

Gavrilescu, Camelia; Kevorchian, Cristian

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AN ANALYSIS OF THE ROMANIAN AGRI-FOOD INTERNATIONAL TRADE EXPANSION DURING THE POST-ACCESSION PERIOD

GAVRILESCU CAMELIA¹, KEVORCHIAN CRISTIAN²

Abstract: *Romania's accession to the European Union meant the free access of its agri-food products on the European Single market, without tariff barriers or export quotas, as well as a better access on the international markets. At the same time, it meant the free access on the Romanian market of competitor products coming from the other member states. After a two-year period of adaptation to the new „rules of the game”, and the overcome of the economic crisis shock manifested in 2009, the agri-food exports increased significantly, at a faster pace than the imports, so as the agri-food trade balance deficit, after reaching a peak in 2008, diminished continuously until it turned to surplus in 2013 and 2014, just to go back to a slight deficit again in 2015. The paper is analyzing the evolution of agri-food exports and imports, with focus on latest export developments, in terms of value, product composition and geographical orientation of the trade flows.*

Key words: *agri-food products, extra-community exports, intra-EU trade, Romania*

JEL classification: F14, Q17

INTRODUCTION

The evolution of the Romanian agri-food trade during the last 25 years may be divided in three different periods, each with specific characteristics: transition period, pre-accession period, and EU membership (post-accession period).

The economic and systemic crisis that Romania faced during the transition period from a centrally planned to a market economy came to an end in 2000. The fractures and dysfunctionalities occurred in the agri-food chains as a result of changes in the ownership regime and in economic mechanisms were reflected in the insufficient capacity to cover the domestic demand (in quantity and quality terms) and in a low competitiveness of Romanian agri-food products on international markets. Therefore, the Romanian international agri-food trade showed for a long time a negative balance.

Joining CEFTA in 1997 meant the beginning of the process of alleviation of the previous severe protectionist policies: elimination of import and export restrictions and the adoption of a moderate tariff regime. These came together with trade facilities (among the CEFTA member countries), which added to facilities resulting from the Association Agreement with the EU (in force since 1995). The competition pressure of the imported agri-food products on the Romanian markets found the domestic agri-food producers almost completely unprepared to face it. In different areas of the food chains, privatization was progressing at different paces, resulting in insufficient and inefficient domestic supply (Gavrilescu, 2014a). Thus, a good part of the Romanian agri-food markets was lost to the domestic producers in favor of cheaper imported products. The proximity of the EU accession put even more pressure on the Romanian agri-food producers. At the same time, it pushed for increasing investments through pre- and post-accession investment programs (such as SAPARD and NPRD) in the basic agricultural sector, and for increasing investments with both foreign and domestic capital in the food processing sector. The result was capitalization in basic agricultural sector – slow, but continuous - and modernization in the food processing sector, which, started regaining slowly the domestic agri-food markets, and on the other hand, started entering the Single Market while observing the quality and food safety requirements.

¹ Dr. Camelia Gavrilăscu, senior researcher, Institute of Agricultural Economics, Romanian Academy; email: cami_gavrilescu@yahoo.com

² Dr. Cristian Kevorchian, senior researcher, Institute of Agricultural Economics, Romanian Academy; email: ck@fmi.unibuc.ro

MATERIAL AND METHODS

In order to ensure data consistency and comparability with other countries, the source for the data was Eurostat trade database (Comext), in the Combined Nomenclature, at two-digit level (HS chapters 01-24). Intra-community trade (dispatches and arrivals) was separated from the extra-community and general trade (according to Eurostat – Agriculture Trade Statistics). EU trade as a total and by country was calculated with the contributions of each new member country since its first year of accession: EU-25 for 2004-2006, EU-27 for 2007-2012 and EU-28 for 2013-2015. The hierarchy, values and directions of exchanges were analyzed, as well as the composition of the main trade flows.

RESULTS AND DISCUSSIONS

The year 2000 marked the country's exit from the "transition" crisis and the entry into a period of economic development that coincided with the pre-accession to the EU. By 2006 (the last year before EU accession), exports doubled, the value of imports multiplied 2.4 times and the agri-food trade deficit increased 2.5 times.

The Romanian agri-food trade increased continuously since 2002. In the pre-accession period (2002-2006), the export value increased by 85%. After accession, growth accelerated: in the first year, exports increased by 30% as compared to 2006. The advantages of the presence in the Single Market, the significant support for agriculture coming from the CAP budget, together with the pre- and post-accession development programs, that took form of important investment in both production farms and in modern processing units, aligned to the EU quality standards, have resulted in spectacular growth of Romanian food exports (Gavrilescu and Voicilas, 2014). After the first two years of EU membership only, the export value was 2.5 times higher than in 2006. Then, all along the post-accession period, exports continued to expand significantly: in 2015 (9 years of membership), the export value was 6.9 times higher than in 2006, last year before accession (EUR 5.6 billion).

Imports increased as well during the pre-accession period, by 95% between 2002 and 2006. Besides the significant export expansion, the first two years after accession meant an even more massive penetration of agri-food imports (as compared cu previous years): + EUR 0.9 billion in 2007 as compared to 2006 and + EUR 1 billion in 2008 as compared to 2007. The pace of the imports growth in the post-accession period proved to be slower than the one of exports: the import value was in 2015 only 2.5 times higher than in 2006.

The coverage of imports by exports varied around 35% in the pre-accession period, resulting in a negative trade balance (figure 1). Since the imports grew faster in both real and relative terms than exports, the deficit increased continuously. The shock of accession resulted in a maximum value of the deficit (EUR -2.2 billion). Nevertheless, in their first two years after accession the same happened to most of the other new Member States, so it can be considered as a necessary period of time for adapting to the EU membership status.

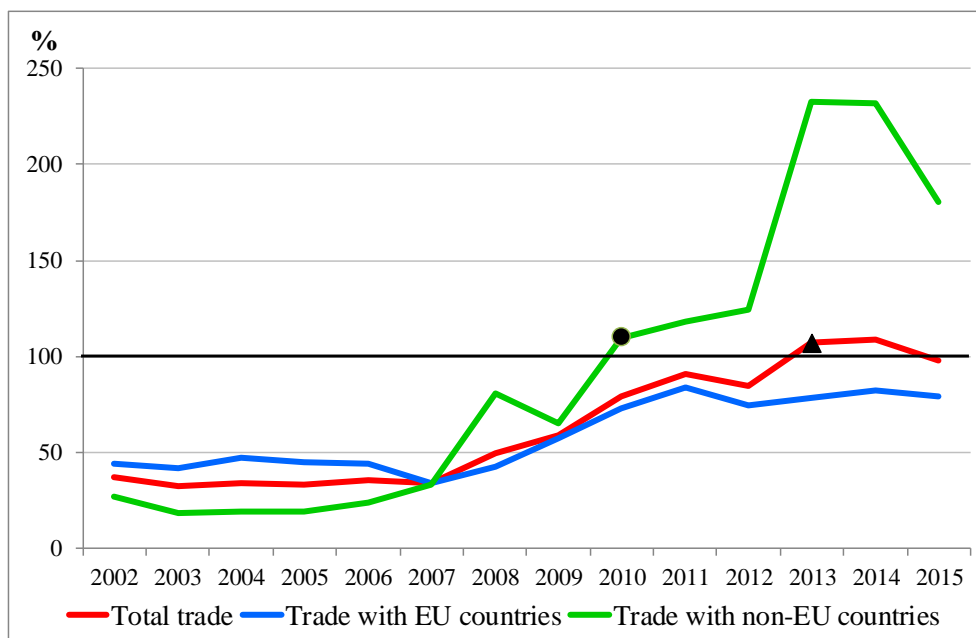
The effects of the crisis became apparent in the Romanian agri-food trade 2009, by a 12% reduction in imports, but the exports managed to remain on an upward trend. The free access to the EU Single Market and the devaluation of the national currency were factors favoring exports (Gavrilescu, 2014b).

As a result of the accelerated increase in agri-food products exports in 2010-2015, combined with a slower pace in imports increase, the ever-increasing trend of the deficit reversed. Moreover, the deficit diminished rapidly, by 81% in just four years: from the maximum of EUR -2,215 million in 2007, down to EUR -425 million in 2011, increased slightly in 2012 (due to a very bad agricultural year which pushed up imports) (EUR -750 million), and eventually in 2013 it turned to surplus (EUR +337 million) for the first time after 25 years. The surplus increased in 2014, reaching EUR 455 million, but turned again into a slight deficit in 2015 (EUR -125 million).

Changes in the Romanian intra-EU agri-food trade

Since 1995 (enforcement of the Association Agreement with the EU), the Romanian agri-food trade became increasingly oriented to the EU. The share of exports to EU countries in the pre-accession period varied between 70-77%.

Figure 1 – Coverage of total agri-food imports by exports (%)



Source: calculations using Eurostat data

After accession, the intra-EU exports share reached a maximum of 79% in 2009 and subsequently decreased in relative terms, while increasing in absolute terms. Imports from EU countries varied in the pre-accession period between 54-59%, but after accession, their share doubled, due to the community preference principle and to the fact that Romania applied the Community customs rules and tariffs (figure 2).

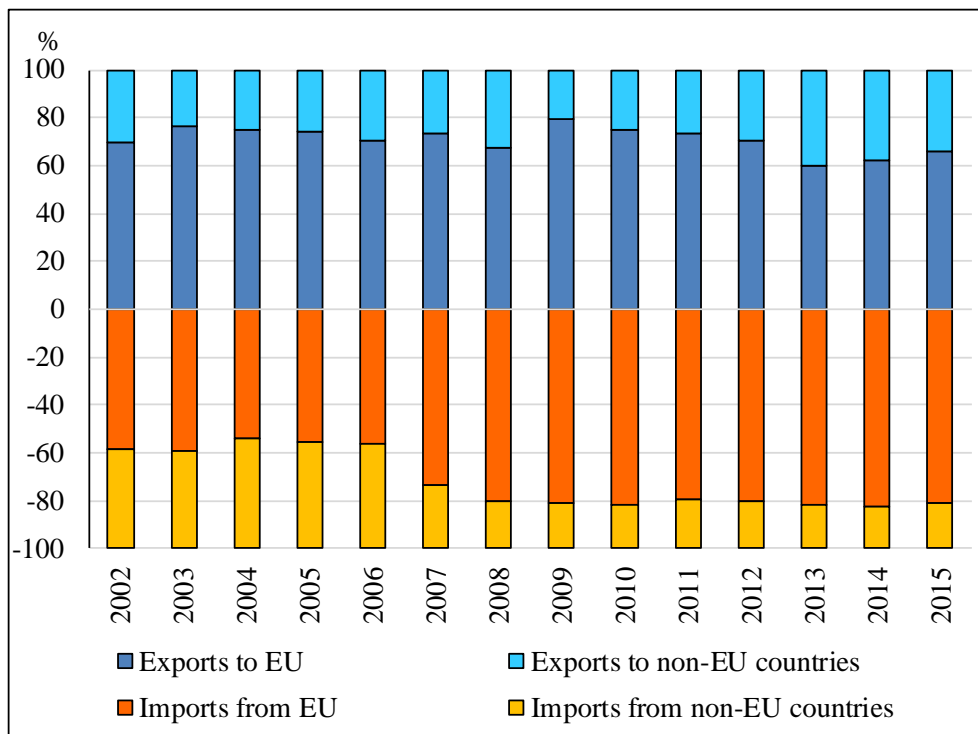
At the time of its accession to the EU, Romania was presenting itself with an agri-food sector far less developed and efficient as compared to the Old Member States, and even to the New Member States that joined the EU in 2004 (Gavrilescu and Voicilaş, 2014). The opportunities offered by the free access on the Single Market and the financial support from the Common Agricultural Policy boosted the development efforts, which yielded important efficiency and output gains in the product chains, reflected inter alia in a significant expansion of the agri-food exports.

The Romanian agri-food trade with the EU countries increased significantly during the post-accession period. In value terms, exports multiplied by a factor of 6.7 (2015 as compared to 2006, last year before accession). Imports expanded as well, but at a slower pace, only 3.6 times between 2006 and 2015. In the first two post-accession years, the Romanian trade deficit with the EU countries reached its maximum values, since it took a couple of years to adapt to the new condition of EU member state. The Romanian intra-EU trade deficit contributed to the general agri-food trade deficit by large shares (by 74% in 2007 and by 94% in 2008). In the subsequent years, the trade deficit with the EU countries diminished significantly (figure 3): from the peak of 2008 (EUR -2 billion), to less than half in 2010-2015 (EUR -0.8 billion).

Still, the Romanian agri-food products are not competitive enough on the Single Market, thus the trade balance remained negative to the present day.

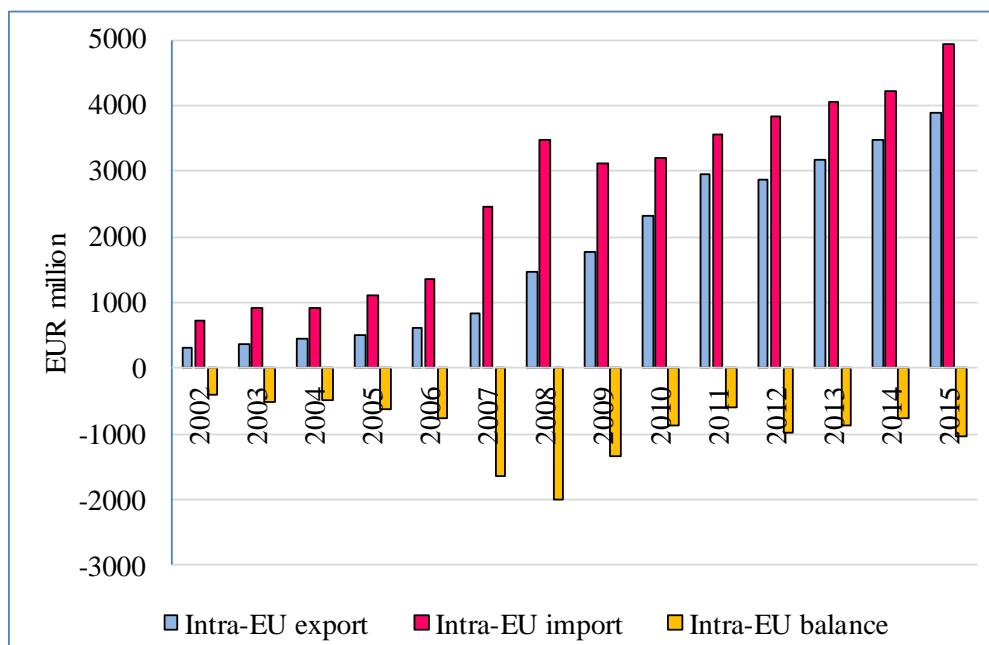
The geographical directions for the Romanian agri-food trade with the EU countries, the main destinations for exports were in 2011-2015: Italy, Bulgaria, Hungary, Netherlands and Spain, accounting together for 62% of the intra-EU export value.

Figure 2 - Share of intra-EU and extra-EU flows in total Romanian agri-food exports and imports



Source: calculations using Eurostat data

Figure 3 – Romanian agri-food trade with EU member countries

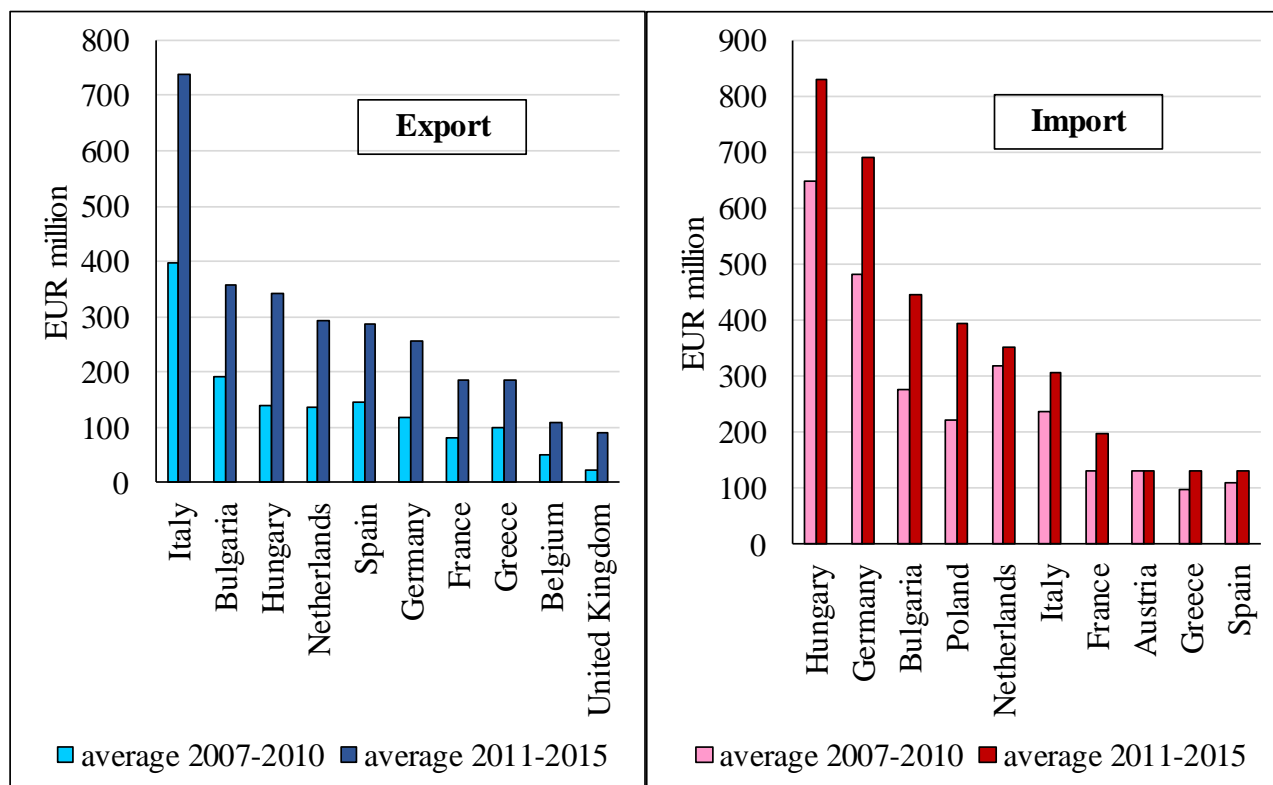


Source: calculations using Eurostat data

Figure 4 is illustrating the changes in the exports and imports to the main EU destinations. Basically, the major destinations remained about the same before and after accession, but the values multiplied significantly between the pre-accession period (the average 2004-2006, we shall mark it as P0), and the two post-accession periods (average 2007-2010 will be marked as P1, and the average 2011-2015 will be marked as P2). To Italy, which is the first destination, Romanian exports

increased 1.9 times between P1 and P2, and 7 times between P0 and P2; to United Kingdom, exports increased 3.8 times in P2/P1, and 14.7 times in P2/P0; to Hungary 2.5 times in P2/P1 and 10 times in P2/P0); to Germany, exports increased 1.9 times during the post-accession period and 13 times as compared to the pre-accession period, etc.

Figure 4 – The Romanian intra-EU agri-food trade: changes in the top 10 export destinations and top 10 import origins



Source: calculations using Eurostat data

The largest agri-food imports were originating (average 2011-2015) from Hungary, followed by Germany, Bulgaria, Poland and Netherlands. These first five origin countries accounted together for 2/3 of the total Romanian intra-EU imports (figure 4).

Imports multiplied as well, but far less spectacular than exports, mainly because they were already very large, and their increasing pace was lower. From the main partner, Hungary, Romania imported in 2011-2015 agri-food products worth 5 times more than in the pre-accession period (2004-2006), while in the post-accession period it increased only 1.3 times (P2/P1). Similarly, imports from Germany and the Netherlands multiplied 4 times (each), and from Italy 3.9 times between P2/P0, while during the post-accession period (P2/P1), they increased only 1.4 times (from Germany), 1.1 times (from Netherlands), and 1.3 times (from Italy) respectively.

The result of these combined evolutions reflected in the trade balance (average 2004-2006 compared with average 2011-2015): with Italy, Greece and Portugal the balance remained positive, and the surplus increased; with Spain and United Kingdom, the balance shifted from negative to positive.

The trade balance remained negative and the deficit increased between the two analyzed post-accession time periods (2011-2015 / 2007-2010) with: Germany, Poland, Bulgaria and Czech Republic; while the deficit diminished in trade with Hungary, the Netherlands and Austria. The trade with Greece, Spain and Italy showed during the post-accession period an increasing trade surplus.

Table 1 is illustrating the changes in the Romanian exports of the 24 groups of agri-food products (HS chapters 01-24 in the Combined Nomenclature) to the EU countries.

Table 1 – Changes in the composition of Romanian intra-EU agri-food trade by product groups

HS chapter	Share in export (%)			Share in import (%)			Balance (EUR million)		
	Average 2004-2006	Average 2007-2010	Average 2011-2015	Average 2004-2006	Average 2007-2010	Average 2011-2015	Average 2004-2006	Average 2007-2010	Average 2011-2015
01	24.4	10.0	4.9	2.7	3.0	3.7	94.6	69.6	8.1
02	3.2	4.0	6.7	22.0	19.2	12.2	-233.7	-522.3	-284.9
03	0.4	0.3	0.4	1.5	2.3	2.4	-15.4	-64.3	-87.0
04	5.1	3.1	3.8	3.3	6.6	6.9	-10.8	-151.1	-160.2
05	1.3	0.7	0.9	0.8	0.7	0.7	-2.4	-9.7	-1.0
06	0.2	0.1	0.1	2.0	2.3	2.2	-21.5	-68.8	-87.1
07	7.5	2.9	2.1	2.7	2.8	3.8	8.1	-40.8	-87.0
08	4.8	2.0	2.0	3.1	3.8	5.8	-10.6	-84.5	-171.8
09	0.3	0.3	0.4	3.5	2.5	3.3	-37.5	-71.3	-120.4
10	11.3	16.3	18.0	3.0	7.6	8.4	24.5	28.2	241.9
11	0.2	0.5	0.4	3.3	3.1	2.5	-37.0	-87.4	-89.5
12	14.8	19.2	17.5	2.1	4.3	4.4	52.1	176.2	388.1
13	0.0	0.0	0.0	0.4	0.4	0.4	-4.8	-12.7	-16.3
14	0.4	0.1	0.0	0.0	0.0	0.0	1.7	0.3	0.5
15	5.8	6.0	5.7	2.8	4.5	4.1	-2.0	-41.7	16.3
16	3.1	2.4	3.0	1.0	1.6	2.3	5.1	-9.7	3.4
17	1.7	2.5	2.5	3.2	4.0	3.0	-27.2	-82.1	-41.1
18	0.5	0.8	1.1	3.0	3.1	4.0	-31.8	-83.1	-129.7
19	3.7	2.2	2.4	5.1	4.9	5.7	-39.2	-115.7	-152.5
20	3.0	1.4	1.1	4.4	4.0	3.6	-34.6	-99.8	-112.1
21	2.2	2.4	2.7	8.5	6.7	6.3	-85.7	-166.3	-170.2
22	3.3	3.0	2.6	4.7	4.8	5.3	-36.0	-98.5	-130.3
23	2.0	2.9	3.2	5.9	4.3	4.8	-56.1	-85.7	-91.3
24	0.4	16.8	18.3	10.9	3.5	4.1	-121.8	159.3	428.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	-622.1	-1,461.9	-845.4

Notes: chapters HS (Harmonized System) 01-24, which are covering all agri-food products: 01-live animals; 02-meat; 03-fish and seafood; 04-dairy products, eggs and honey; 05-other animal products; 06-live plants; 07-vegetables; 08-fruit; 09-coffee, tea and spices; 10-cereals; 11-products of the milling industry; 12-oilseeds; 13-lacs, gums and resins; 14-other vegetable products; 15-oils and fats; 16-meat and fish preparations; 17-sugar and confectionery; 18-cocoa and cocoa products; 19-cereal baking and pastry products; 20-vegetable and fruit preparations; 21-miscellaneous edible preparations; 22-beverages; 23-animal feed; 24-tobacco and tobacco products.

Source: calculations using Eurostat data

The averages used in the analysis allows for a better picture of longer trends, thus the results are less influenced by yearly changes in the exchange rate, by unfavorable climatic conditions or by singular random export opportunities.

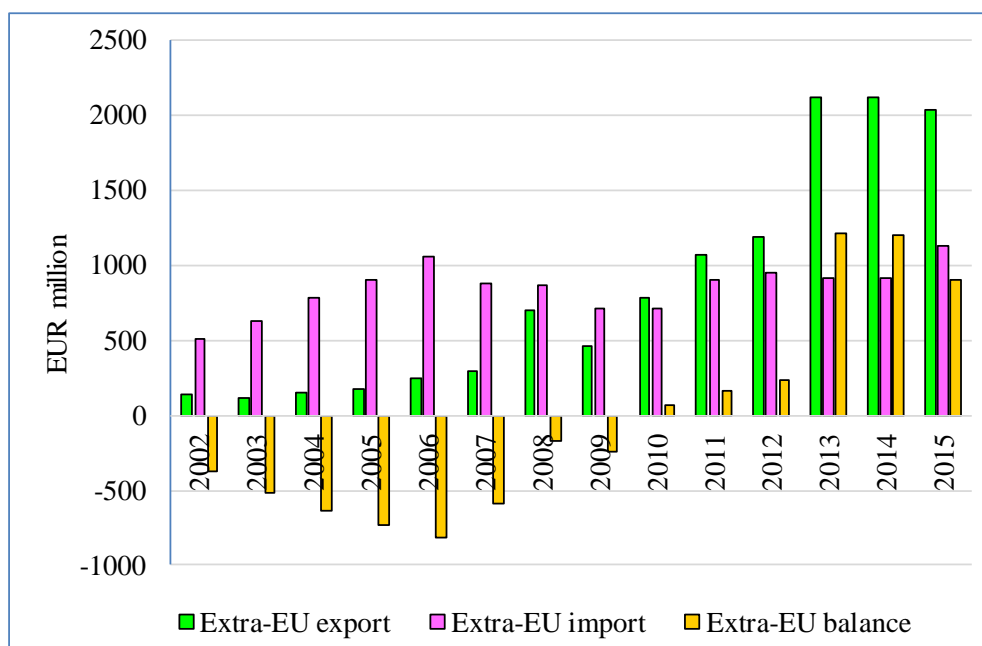
The expansion of exports is obvious, for all the product groups between 2007-2010 and 2011-2015. One can observe that export expansion relied basically on very few products, mainly agricultural commodities, such as cereals (group 10 – export value multiplied 2.3 times to reach EUR 589 million in P2), and oilseeds (group 12 - export value multiplied 1.9 times, to reach EUR 571 million in P2). The only group of processed products whose exports expanded noticeably were the tobacco products (group 24 - the export value multiplied 2.2 times in P2/P1, but no less than 322 times between the pre- and post-accession period), as a result of an FDI (foreign direct investment) in a large processing unit for tobacco products. The other processed products (HS 15-23) showed a more moderate expansion in exports, but nevertheless, their value increased several times as compared to the pre-accession period: HS-15 - oils and fats increased 5.9 times to reach EUR 177 million), HS-16 - meat and fish preparations increased 7.1 times and reached EUR 114 million. For HS-19 - cereal baking and pastry products, HS-21 - miscellaneous edible preparations and HS-22 -

beverages the export value increased 4.9 times, 8.2 times and 5.1 times respectively. During the post-accession period, all these product groups doubled at least their export value, and reached about EUR 90 million each.

Changes in the Romanian extra-EU agri-food trade

Due to the pre-accession membership to several free trade agreements (with Republic of Moldova, Turkey and Israel), Romanian trade with non-EU countries increased significantly. In the pre-accession period, exports increased 1.8 times. After accession, extra-EU exports increased spectacularly: in 2012 they were 4.7 times higher than in 2006. But the real progress came since 2013, when Romania was able to penetrate the Middle-East markets: in 2013-2015, exports were almost double as compared to 2012, and 8.5 times higher than in 2006 (figure 5).

Figure 5 – Romanian trade with non-EU countries



Source: calculations using Eurostat data

Imports from non-EU countries was increasingly high in the pre-accession period: in 2003-2005 its value was 5 times higher than of the exports. The imports value decreased in absolute terms after accession, in 2010 imports were by 33% lower than in 2006. The import trend became positive since 2011, varying between EUR 900 to 950 million EUR, and peaked in 2015 (EUR 1.13 billion).

As a result, the Romanian extra-EU agri-food trade deficit increased until 2006, when it reached a pick of EUR -811 billion, then reduced sharply until 2009, and turned positive since 2010. Due to massive exports, the surplus of the agri-food trade balance with the extra-EU countries reached EUR 1.2 billion, to diminish slightly in 2015.

The destinations for the Romanian extra-EU exports changed rather significantly in the post-accession period (table 2). Averages have been calculated in order to diminish the influence of yearly variations and better observe longer trends. In 2007-2010, the top 10 destinations for the Romanian extra-EU exports were: Turkey (almost a quarter – 22.7%, that is about EUR 50 million yearly, and exports consisted of oilseeds, edible oils and fats, fruit, animal feed and cereals), South Korea, Syria and Pakistan (about 7% each), while Egypt ranked 8-th (1.7%). The surge of the cereals and oilseeds exports on the Middle-East markets in the last years changed completely the hierarchy of the extra-EU export destinations: Egypt ranks first (14.7%), Turkey comes second (11.5%), followed by Jordan (8.3%), Libya (7.4%), Saudi Arabia (6.7%) and Israel (4.4%).

Table 2 – Change in the Romanian extra-EU trade with top 10 partners

Partner	Average 2007-2010	Average 2011-2015	Change 2011-2015 /2007-2010	Average 2007-2010	Average 2011-2015	Change 2011-2015 /2007-2010
EXPORTS	Value (EUR million)			Share in total extra-EU export (%)		
Total extra-EU	560.6	1,703.7	1143.1	100.0	100.0	0.0
Egypt	9.3	250.6	241.3	1.7	14.7	13.1
Turkey	127.1	195.8	68.7	22.7	11.5	-11.2
Jordan	8.4	141.4	132.9	1.5	8.3	6.8
Libya	15.3	126.4	111.1	2.7	7.4	4.7
Saudi Arabia	33.3	114.2	80.8	5.9	6.7	0.8
South Korea	38.5	80.1	41.7	6.9	4.7	-2.2
Israel	33.5	74.9	41.4	6.0	4.4	-1.6
Ukraine	7.7	60.7	53.0	1.4	3.6	2.2
Syria	38.0	57.2	19.2	6.8	3.4	-3.4
Pakistan	37.6	49.2	11.6	6.7	2.9	-3.8
IMPORTS	Value (EUR million)			Share in total extra-EU import (%)		
Total extra-EU	794.3	960.5	166.2	100.0	100.0	0.0
Brazil	195.5	236.2	40.6	24.6	24.6	0.0
Turkey	117.4	134.2	16.8	14.8	14.0	-0.8
Moldova, Rep.	38.8	69.8	31.1	4.9	7.3	2.4
United States	61.8	64.0	2.2	7.8	6.7	-1.1
Argentina	40.6	59.1	18.5	5.1	6.1	1.0
China	48.5	43.5	-4.9	6.1	4.5	-1.6
Serbia	29.2	30.9	1.7	3.7	3.2	-0.5
Ukraine	10.3	28.7	18.4	1.3	3.0	1.7
Vietnam	20.6	23.0	2.4	2.6	2.4	-0.2
Zimbabwe	4.6	21.8	17.2	0.6	2.3	1.7

Source: calculations using Eurostat data

Although exports to Russia increased 1.3 times (products not banned in the embargo), it still ranks 11 as compared to rank 4 before accession. The same happened to Republic of Moldova, which fell from second place (in 2004-2006) to the 13-th place (in 2011-2015), although the value of exports increased 2.4 times.

In terms of imports, the changes have been far less spectacular than for exports (table 2). In 2004-2006, the largest imports came from Brazil 24.2% (that is about EUR 222 million yearly, the imports consisting mainly of sugar, meat and animal feed), then from USA (17.7%), Turkey (8.7%) (fresh fruit and vegetables, vegetable and fruit preparations, and cereal baking and pastry products), Canada (6.3%), Ecuador (4.9%), China (4.3%), Republic of Moldova (4.1%), Switzerland (2.7%), Egypt (2.5%), Malaysia (1.8%). In 2011-2015, the top two origin countries, Brazil and Turkey kept their ranking, while Argentina climbed from 10-th position before accession to 5-th place after accession. Imports from USA diminished by 61% between pre- and post-accession periods, while exports to Republic of Moldova doubled, pushing it as third origin country.

Among the 24 HS groups, only three groups: live animals (HS-01); cereals (HS-10); lacs, gums and resins (HS-13) are exported mainly to non-EU destinations, nonetheless they represent together 72.2% of the total extra-EU exports and 25% of the total Romanian agri-food exports.

More than 50% of the total exports of these groups of products went to non-EU countries: live animals were exported to Libya, Jordan and Israel; cereals went mostly to Egypt, Saudi Arabia and Jordan.

In terms of composition of the extra-EU agri-food exports, in both studied periods cereals and oilseeds took the top positions. The value of exported cereals increased 29 times, from EUR 38 million in 2004-2006 to EUR 1.9 billion in 2011-2015, and 3 times during the post-accession period (P2, that is 2011-2015, as compared to P1, that is 2007-2010); so, the share of cereals in exports

increased more than 3 times (from 19.8% to 65.6%). Oilseeds exports increased as well, although not as spectacular as the cereals: their value multiplied 5.3 times (post- versus pre-accession period), and doubled only in P2/P1. Similar to oilseeds, the value of live animals exports increased (7 times in post- versus pre-accession period), and 6.4 times in P2/P1, while their share in total extra-EU exports diminished. Exports of tobacco and tobacco products increased as well, due to an EUR 40 million investment in a tobacco products factory in Ploiesti, by British American Tobacco company. In the pre-accession period, Romanian extra-EU exports were highly concentrated (73.2%), but in the post-accession period, the concentration increased even more: first 5 exported products accounted for to 89% of the total exports, due to the massive orientation to cereals and oilseeds (table 3).

Table 3 - Changes in the composition of Romanian extra-EU agri-food trade by product groups

HS chapter	Average 2007-2010	Average 2011-2015	Change 2011-2015 /2007-2010	Average 2007-2010	Average 2011-2015	Change 2011-2015 /2007-2010
EXPORTS	Value (EUR million)			Share in total extra-EU export (%)		
10 – Cereals	317.7	1,091.7	774.0	56.7	64.1	7.4
12 – Oilseeds	98.8	191.7	92.9	17.6	11.3	-6.4
01 – Live animals	21.7	138.2	116.5	3.9	8.1	4.2
23 – Animal feed	9.6	59.6	50.0	1.7	3.5	1.8
15 – Oils and fats	10.7	33.4	22.7	1.9	2.0	0.0
24 – Tobacco and tobacco prod.	21.7	29.0	7.3	3.9	1.7	-2.2
22 – Beverages	19.3	25.3	6.0	3.4	1.5	-2.0
21 – Miscellaneous edible prep	9.1	25.0	15.9	1.6	1.5	-0.2
19 – Cereal baking and pastry pr.	9.0	20.1	11.1	1.6	1.2	-0.4
02 - Meat	4.1	16.4	12.3	0.7	1.0	0.2
Total extra-EU export	560.6	1,703.7	1,143.1	100.0	100.0	0.0
IMPORTS	Value (EUR million)			Share in total extra-EU import (%)		
17 – Sugar and confectionery	104.9	178.3	73.4	13.2	18.6	5.4
23 – Animal feed	98.3	167.0	68.7	12.4	17.4	5.0
24 – Tobacco and tobacco prod.	61.1	105.3	44.2	7.7	11.0	3.3
12 – Oilseeds	52.9	86.5	33.6	6.7	9.0	2.3
08 – Fruit	94.2	70.2	-24.0	11.9	7.3	-4.6
21 – Miscellaneous edible prep	43.7	46.1	2.4	5.5	4.8	-0.7
09 – Coffee and tea	38.6	43.3	4.7	4.9	4.5	-0.4
07 - Vegetables	55.6	43.1	-12.6	7.0	4.5	-2.5
15 – Oils and fats	49.5	36.7	-12.8	6.2	3.8	-2.4
19 – Cereal baking and pastry pr.	12.3	32.2	19.9	1.5	3.3	1.8
Total extra-EU import	794.3	960.5	166.2	100.0	100.0	

Source: calculations using Eurostat data

In imports, again most of the products are originating mainly from the EU, while the notable exceptions are: sugar and animal feed (soy cakes). Sugar originating from the non-EU countries is imported from Brazil (half of the quantity), but also from Zimbabwe, Moldova, Serbia and Cuba. Of the total imports of animal feed (mostly soy cakes), 44% is coming from Brazil, Argentina and the USA.

Romanian extra-EU imports are much more diversified as compared to exports: the first 5 imported products accounted together for 63.3% only in the pre-accession period, and increased just slightly (to 63.2%) in 2011-2015.

CONCLUSIONS

The value of the Romanian agri-food trade increased continuously for the last 15 years, mostly after accession. In the pre-accession period, exports expanded slower than imports (due to a delayed adaption to the EU quality, sanitary and veterinary requirements, as well as to the barriers to trade - tariffs and quotas). After the first two years of accession, the trends reversed: exports expanded faster than imports, resulting a very quick diminishment of the general agri-food trade balance, and its shift to surplus since 2013.

Trade with EU countries followed the same general patterns, but the gap in product chains competitiveness persists to the present day, so the Romanian intra-EU trade balance remained negative.

The largest share of trade, for most product groups (HS 01-24), is with EU countries; nevertheless, there are few exceptions such as: live animals; cereals; oilseeds; lacs, gums and resins, for which more than half is exported outside the EU. For the particular products, such as sugar and animal feed, for which neither Romania nor EU are self-sufficient; more than half of imports are coming from extra-EU countries.

The main EU destinations for the Romanian exports (dispatches) were in the post-accession period: Italy, Bulgaria, Hungary, Netherlands and Spain, accounting together for almost 2/3 of the intra-EU export (dispatches) value, while the main EU origins for imports (arrivals) were Hungary, Germany, Bulgaria, Poland and Netherlands, accounting together for almost 70% of the intra-EU import (arrivals) value.

Exports of all 24 agri-food product groups increased after accession, but the largest shares in exports are taken by basic agricultural products such as live animals, cereals, and oilseeds, and tobacco products only from the group of processed products.

Imports increased almost continuously since 2002, with meat as main imported product group, followed by milk and dairy products, cereals, miscellaneous edible preparations, fruit and cereal and pastry products.

Since accession, Romania increased spectacularly its agri-food trade. Although there have been important positive developments, significant gains in output and efficiency in the products chains need to be achieved in order to be able to export more on the Single Market, as well as to increase the share of processed products (with more added value) as opposed to low-value basic agricultural commodities.

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