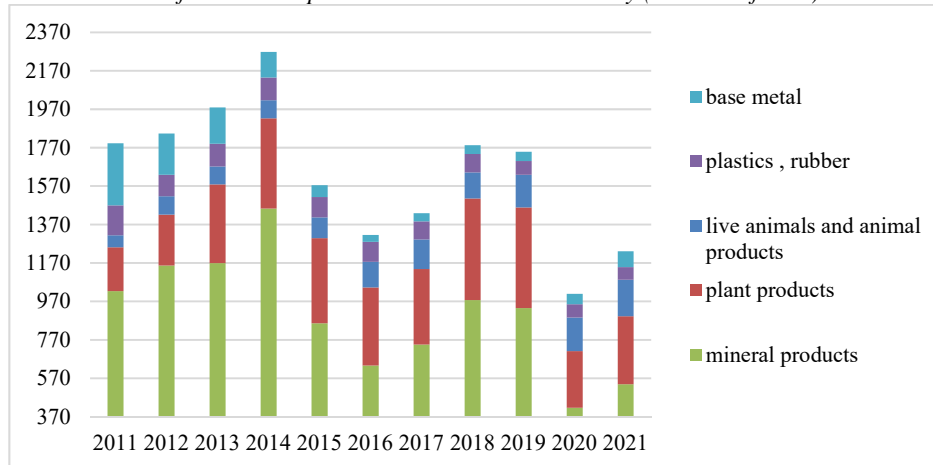
Figure n.o 1: Value of Constanța County exports compared to the national one (millions of euro)



Source: National Institute of Statistics

The COVID-19 pandemic has amplified the downward trend in exports, resulting in a loss of 37.41% in 2020 with a slight increase of 16% in 2021, starting from 19,581 in 2019 and reaching 14,039 million in 2021.

Figure no. 2: Value of the main export sectors in Constanta county (millions of euro)

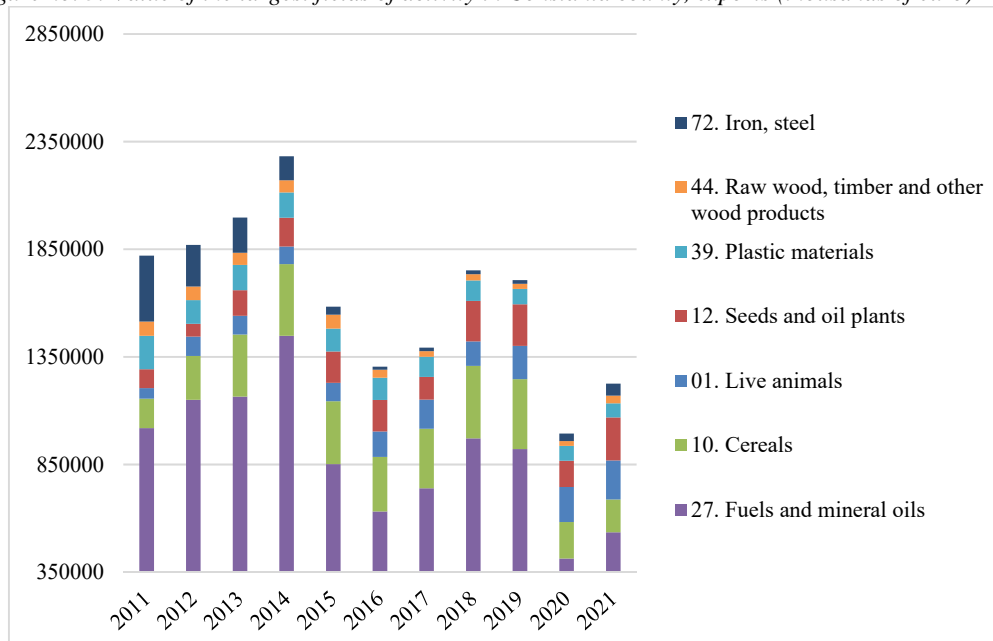


Source: National Institute of Statistics

In the period 2011-2021, the top 3 largest export sectors in Constanta County are (1) the mineral products sector, representing between 34.00% and 55.53% of the county's exports, (2) the plant products sector, representing between 9.56% and 26.98% of the county's exports and (3) the live animals and animal products sector, representing between 2.60% and 14.48% of the county's exports.

During the same period, the live animals and animal products sector had an upward trend, achieving increases every year, the plant products sector observed significant fluctuations, with a strong upward trend in the period 2011-2019, increasing from 227 to 523 million euros, and registering significant losses for the years 2020 and 2021, 294 and 354 million euros respectively, and the mineral products sector observed the biggest change, having an upward trend in the period 2011-2014, starting from 1.024 to 1,453 million euros, followed by a fluctuating trend with increases and losses, registering significant losses of 41.08% in 2015 and 55.48% in 2020. 55.43%, obtaining the highest value in 2014, 1,453 million euros, and the lowest in 2020, 416 million euros.

Figure no. 3: Value of the largest fields of activity in Constanta county, exports (thousands of euro)



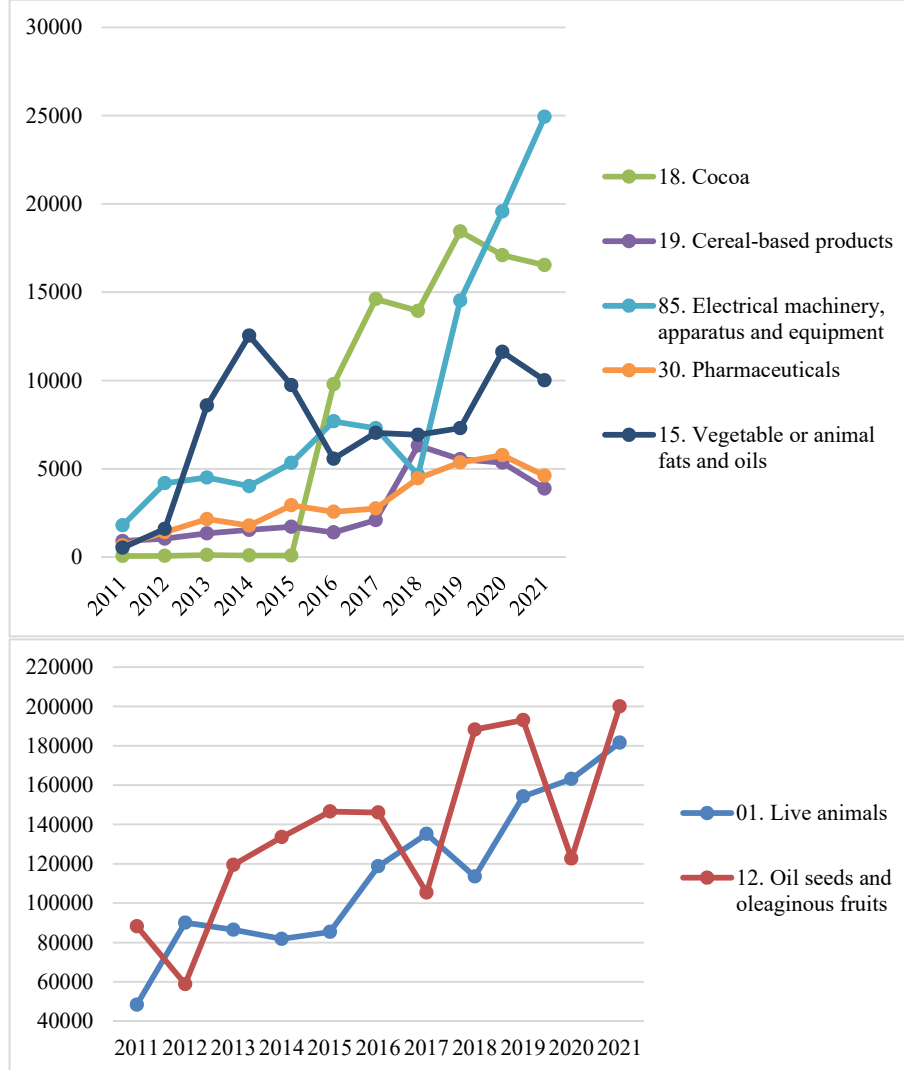
Source: National Institute of Statistics

In the period 2011-2021, the largest exports of Constanta county are the export of (1) fuels and mineral oils, being the main export of the county, representing between 32.17% and 55.33% of the county export, (2) cereals representing between 5.76% and 16.83% of the county export and (3) seeds, oleaginous fruits and industrial or medicinal plants representing between 2.53% and 10.14% of the county export. These are the 3 largest exports of Constanta County, observing small changes in the period 2011-2015, where the 3rd position was occupied either by the export of cast iron, iron and steel or by the export of plastics and plastic articles.

Over the period 2011-2021, we can see similar changes by sector for the top 3 exports, as they are part of the mineral and plant products sectors, but the biggest changes are seen in (1) iron and steel, which experienced significant losses over the period 2011-2019, down from 306 to 17 million euros and with an increase in 2020 and 2021, 35 and 56 million euros respectively, and in (2) plastics which is in a downward trend in the period 2011-2021, down from 155 to 65 million euros, with small increases in 2013 and 2014.

Cofco International Romania (formerly Nidera), part of the COFCO group, the largest agri-food company in China, Cargill Agriculture, owned by American shareholders, and Glencore Agriculture, with shareholders from Switzerland, lead the top ten largest grain exporters in Romania in 2021, and Cerealcon Dolj, a company controlled by Mihai Anghel, is the only grain trader with Romanian capital in the top ten (Ziarul Financiar, 2021).

Figure no. 4: Activity areas with the highest export growth in Constanta county (thousands of euro)



Source: National Institute of Statistics

The period 2011-2021 brought substantial increases in certain areas of activity. The largest increases in terms of value were recorded in the export of live animals and seeds, oilseeds and industrial or medicinal plants, with an increase of 133,146 thousand euros and 111,721 thousand euros respectively. These increases occurred gradually, following a predominantly upward trend throughout the period.

From a percentage point of view, the period 2011-2021 brought substantial increases in exports of cocoa and cocoa preparations, animal or vegetable fats and oils and machinery, electrical appliances and equipment, recording equipment, etc., recording percentage increases of 28,414%, 1,793% and 1,285% respectively.

The export of cocoa and cocoa preparations has observed a substantial increase since 2016, jumping from 86 to 9,790 thousand euros, reaching 16,480 thousand euros in 2021, the export of animal or vegetable fats and oils has experienced a substantial increase in 2013, jumping from 1.597 to 8,584 thousand euros and reaching 9,484 thousand euros in 2021, and the export of machinery, electrical appliances and equipment, recording equipment, etc. experienced a substantial increase in 2019, jumping from 4,654 to 14,529 thousand euros and reaching 23,130 thousand euros in 2021.

With the exception of exports of animal or vegetable fats and oils, which experienced considerable fluctuations during the growth period, the increases were followed by a predominantly upward trend until 2021.

Romania, by providing all the facilities it currently has, has contributed to the evacuation of about 60% of Ukrainian grain in total from February to September 2022. By far, the Port of Constanta has made a decisive contribution to the evacuation of this significant percentage (RFI România, 2022).

5. Conclusions

Although at national level the trend of exports is increasing, at Constanta county level the trend is decreasing, showing a discouraging situation of county exports. In the last 10 years Constanta county exports have decreased from about 5.5% to about 2% of national exports. Comparing the export values in 2011 and 2021, we can see an increase, but applying the inflation rate for the same period, the increase is much lower than it seems (45.291 million euro in 2011 means 54.802 million euro in 2021, against 68.170 in 2021).

However, the biggest losses can be seen in the strong downward trend in the sectors with the highest exports, (1) fuels and mineral oils, (2) ships, boats and floating structures, (3) iron and steel. Although some of the impact of these losses is reduced by increased exports of oilseeds and oleaginous fruits, industrial or medicinal plants and live animals, the increases do not compensate for the losses.

Analysis of exports at local, regional, national and European levels remains a tremendous tool for policy and regulatory institutions as well as for business. They can point to opportunities, future needs as well as draw attention to problems with significant impact in order to repair or mitigate their impact.

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