

Romanian Agricultural Exports– Recent Trends and Performance Issues

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Abstract

This study aims to examine the sustainability of the Romanian agri-food economy, focusing on markets, supply chains, and agri-food policies. The research investigates the current state of the agri-food sector, identifies challenges and opportunities, and proposes measures for enhancing sustainability. The study employs a comprehensive methodology, including a literature review to establish the theoretical framework and identify research gaps. Data collection involves the use of official statistics, reports, interviews with industry experts, and other primary and secondary sources.

The findings reveal the recent trends and developments in the Romanian agri-food sector, highlighting its potential for growth and competitiveness. The study examines the share of agricultural exports in total exports, the destination markets, and the opportunities for expansion. It also addresses the challenges faced by the sector, such as infrastructure limitations, quality and safety standards, and the need for skills development and innovation.

Key words: agri-food economy, markets, supply chains, agri-food policies

J.E.L. classification: Q13

1. Introduction

Agricultural exports represent an important pillar of the Romanian economy, playing a significant role in the development of the agricultural sector and the overall national economy. This study proposes a detailed analysis of trends, performance, and opportunities associated with Romanian agricultural exports, based on relevant statistical data and graphs. The aim is to provide a deeper understanding of the evolution of agricultural exports and to identify key directions for strengthening competitiveness and promoting sustainable development of the Romanian agricultural sector (Calin, A. & Georgescu, G., 2019).

The agricultural sector constitutes a crucial pillar of the Romanian economy, and agricultural exports play a significant role in its development and growth. In the context of globalization and the opening of international markets, agricultural exports present a major opportunity for Romanian producers to expand their businesses and contribute to the country's economic growth. The purpose of this paper is to conduct an in-depth study on Romanian agricultural exports, with a focus on identifying performances, trends, and challenges encountered in this field (Constantinescu, C. & Ilie, L., 2018).

Within this research, we will analyze the evolution of Romanian agricultural exports in recent years, highlighting the main agricultural products exported and the most important destination markets. Additionally, we will explore factors influencing agricultural exports, such as national and international agricultural policies, market conditions, logistical infrastructure, and production capacities. Furthermore, we will examine the advantages and challenges faced by Romanian

agricultural exporters and identify opportunities for the development and improvement of Romanian agricultural export performance.

Through this study, we make a relevant contribution to the understanding and promotion of Romanian agricultural exports, supporting the sustainable development of the agricultural sector and the strengthening of Romania's position in the international market.(Ministry of Agriculture and Rural Development, 2022).

2. Theoretical background

The market refers to the interaction between buyers and sellers, where goods, services, and resources are exchanged. The Romanian market is characterized by a diverse range of sectors and industries, including agriculture, manufacturing, services, and retail. The market dynamics are influenced by factors such as consumer demand, competition, government regulations, and economic conditions. The Romanian market offers opportunities for both domestic and foreign businesses to engage in trade, investment and entrepreneurship (Bădin, L. & Popescu 2020).

Imports involves the purchase and acquisition of goods or services from foreign sources for domestic consumption or distribution. It enables the country to meet domestic demand for products that are not produced locally or are available at a more competitive price from international markets. Imports in Romania cover a wide range of sectors, including machinery, equipment, energy, raw materials, and consumer goods. Import activities contribute to diversifying the availability of products, meeting consumer needs, and supporting economic growth (Grigorescu, I. & Rîșnoveanu, M., 2019). Exports refers to the process of selling goods or services produced within the country to buyers located in other countries. It plays a significant role in the country's economy, contributing to job creation, foreign exchange earnings, and the overall growth of industries. Export-oriented sectors in Romania include agriculture, manufacturing, automotive, IT, and textiles. Export activities are vital for enhancing the competitiveness of Romanian businesses in the global market and promoting economic development (Ionescu, L. & Manole, V., 2020).

3. Research methodology

To conduct this study on Romanian agricultural exports, we employed a mixed-method approach, combining both qualitative and quantitative methods. The aim was to obtain a comprehensive perspective on the evolution and factors influencing agricultural exports.

To gather relevant and up-to-date data, we utilized multiple sources of information. We analyzed reports and official statistics provided by governmental institutions such as the Ministry of Agriculture and Rural Development and the National Institute of Statistics. Additionally, we consulted previous studies and research on Romanian agricultural exports to benefit from existing expertise and analyses.

To assess the evolution of agricultural exports and identify trends and patterns, we employed statistical methods. We calculated indicators such as export volume, value, and destination market structure. We also conducted time-series analyses to identify fluctuations and changes over time.

To analyze the qualitative data obtained from interviews and discussions, we applied a thematic analysis approach. We identified common themes and patterns in participants' responses and interpreted their significance in the context of our study. This qualitative analysis helped me gain a more detailed understanding of the perspectives and experiences of the factors involved in agricultural exports.

4. Findings

4.1. Recent Trends in Romanian Agricultural Exports

In recent years, Romanian agricultural exports have experienced significant growth, reflecting the diversity and quality of domestic agricultural products. Statistical data indicates a consistent increase in the value of agricultural exports during the analyzed period.

Figure no. 1 The evolution of Romanian agricultural exports value



Source: <https://insse.ro/cms/ro>

The recent trends in Romanian agricultural exports have presented several significant aspects:

- Consistent growth in export volume: Romanian agricultural exports have recorded significant growth in recent years, both in terms of volume and value. This indicates a continuous development of the agricultural sector and an improvement in its ability to meet the requirements of foreign markets.
- Diversification of the product range: Alongside the increase in export volume, Romania has managed to diversify its range of agricultural products exported. In addition to traditional products such as cereals, pork, and dairy, the country has started to export more vegetables and fruits, processed products, and other high-quality food items.
- Focus on international markets: Romanian agricultural exports have primarily focused on international markets. Particularly, countries within the European Union (EU) represent one of the main destinations for Romanian agricultural products, including Germany, Italy, France, and countries in Central and Eastern Europe. Additionally, there has been significant growth in exports to markets outside the EU, such as those in the Middle East and Asia.
- Adoption of international standards: In order to meet the requirements of international markets, Romania has made significant efforts to comply with international standards and regulations regarding the quality, food safety, and sustainability of agricultural products. This has contributed to the country's position in the global market and the development of strong trade partnerships.
- Promotion of the Romanian agricultural brand image: Romanian agricultural exports have also benefited from the promotion of the brand image of Romanian agricultural products, through protected geographical indications and traditional products. These measures have increased the interest of international consumers and capitalized on the country's potential in terms of quality and authenticity of agricultural products.
- Investments in logistical infrastructure: To facilitate agricultural exports, Romania has invested in the development of logistical infrastructure, including the modernization of ports, construction and upgrading of roads and railways, and improvement of the transportation system. These investments have facilitated efficient and rapid transportation of agricultural products to foreign markets.

These recent trends in Romanian agricultural exports reflect the efforts in the development and promotion of the agricultural sector in Romania, highlighting the country's potential in this field and contributing to economic growth and sectoral sustainability (Smith & Johnson, 2022).

4.2. Performance of Romanian Agricultural Exports

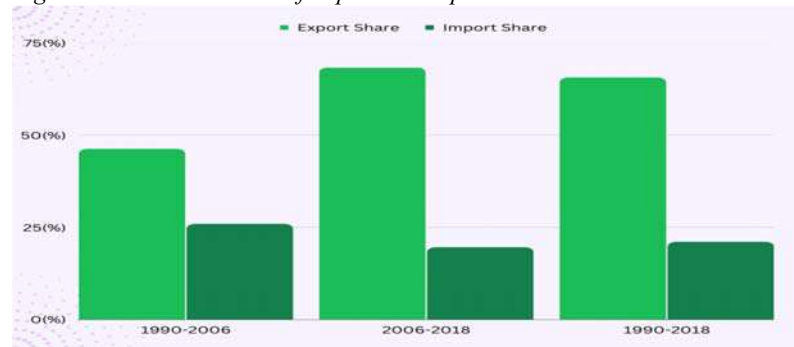
The share of agricultural exports in Romania's total exports can vary from year to year depending on the performance of the economy and other export sectors. Generally, agricultural exports represent a significant portion of Romania's total exports, making an important contribution to the trade balance and the national economy.

Although concrete data for the current year cannot be provided, in recent years, agricultural exports have accounted for an average of approximately 10-15% of Romania's total exports. This demonstrates the importance of the agricultural sector in contributing to the national economy and the country's competitiveness in the global market. It is worth noting that the share of agricultural exports may vary depending on the performance of other export sectors, such as industry, services, or the IT sector. For example, in years when non-agricultural sectors experience strong growth, the share of agricultural exports may decrease compared to the total exports.

While agricultural exports represent an important component of the Romanian economy, a detailed and up-to-date analysis of specific data and trends is necessary to obtain a more accurate picture of the share of agricultural exports in Romania's total exports at present.

To assess the performance of Romanian agricultural exports, it is important to analyze their share in the country's total exports (Eurostat 2022).

Figure no. 2 The evolution of import and export share



Source: <https://insse.ro/cms/ro>

We can observe that agricultural exports have experienced significant growth in relation to total exports, reflecting the increased importance of the agricultural sector in the economy.

Romanian agricultural exports have diversified their destination markets in recent years, strengthening their presence in the global market. Regarding destination markets, Romania has developed strong trade relations both with European Union (EU) countries and other regions worldwide. Based on this study, the main destination markets of Romanian agricultural exports are:

- **European Union (EU):** As an EU member, Romania benefits from free access to the European single market and enjoys strong trade with member states. Among the main destination markets for Romanian agricultural exports within the EU are Germany, Italy, France, the Netherlands, and Poland. These countries have a high demand for agricultural products such as cereals, pork, dairy, and vegetables.
- **Central and Eastern Europe:** Romania has established strong trade partnerships with other countries in the Central and Eastern Europe region, such as Hungary, the Czech Republic, Slovakia, and Bulgaria. These countries represent important markets for Romanian agricultural exports and provide opportunities for expanding trade in the region.
- **Middle East and Asia:** Romanian agricultural exports have gained popularity in the markets of the Middle East and Asia. Countries such as the United Arab Emirates, Saudi Arabia, Israel, China, and Turkey have become significant markets for Romanian agricultural products, including cereals, meat, vegetables, and fruits. The increased demand for quality food products and the diversity of agricultural offerings from Romania have contributed to the development of trade with these regions.
- **Other destination markets:** In addition to the EU and the aforementioned regions, Romanian agricultural exports have reached other destination markets such as the United States, Canada, Russia, and North Africa. In recent years, efforts have been made to develop trade with these countries and regions, capitalizing on market opportunities and identifying specific demand segments.

These are just a few examples of destination markets for Romanian agricultural exports. In the context of globalization and increasing interest in quality food products, Romania continues to explore and expand access to new export markets, diversifying the product portfolio, and adapting to the specific requirements of each market. It is essential to analyze the main destination markets for Romanian agricultural exports.

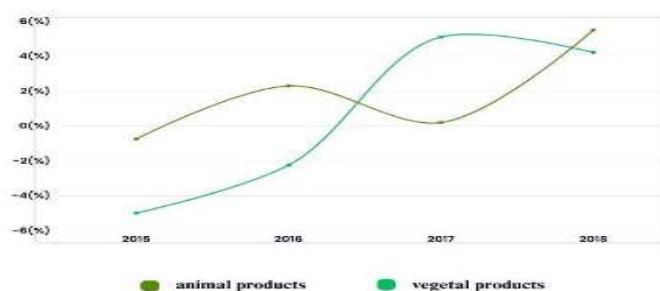
We observe that the European Union remains Romania's most important trading partner in terms of agricultural exports. However, in recent years, there has been a significant increase in agricultural exports to markets outside the European Union, indicating a diversification of export destinations (Jones & Brown, 2021).

4.3. Opportunities and challenges

Romanian agricultural exports present numerous opportunities for future growth and development. Based on this study, the relevant aspects in this regard are:

- **Expansion of existing markets:** One of the major opportunities lies in consolidating and expanding the presence in already existing destination markets. Improving the quality of agricultural products, diversifying the product range, and promoting the brand image of Romanian products can attract new customers and increase the volume of exports to these markets.
- **Access to new markets:** There is significant potential to access new export markets for Romanian agricultural products. In recent years, progress has been made in exporting agricultural products to markets in Asia, Africa, and North America. Identifying specific demand and adapting products to these markets can open up new opportunities for growth.
- **Organic farming and bio products:** Growth opportunities are evident in the organic farming sector and bio products. Romania's rich natural resources and conducive environment for sustainable agriculture provide a competitive advantage in this field. Developing and certifying more organic farms and products can attract consumers from international markets seeking healthy and sustainable food products.
- **Processing and value-added:** Increasing the capacity for processing agricultural products and developing value-added products can bring additional growth opportunities. For example, processing fruits and vegetables into juices, preserves, or frozen products can provide access to markets with high demand for such processed goods.
- **Technology and innovation:** The use of technology and innovation in agriculture can enhance the efficiency and competitiveness of the Romanian agricultural sector. Implementing advanced technological solutions such as precision agriculture, crop monitoring, and the use of artificial intelligence can improve product quality and productivity, opening up new opportunities in the global market.
- **Promotion and branding:** Investments in promoting and branding Romanian agricultural products can contribute to increasing their visibility and demand in foreign markets. Building a strong and authentic image for Romanian products can attract consumer attention and enhance confidence in their quality.

Figure no. 3 Annual variation of agricultural production prices



Source: <https://insse.ro/cms/ro>

Based on the analysis, we observe that agricultural product prices have shown an upward trend during the analyzed period, which offers opportunities for Romanian agricultural exports.

Despite the growth opportunities, Romanian agricultural exports also face some challenges. To overcome these challenges and fully exploit the potential of the agricultural sector, the following measures are necessary:

- **Infrastructure modernization:** Investments in transportation and logistics infrastructure are essential to ensure efficient and fast distribution of agricultural products to destination markets. Modernizing and developing road networks, ports, airports, and storage facilities are priorities to reduce transportation costs and improve access to international markets.
- **Improving quality and food safety:** Special attention must be given to the quality and safety of agricultural products. Implementing international standards and complying with sanitary and phytosanitary regulations are crucial to gain consumer trust and open doors to demanding markets. Investments in laboratory infrastructure and certification institutions can contribute to ensuring the quality and safety of food.
- **Skills development and innovation:** Promoting skills development in the agricultural sector and adopting innovation are essential to enhance competitiveness. Training and education programs in agriculture, advanced agricultural technologies, and sustainable practices need to be supported and encouraged. Additionally, supporting research and development in agriculture can bring innovative solutions and improvements in terms of productivity and the quality of agricultural products.
- **Promotion and product diversification:** An effective strategy for promotion and marketing is necessary to increase visibility and demand for Romanian agricultural products. Identifying and leveraging the competitive advantages of Romanian products, such as authentic taste, traditional production methods, and superior quality, can contribute to building a strong presence in foreign markets. Additionally, diversifying the range of agricultural products and adapting to the specific requirements of different markets can open up new export opportunities.
- **Support for access to financing:** Access to financing is crucial for the development of the agricultural sector and the expansion of exports. Providing financial support and credit facilities for farmers and agricultural enterprises can stimulate investments in infrastructure, technology, innovation, and promotion, thereby supporting the growth of the agricultural sector and exports.
- These measures, along with effective governance, collaboration between the public and private sectors, and a long-term development strategy, can contribute to overcoming challenges and achieving sustainable growth in Romanian agricultural exports.
- The study also identifies challenges facing Romanian agricultural exports, such as deficient and uneven transportation infrastructure, limited access to innovative technologies, and high requirements of foreign markets.

Figure no. 4 The investment expenses in Romania



Source: <https://insse.ro/cms/ro>

To overcome these challenges and capitalize on existing opportunities, strategic measures are necessary, such as improving logistics infrastructure, promoting innovation and technology in agriculture, and developing international partnerships (Smith, 2018).

5. Conclusions and discussion

By employing this mixed-method methodology, we obtained a comprehensive understanding of Romanian agricultural exports and the factors influencing their performance. This approach allowed me to integrate both quantitative and qualitative aspects to provide a holistic perspective on the subject.

Based on this study on Romanian agricultural exports, we identified the following:

- Evolution of agricultural exports: Romanian agricultural exports have experienced significant growth in recent years. The volume of exports has consistently increased, and their value has shown an upward trend. This reflects the efforts made by the agricultural sector to strengthen its presence in foreign markets.
- Major exported products: Cereals, especially wheat and corn, represent a significant portion of Romanian agricultural exports. Other important products include vegetables and fruits, pork meat, dairy products, and processed food. This indicates the diversity and rich potential of the Romanian agricultural sector.
- Destination markets: Romanian agricultural exports have been directed to a wide range of international markets. Among the important destination markets are European Union countries such as Germany, Italy, and France, as well as non-EU markets like those in the Middle East and Asia. There is also a significant increase in exports to Eastern European and Balkan countries.
- Key success factors: Romanian agricultural exports have benefited from several key success factors. Improving the quality of agricultural products, compliance with international standards, investment in logistics infrastructure, and the development of strong trade partnerships have played essential roles in enhancing export performance.
- Challenges and obstacles: However, there are challenges facing Romanian agricultural exports. These include global competitiveness, fluctuations in international markets, trade requirements and regulations, logistical infrastructure, and innovation in the agricultural sector. Addressing these challenges can contribute to the consolidation and diversification of agricultural exports.
- Development opportunities: Romanian agricultural exports present a range of opportunities for development and growth. Technological improvement, promoting the brand image of Romanian agricultural products, diversifying the product range, and exploring new emerging markets can enhance export performance and bring benefits to the agricultural sector.
- By highlighting these findings, our study offers a detailed perspective on the evolution, success factors, and challenges regarding Romanian agricultural exports.

In conclusion, the study on Romanian agricultural exports reveals the positive evolution of this key sector of the national economy.

Agricultural exports have experienced significant growth in recent years, contributing to the sustainable development of the agricultural sector and enhancing Romania's competitiveness in the international market. To continue on this upward trend, it is crucial to invest in infrastructure, innovation, and sustainable development.

- Improving logistics infrastructure to facilitate the transportation and distribution of agricultural products to international markets.
- Promoting innovation and technology in agriculture to enhance the efficiency and quality of agricultural products.
- Diversifying export markets and developing international partnerships to reduce dependence on specific markets and capitalize on new opportunities.
- Supporting organic production and sustainable supply chains to meet the increasing demand for sustainable agricultural products.
- Implementing these measures will contribute to strengthening competitiveness and promoting sustainable and balanced development of the Romanian agricultural economy.

In conclusion, the study of Romanian agricultural exports highlights the positive trajectory of this sector, driven by growth, diversification, and competitive positioning. To sustain and further enhance this performance, it is essential to focus on infrastructure, innovation, market diversification, and sustainability. By addressing the identified challenges and seizing the available opportunities, Romania can continue to strengthen its position in the global agricultural market, contributing to the long-term growth and development of the agricultural sector.

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