

ROMANIA'S INTERNATIONAL TRADE REGARDING AGRI-FOOD PRODUCTS

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Abstract

The paper focuses on the evolution of international trade, where the situation was analyzed at the level of the main branches, the focus being still on the agri-food field. Foreign trade is one of the most important components of international economic relations since the past and is an important part of a country's economy, and globalization has intensified the actions of international trade in goods and services. The objectives are to indicate the evolution of international trade, in terms of quantity and value, and to analyze the existing gaps in trade balance by characterizing the main branches to determine the degree of trade competitiveness on the international market, especially agriculture. The relations with the main 10 foreign trade partners were also analyzed. The purpose of the paper is to identify the level of imports and exports made by Romania and to determine the share of food products in international trade which is an important market and which creates long-term partnerships. By analyzing the statistical data, a quantitative analysis was performed which had as role the determination of the level of imports and exports performed by Romania in the last 15 years. The study methodology includes the analysis of statistical indicators whose source is ITC. Following the comparison of the value of the import and the export, the balance trade indicator was also calculated.

Keywords: agro-based products, processed food, supply chain, trade balance

INTRODUCTION

Foreign trade is one of the most important components of international economic relations since the past and is an important part of a country's economy, and globalization has intensified the actions of international trade in goods and services.

The first form of trade was represented by the exchange of products, an action that appeared mainly due to the surplus production of a family and the need for other products. In order for this exchange of products to be possible, the need and desire of those interested had to coincide, and trade expanded with the advent of currency, which led to the definition of the main components of trade: buying and selling. Changes in trade since ancient times and until now, its evolution have led to the emergence of important business opportunities and last but not least, has allowed and contributed to economic development.

Trade can be defined as a complex process generating an economic action that is characterized by the purchase of materials, products or services in order to resell them in a context favorable to the consumer. At the same time, trade can appear in the context of the producer-consumer relationship through the prism of the products made by the producer.

It can be said that trade is a basic pillar of the effective and sustainable development of the economic and social systems of any country. An important component of trade is represented by the import-export activity, activity with a defining impact of a country that represents an important part of GDP. (Patriche et al., 1999) As a result of the above, trade can be characterized as one of the most important aspects of the market economy.

With Romania's accession to the European Union (EU), the exchange of goods and services within the EU, according to the directive on free movement, is exempt from VAT, so the intra-community relationship has developed new trade relations and developed existing partnerships. The paper focuses on the evolution of international trade, where the situation was analyzed at the level of the main branches, the focus being still on the agri-food field. The objectives are to indicate the evolution of international trade, in terms of quantity and value, and to analyze the existing gaps in trade balance by

characterizing the main branches to determine the degree of trade competitiveness on the foreign market, especially agriculture. The relations with the main 10 foreign trade partners were also analyzed.

The purpose of the paper is to identify the level of imports and exports made by Romania and to determine the share of food products in international trade which is an important market and which creates long-term partnerships.

The General Agreement on Tariffs and Trade (GATT) was signed in 1947 and covers international trade in goods and in 1994, following the Uruguay Round, the World Trade Organization (WTO) and the Agreement on Agriculture was signed and all provisions came into force on January 1, 1995, being the most important reform governing international trade covering all economic sectors in 164 countries.

The Uruguay Round was the most complex and also the most important round of negotiations held under the auspices of the GATT. This round involved the definition and conditions for the implementation of international trade agreements and rules. Concentrating the results of the negotiations, it can be said that they led to: the emergence of the WTO (with a role in improving GATT rules and related agreements), the elaboration of the General Agreement on Trade in Services, the elaboration of the agreement on the commercial conditions of Intellectual Property Rights (TRIPS) and further trade liberalization. (Popescu, 1999). Agriculture was formed led to the formation of a fair agricultural trading system that must be market oriented. The Agreement on Agriculture requires Member States to have commitments aimed at improving the access of agricultural products to the market, domestic support for support in the event of major effects of agricultural trade and export subsidies.

Being a vital field for mankind, the Treaty on Agriculture has rounds of renegotiation in order to ensure the most equitable conditions for carrying out commercial activities and adapted to the present. Also, agriculture and agricultural trade are important in order to create trade relations around the world, so they must respect and comply with the rules of several agreements presented in Figure 1.

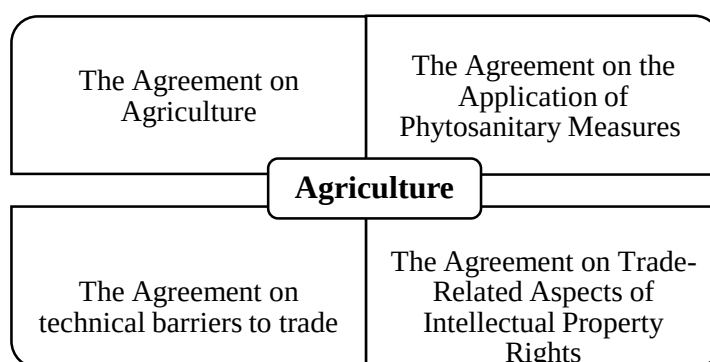


Fig. 1. Agreements for agricultural international trade

Source: Compiled from European parliament, June 2020

Romania has been a WTO member since 1 January 1995 and a member of GATT since 14 November 1971. As of 1 January 2007 it is a member State of the EU. According WTO, regarding world exports, Romania was ranked 42nd and as an importer Romania was ranked 38th in world trade. The main destination of Romanian products, but also the origin of imports made by Romania was the EU, with a share of over 70% in 2018.

In the Global Competitiveness Report prepared by the World Economic Forum in 2018, Romania was ranked 52nd out of 140 countries analyzed, resulting in the need for an action plan and strategic directions on increasing competitiveness, created both at the public level by the competent authorities but and at private level, each economic agent having as objective the sustainable development of the

business and the adaptation to the global requirements that would generate competitive advantages, being finally focused on exports.

Since 1999, the EU has promoted fair trade, whose actions support trade sustainability, which tend towards continuous relationships that are transparent to all partners and in which traceability is provided while respecting all social components (such as working conditions and human rights) and environment (rational use of natural resources and protection of the environment) for which to offer a justified and fair price for producers. (EC, 1999)

Regarding the agri-food sector, the role of international trade in the supply chain is important because it ensures the food security necessary for the population. Being a liberalized market at EU level, there has been a progressive growth of total trade but also of agri-food, and for Romania the EU member states are the main trade partners.

1. MATERIALS AND METHODS

1.1. Materials

In order to perform the analysis, statistical data were collected regarding the volume and value of imports and exports made in the period 2005-2019 by Romania, the data being accessed from the ITC trade. Data on the situation of international trade were taken for all products to create an overview of the situation in Romania and for a more detailed analysis, the focus was on the evolution of the indicator that sums up the data for the processed food and agro-based products group. For a better analysis, data containing products grouped in HS codes by 6-digit subcategories corresponding to the international trade map nomenclature were used, being over 300 categories analyzed.

1.2. Methods

By analyzing the statistical data, a quantitative analysis was performed which had as role the determination of the level of imports and exports performed by Romania in the last 15 years. The study methodology includes the analysis of statistical indicators whose source is ITC. Following the comparison of the value of the import and the export, the balance trade indicator was also calculated. The trade balance which represents a statistical-economic report that illustrates the value difference from the exports and imports made during a year.

2. RESULTS

2.1 Analysis of imports

According ITC, analyzing the list of supplying markets for the all product imported by Romania in 2019, Romania's imports represent 0.5% of world imports.

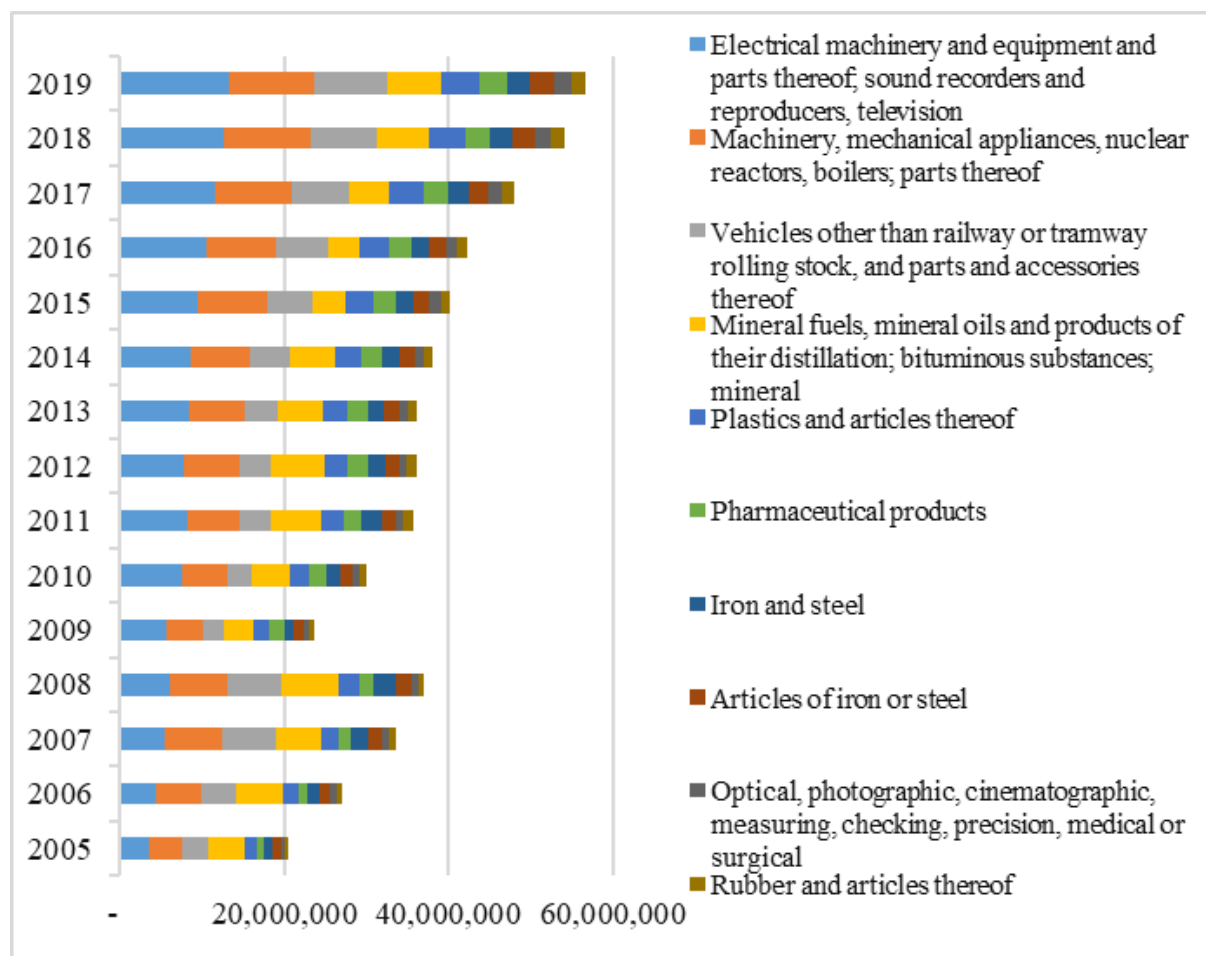


Fig. 2. The evolution of top 10 categories of products imported by Romania

Source: Compiled from ITC, May 2020

The graph from figure 2 shows the values of Romanian imports for the main 10 product categories from 2005-2019. The most important products are electronic items, electrical machinery and equipment which include items such as Telephones for cellular networks "mobile telephones" or for other wireless networks and Ignition wiring sets and other wiring sets for vehicles, aircraft or ships that in the 15 years they represented 123,741,531 thousand euros and the category Machinery, mechanical appliances, nuclear reactors, boilers; shares thereof with 107,556,141 thousand euros. The ranking is dominated by electrical products, cars and vehicles, mining fuels, plastic and iron and steel products, pharmaceuticals and articles related to Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical.

The Processed food and agro-based products category registered in 2019 a total value of imports of 4684108 thousand euro, and the first 10 product categories represent 36.42% of this category. With 6.49% of the total imports of processed food and agro-based products, food preparations are the most imported products from Romania. In figure 3 is the evolution of the first 10 agrofood products which were imported by Romania during 2005-2019.

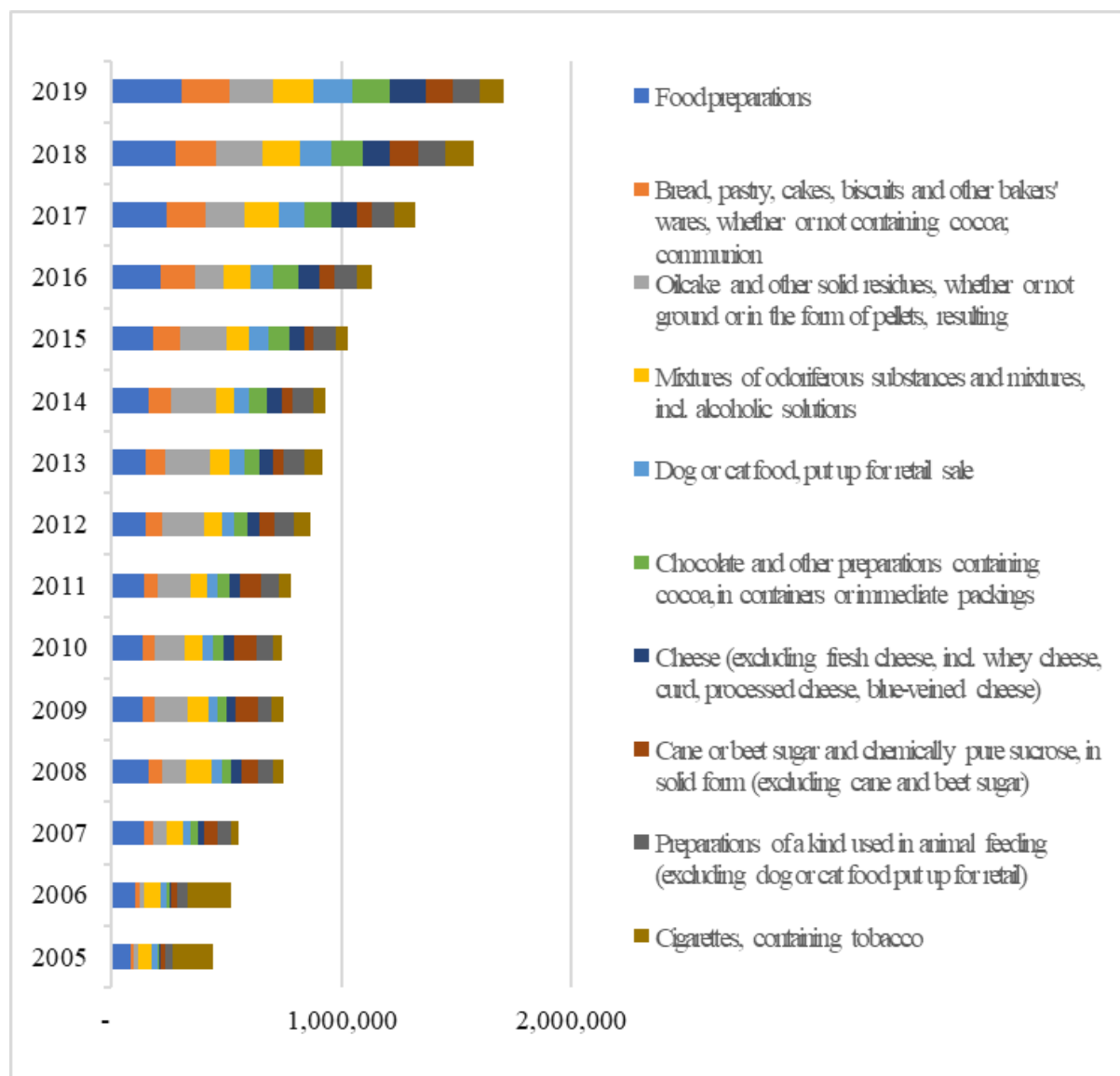


Fig. 3. The evolution of top 10 categories of agrofood products imported by Romania

Source: Compiled from ITC, May 2020

ITC took into account in the category Processed food and agro-based products and products intended for animal feed, dog or cat food and preparations of a kind used in animal feed which are in the top 10 categories imported by Romania and which together add up to 6.21% from the value of imports and 25.76% more in 2019 versus 2018.

3.23% of imports are represented by Cheese (excluding fresh cheese, incl. Whey cheese, curd, processed cheese, blue-veined cheese), being on the 7th place as a value of the imports of processed foods, thus there is an insufficiency of the national offer as well as the lack of processing of these products in Romania. Cigarettes, containing tobacco accounted for 2.21% of Romania's imports in 2019, but are down 13% compared to 2019.

For a clearer picture of the evolution of items imported by Romania, overall, the main 10 categories imported in Romania annually register an upward trend in the world, the demand for them being increasing. Mineral fuels and oils represent the category that registered the highest annual evolution of imports, both in Romania and in the world, followed by pharmaceutical products, figure 4.

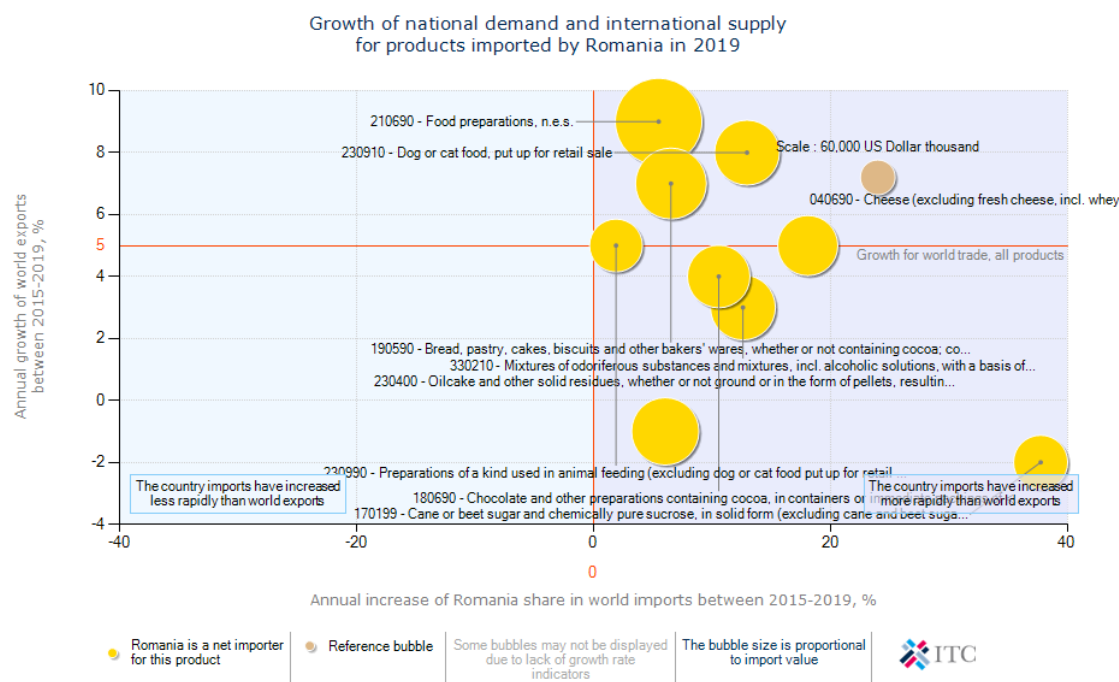


Fig. 4. Dynamics of the main categories of agrofood products imported by Romania

Source: ITC, May 2020

The main trading partners that provided the highest value of imports to Romania are represented in figure 5. Germany is the main importer in Romania, the value of imports being over 5,000,000 thousand euros throughout the analyzed period, having an upward trend with a small decline in 2009 when all imports decreased. In terms of trade relations with Romania's neighbors, only Hungary is in the top 10, and China, Turkey and the Russian Federation are the most representative non-EU partners.

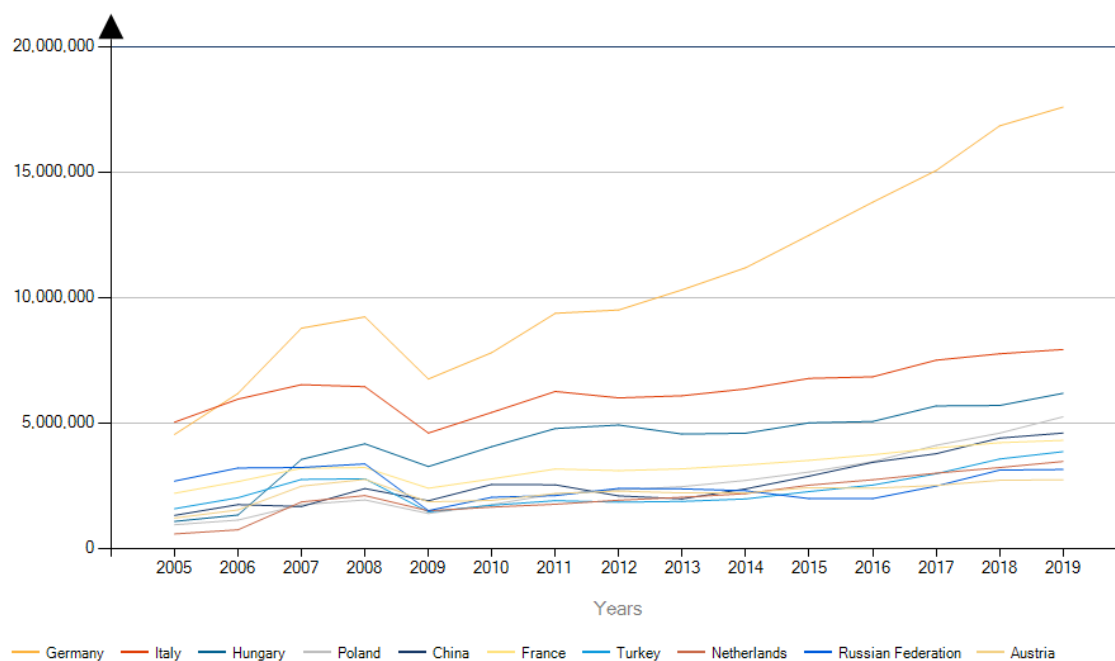


Fig. 5. The evolution of top 10 supplying market for a product imported by Romania

Source: ITC, May 2020

In the trade with processed food products and basic agri-food products, it is noted in the figure 6 that Germany is the main partner of Romania for the entire period analyzed, in 2019 reaching the highest value, the difference between Germany and Poland which is the second partner being over 200,000 Euro thousand. Germany maintains its leading position for both total and agri-food trade, and among the top 10 partners, Hungary and Bulgaria which are ranked 3rd and 5th, respectively, are the closest partners, being Romania's neighbors, while Brazil, which is in 9th place, is the main non-EU partner.

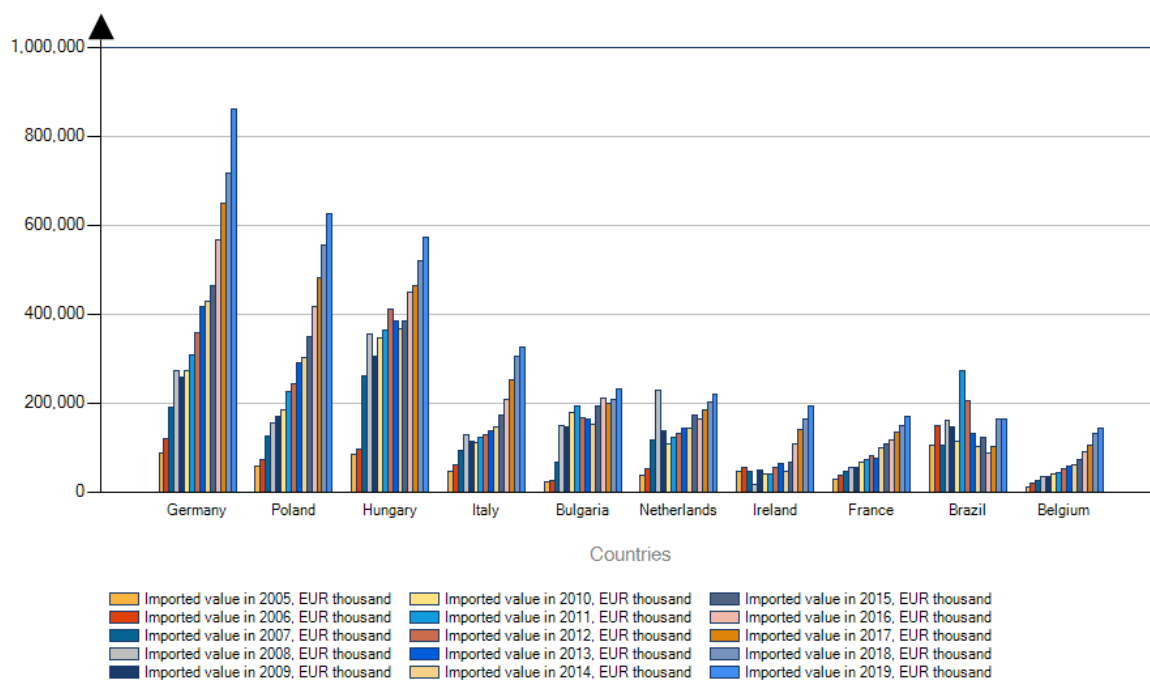


Fig. 6. The evolution of top 10 supplying market for agrofood product imported by Romania

Source: ITC, May 2020

The increase of imports from 2006-2007 in Romania was remarkable because there were double increases compared to the previous value for 3 of the EU member states, and 6 states had increases of over 50%, these being mainly due to Romania's accession to the EU in 2007 and simplifying the trading of products on the European market.

2.2 Export analysis

Figure 7 presents the evolution of exports made by Romania in the last 15 years. The first category of products exported by Romania is Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television and coincides with the most imported category by Romania, reaching the value exported in 2019 to be 416% higher compared to 2005, during which time in 2016 the trade balance was a positive one, the export of these products being 50,107 thousand euro higher compared to the import made by Romania. In the top of the most exported categories of articles there is the category Articles of apparel and clothing accessories, not knitted or crocheted because it is known that in Romania there are many clothing factories belonging to famous brands that have decided to produce in Romania because the labor force is cheaper compared to the countries where they come from. The category furniture is in top 10 of which the most exported items are Parts of seats, Wooden furniture (excluding for offices, kitchens and bedrooms, and seats) and Upholstered seats, with wooden frames (excluding convertible into beds) and which register a constant increase of exports, with a positive trade balance in each of the 15 years analyzed. An important category in Romanian exports is Wood and articles of

wood; wood charcoal, which since 2014 registers a gradual decrease but throughout the analyzed period had a positive trade balance.

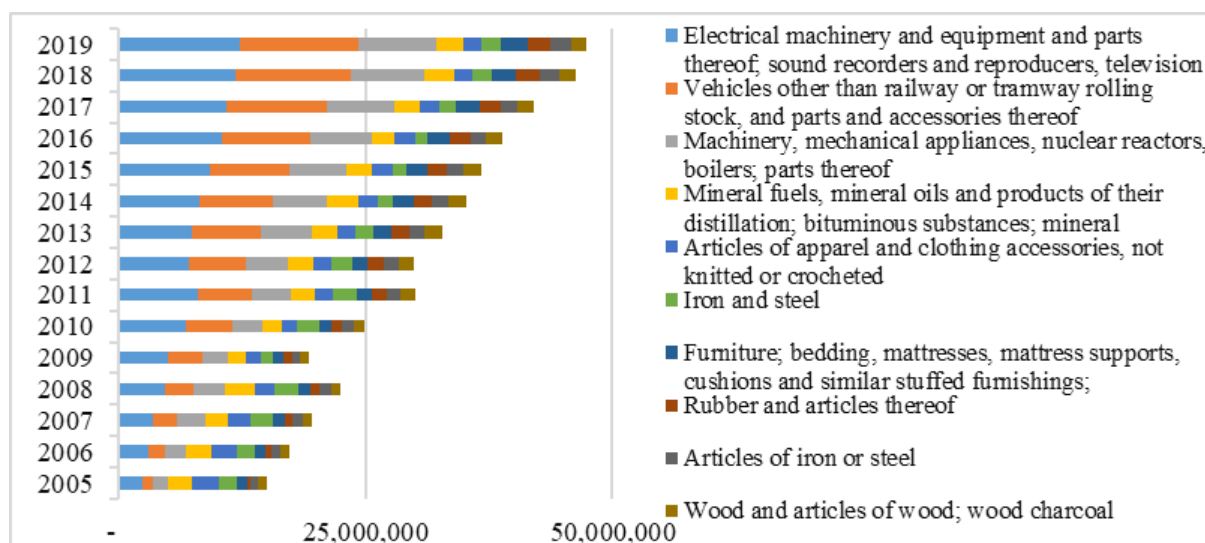


Fig. 7. The evolution of top 10 categories of products exported by Romania

Source: Compiled from ITC, May 2020

The first 10 categories of articles represented in 2019 59.47% of the total exports of Processed food and agro-based products. 34.76% is represented only by Cigarettes and chewing tobacco, while food preparations have a share of 4.32%, according figure 8.

In 2019 versus 2018 the total value of food imports increased by 19.06%, and the highest progress was registered by Cigarettes and chewing tobacco with an increase of 193.47%, at the opposite pole Crude sunflower-seed or safflower oil recorded the higher loss, of 12.35% but the category Sunflower-seed or safflower oil and their fractions, whether or not refined, but not chemically had an increase of 73.94%. An important increase is represented by Waters, incl. Mineral and aerated, with added sugar, sweetener, or flavor, for direct consumption which in 2019 represented 2.41% of the total food exports with a progression of 24.56% versus 2018.

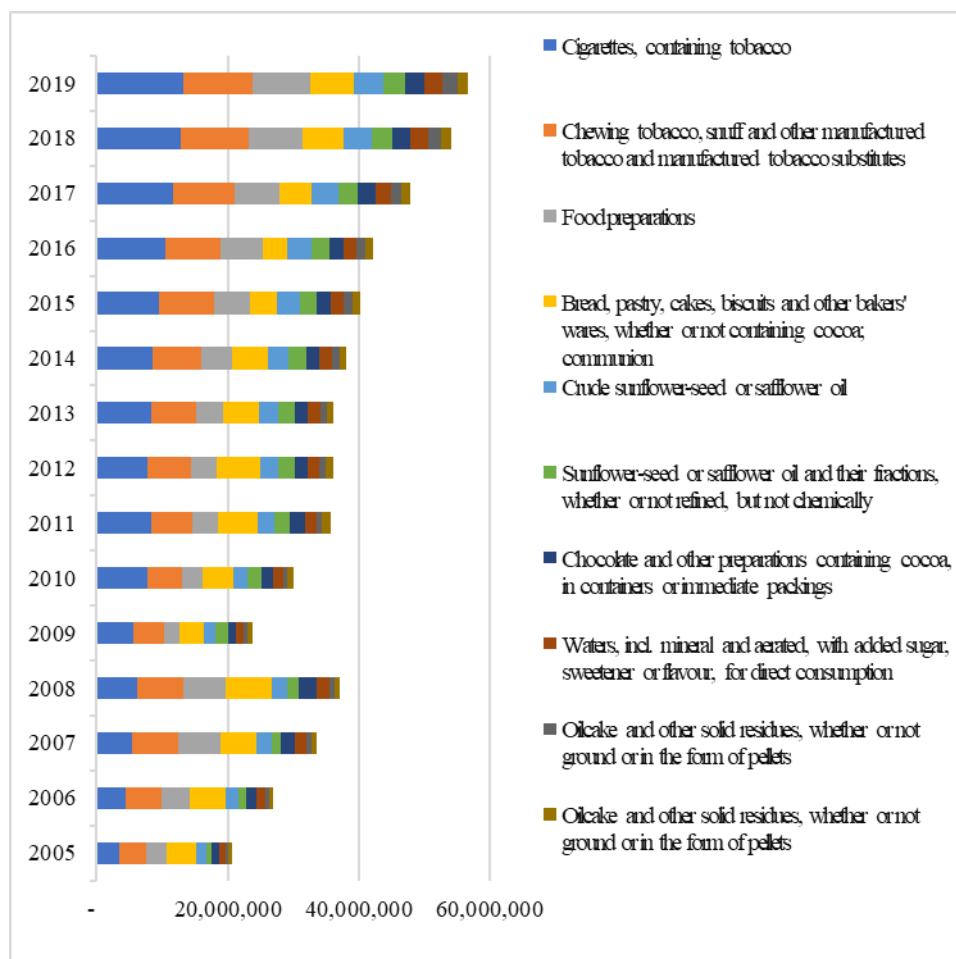


Fig. 8. The evolution of top 10 categories of agrofood products exported by Romania

Source: Compiled from ITC, May 2020

Going into detail to find out what is the trend of Romanian exports, the export of Mineral fuels registered a regression in the period 2015-2019 of up to 5% while Romania's imports for this category increased. On the other hand, the Optical, photographic, cinematographic category registers an increase of exports from Romania by approximately 30%, while the import is decreasing, thus the need covers a large part of the Romanian consumers' demand.

The tobacco sector represents an ascending sector in international trade, and the Chewing tobacco category is one of the top 10 categories in Romania's exports whose demand has increased most of the agri-food products analyzed, Romania being a net exporter for this category, according figure 9.

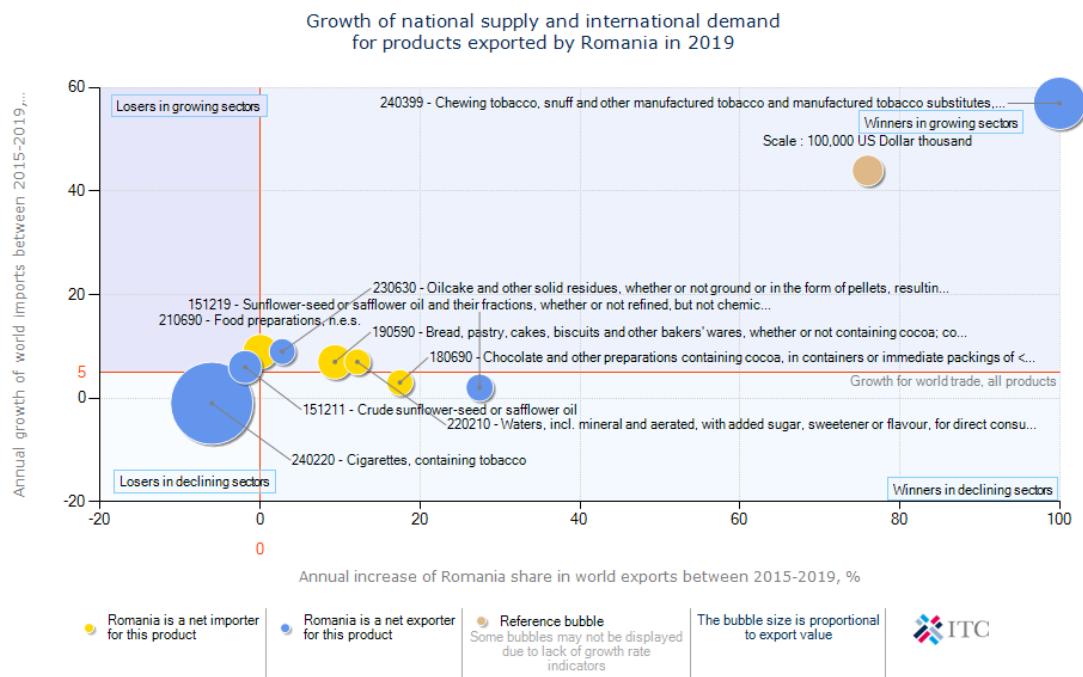


Fig. 9. Dynamics of the main categories of agrofood products exported by Romania

Source: ITC, May 2020

The trading partners with which Romania concluded export agreements were Germany and Italy, being the first two countries that have important products from Romania worth over 5 million thousand euros. In the top 10 exporting countries for Romania from figure 10, there was only one non-EU partner, Turkey.

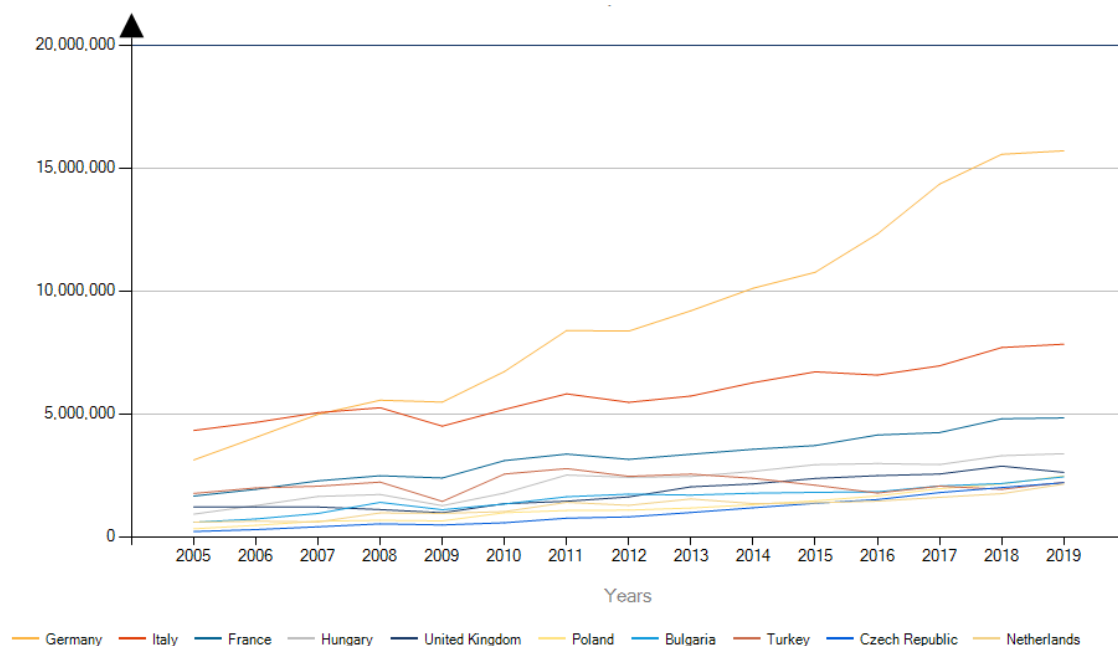


Fig. 10. The evolution of top 10 supplying market for a product exported by Romania

Source: ITC, May 2020

Regarding the export of agri-food products made by Romania in the period 2005-2019 showed in figure 11, Italy is the main market where Romanian food products end up. If Germany was the first partner in all exports, it is now in third place in agri-food products.

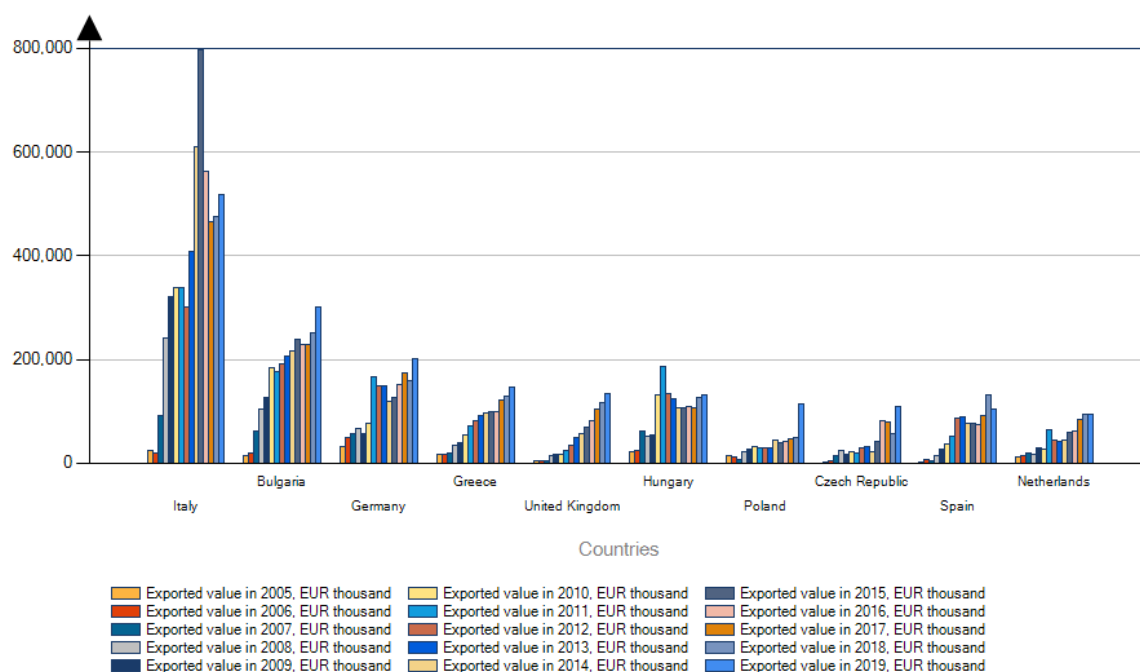


Fig. 11. The evolution of top 10 supplying market for agrofood product exported by Romania

Source: ITC, May 2020

The situation in 2009 led to a total decrease in exports, the safest country in that year was Germany with the lowest decline, and otherwise there were increases in Romanian exports to Germany. Poland, which is the 6th importing partner in Romania, achieved constant increases in the value of imports in the period 2005-2019, less in 2009 when there was a general decline. During the analyzed period, only Greece and Great Britain had a level of imports from Romania without major implications. Large increases in 2019 versus 2018 were recorded by Poland, which doubled in value.

2.3 Trade balance analysis

Table 1 presented the values of Romania for all imported and exported products and the indicator on trade balance for the period 2005-2019, for all products and for processed food and agro-based products. Analyzing the general trade balance of Romania, we find a passivity that persists in the last 15 years.

Relation	Import	Export	Balance	Imp	Exp	Balance
Year	All products			Processed food and agro-based products		
2005	32,490,172	22,265,816	(10,224,355)	1,007,090	244,410	(762,679)
2006	40,682,280	25,740,665	(14,941,615)	1,296,987	287,043	(1,009,944)
2007	51,027,932	29,374,367	(21,653,565)	1,641,521	475,325	(1,166,196)
2008	56,387,450	33,669,279	(22,718,171)	2,225,351	745,668	(1,479,683)
2009	38,903,719	29,126,656	(9,777,063)	1,966,877	866,883	(1,099,995)
2010	46,695,702	37,212,036	(9,483,666)	2,036,277	1,126,358	(909,919)
2011	54,827,229	45,010,357	(9,816,873)	2,375,973	1,441,380	(934,593)
2012	54,630,741	45,023,756	(9,606,985)	2,576,434	1,424,235	(1,152,199)
2013	55,299,765	49,599,993	(5,699,771)	2,671,416	1,641,133	(1,030,283)

2014	58,596,381	52,569,526	(6,026,855)	2,625,575	1,893,193	(732,382)
2015	62,935,159	54,599,411	(8,335,747)	2,971,858	2,213,508	(758,350)
2016	67,409,997	57,449,465	(9,960,533)	3,356,968	2,054,551	(1,302,417)
2017	75,522,937	62,518,330	(13,004,607)	3,779,610	2,113,267	(1,666,343)
2018	82,878,569	67,806,272	(15,072,297)	4,193,260	2,290,495	(1,902,765)
2019	86,328,428	69,047,819	(17,280,610)	4,606,711	2,678,942	(1,927,769)

Table. 1. The evolution of international commerce of Romania

Source: Compiled from ITC, May 2020.

The year 2005, the base year for the analyzed period, registered the lowest values of import and export for all product categories. Comparing the entire interval, it is found that the value of imports increased by 55,207,006 thousand euros, representing an improvement of 170%, while exports increased by 47,561,160 thousand euros, which means a progression of 214%. The largest trade deficit was registered in 2008, - 22,718,171 thousand euros, after a period of 4 years in which the indicator even doubled its value, the increase by two digits of the import value increasing the trade gap. 2009 is a reference year for the European economy because it marks the presence of an economic crisis that began in 2008 and had negative influences in 2009, the value of imports and exports decreasing significantly compared to the previous year, by 31% and 13 respectively. % that coded to a halving of the balance. In the period 2009-2012 the trade balance remained at 9 million thousand euros, starting from 2013 to decrease by up to 41% compared to 2012 as a result of the increased level of exports by 10% while imports registered a positive evolution of 1%, 2003 being the year with the smallest value difference between imports and exports in the analyzed period, - 5,699,772 thousand euro. There have been progressive increases since 2014, but imports have grown faster than exports, so the difference between the two indicators led to a tripling of the trade gap in 2019 compared to its value in 2016.

The agri-food products traded by Romania had in the period 2005-2019 only a negative trade balance, having a regression of 153% in 2019 compared to the base year 2005. The lowest deficit was in 2014 when imports decreased by 1.97%, and exports increased significantly by 15.36% compared to 2013. Access to the EU free market in 2007 led to the largest increase in the value of exports of agri-food products, respectively + 65.59% compared to the previous year, but this It also happened for imports, which registered an increase of + 35.57%, in 2007 being registered the most representative increases for the agri-food field regarding the international trade. Over the entire period, the trade balance was negative, and after years in which a significant deficit was registered (2005-2008), a value recovery followed (2009-2013) but from 2014 the gap has constantly increased, reaching in 2019 the value - 17,870,202 thousand euros.

In figure 12 are presented the most deficient 5 categories and the most active 5 categories of products in international trade. Food preparations registered among the highest deficits, while Romania is a net exporter, with the largest positive trade balance in the case of cigarettes. The Cigarettes, containing tobacco category registered an important progress, starting in 2005 from a value of -176,913 euro thousand reaching in 2019 to 561,755 euro thousand, the investments, especially the foreign ones, made in this sector led to an increase of the tobacco sector. Due to the lack of processing infrastructure and investments in new technological lines, Romania doubled its deficit in the period 2005-2019 for the Food preparations category, being dependent on imports.

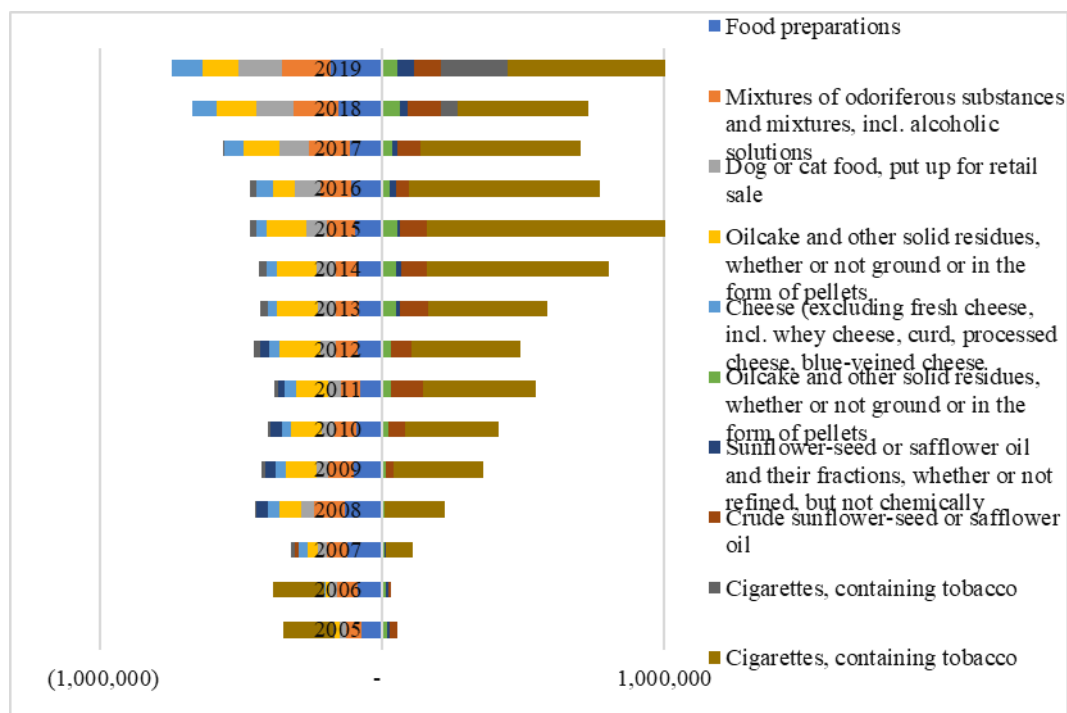


Fig. 12. Romania's trade balance for agrofood product

Source: Compiled from ITC, May 2020

Regarding the categories of products that have a negative balance, the category Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral registered values of over -1.5 million thousand euros annually, at the opposite pole being the category Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.

The figure 13 shows the countries that are in the top 10 in terms of negative and positive trade balance. Regarding agri-food products, Germany has the highest value of the trade balance, which is a negative one, - 647,848 euro thousand in 2019, Germany being the main partner of Romania in terms of imports. On the other hand, Romania has a trade balance much higher than Italy, reaching 189,262 euro thousand. In this top are two non-EU countries with which Romania has an active trade relationship, Brazil for imports and Japan for exports, the trade balances being -162,278 euro thousand and 61,155 euro thousands, respectively. If the relationship with Brazil is an old one, since 2005 the value of imports being high, Romania has recently started to improve the value of exports to Japan, reaching from a trade balance of -31 euro thousand in 2005 to 70,285 euro thousand in 2018, being the highest value recorded in the 15 years analyzed.

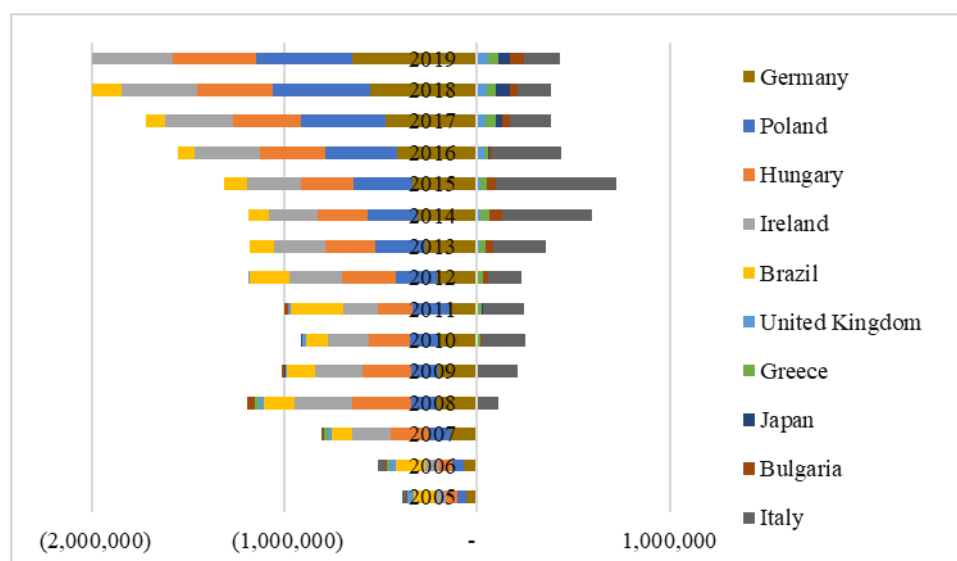


Fig. 13. Romania's top partners for agrofood products depending on the trade balance

Source: Compiled from ITC, May 2020

In general, China is the main partner with which Romania registered the highest value of the negative balance, -3,973,164 thousand euros, while with United Kingdom it registered the highest positive balance, 941,786 thousand euros. Romania has a deficit in its relations with Hungary, Poland and Germany, countries that are among the main partners in terms of imports and which remain in the top in recent years.

DISCUSSION

Trade is a basic activity in any economy, and international trade creates important economic relations between partners. Over the years, Romania has concluded trade agreements with various countries around the world, in Table 2 being all 46 agreements that are still in force in Romania, as an exporting party. The earliest agreement is the one between Romania and Australia, since 1966, and the last signed are those with Japan and Singapore, but they are signed by all EU member states.

Country	Year
Australia for GSP Countries	1966
EU-Overseas Countries and Territories	1971
New Zealand for GSP Countries	1972
Egypt for TNDC	1973
FTA, EU-Switzerland	1973
Korea for TNDC	1973
CU, EU-Andorra	1991
European Economic Area	1994
CU, EU-Turkey	1995
FTA, EU-Faroe Islands	1997
FTA, EU-Palestine	1997
FTA, EU-Tunisia	1998
FTA, EU-Israel	2000
FTA, EU-Mexico	2000

Country	Year
FTA, EU-Lebanon	2006
Interim, EU-Albania	2006
Regional group, European Union	2007
EPA, EAC-EU (Interim Agreement)	2008
FTA, EU-Bosnia and Herzegovina	2008
FTA, EU-Montenegro	2008
FTA, EU-Serbia	2010
FTA, EU-Korea	2011
EPA, Cariforum-EU	2013
FTA, CACM & Panama-EU	2013
FTA, CAN-EU	2013
EPA, EU-Pacific Islands	2014
FTA, EU-Moldova	2014
EPA, ECOWAS & Mauritania-EU	2016

FTA, EU-Morocco	2000	EPA, EU-CAEMC & São Tomé and Príncipe	2016
CU, EU-San Marino	2002	EPA, EU-SADC	2016
FTA, EU-Jordan	2002	FTA, EU-Georgia	2016
EU for India and Pakistan	2004	FTA, EU-Kosovo	2016
FTA, EU-Egypt	2004	FTA, EU-Ukraine	2016
FTA, EU-Macedonia	2004	FTA, EU-Canada	2017
GSTP	2004	EPA, ESA-EU	2019
FTA, EU-Algeria	2005	FTA, EU-Japan	2019
FTA, EU-Chile	2005	FTA, EU-Singapore	2019

Table 2. Trade Agreements of Romania when exporting

Source: Compiled from WTO, June 2020

Table 3 shows the 45 international agreements on imports made by Romania, the first being signed in the 70s. Most trade agreements are signed following negotiations at the associative level, mainly through the EU.

Country	Year	Country	Year
EU for GSP Countries	1971	Interim, EU-Albania	2006
EU for Least Developed Countries	1971	EPA, Cariforum-EU	2008
EU-Overseas Countries and Territories	1971	EPA, EAC-EU (Interim Agreement)	2008
FTA, EU-Switzerland	1973	EPA, ECOWAS & Mauritania-EU	2008
EU-Syria	1977	FTA, EU-Bosnia and Herzegovina	2008
CU, EU-Andorra	1991	FTA, EU-Montenegro	2008
European Economic Area	1994	EU for GSP+ Countries	2009
CU, EU-Turkey	1995	FTA, EU-Serbia	2010
Regional group, European Union	1995	FTA, EU-Korea	2011
FTA, EU-Faroe Islands	1997	FTA, CACM & Panama-EU	2013
FTA, EU-Palestine	1997	FTA, CAN-EU	2013
FTA, EU-Tunisia	1998	EPA, EU-CAEMC & São Tomé and Príncipe	2014
FTA, EU-Israel	2000	EPA, EU-Pacific Islands	2014
FTA, EU-Mexico	2000	FTA, EU-Moldova	2014
FTA, EU-Morocco	2000	EPA, EU-SADC	2016
CU, EU-San Marino	2002	FTA, EU-Georgia	2016
FTA, EU-Jordan	2002	FTA, EU-Kosovo	2016
EU for India and Pakistan	2004	FTA, EU-Ukraine	2016
FTA, EU-Egypt	2004	FTA, EU-Canada	2017
FTA, EU-Macedonia	2004	EPA, ESA-EU	2019
FTA, EU-Algeria	2005	FTA, EU-Japan	2019
FTA, EU-Chile	2005	FTA, EU-Singapore	2019
FTA, EU-Lebanon	2006		

Table 3. Trade Agreements of Romania when importing

Source: Compiled from WTO, June 2020

Trade agreements and the EU free market lead to a development of trade activities that bring an important contribution to the formation of Romania's GDP, Romania's economic growth being supported mainly by national consumption whose contribution is 3.7% of GDP. Also, the agricultural sector has a significant contribution in Romania's GDP, its importance being essential in the development of the rural economy, but the trade deficit is a major one, Romania's competitiveness on the international market is low, Romania's asset being the export of unprocessed agri-food products, raw materials such as cereals.

In 2019, the highest value of imports made by Romania was represented by Oilcake and other solid residues, whether or not ground or in the form of pellets 185,281 Euro thousand, at the opposite pole, the lowest values being recorded by Reindeer meat, salted, in brine, dried or smoked and horsemeat, salted, in brine or dried with only 1,000 euro. Cigarettes, containing tobacco (excl. Containing cloves) were on the first place as the value of the export made by Romania, 663,170 euro thousand, on the last place being products such as Bacon sides or spencers of domestic swine, salted or in brine with only 1,000 euro. Romania registered in 2019 a net export of 561,621 euro thousand for Cigarettes, containing tobacco, while for Oilcake and other solid residues, whether ground or in the form of pellets the deficit was -123,336 euro thousand.

Even if in the last years, Romania registered a deficient trade balance, and the net export negatively influences the GDP, - 1.7%, Romania has export potential and must capitalize on all its opportunities, creating long-term relations. At total level, ITC identified according to table 4, top 10 articles through which Romania can diversify its exports which would have a huge potential for development in the coming years, among which we find fresh peaches and nectarines in 8th place. Regarding Romania's export potential, cereals such as sunflower seeds and wheat are the most appropriate agri-food products to be exported.

Regarding the destination of the products exported by Romania, Germany remains in the top of Romania's partners, followed by Italy, France, United Kingdom and Hungary. (ITC, May 2020). The development potential of export is major, and Romania must focus on the development of exports and can start by strengthening relations with its neighbors from the borders of the country with which it is in partnership, both in a free and single market and through signed agreements. (Table 4)

Export potential	Export diversification
Parts & accessories of motor vehicles	Copper cathodes
Motor vehicles for the transport of persons	Diesel powered trucks under 5 t
Ignition, wiring sets for vehicles	Floor coverings of mad-made textiles
Boards for electric control	Prepared or preserved sardines
Rubber pneumatic tyres for motor cars, new	Jewellery of precious metal
Parts & accessories of motor vehicle bodies	Unrefined copper
Parts of seats	Tyre cord of high-tenacity polyester
Sunflower seeds	Fresh peaches and nectarines
Medicaments consisting of mixed or unmixed products, for retail sale	Prepared or preserved mackerel
Wheat (excl durum) & meslin	Liquid dielectric transformers under 650 kVA

Table 4. Products with export diversification and potential for Romania

Source: Compiled from ITC export potential, June 2020

Romania must focus on achieving higher volumes for exports, both for food and non-food products, but Romanian economic agents must have the necessary products with characteristics according to international standards in order to increase competitiveness on the European market, but worldwide too. Certification with quality standards of products and production processes, improving logistics as well

as storage, packaging, storage and transport conditions, branding and adapting products to current needs are necessary to improve competitiveness and penetrate foreign markets.

Exports bring benefits both to companies that capitalize on their products in a foreign market and will gain notoriety, and to the national economy by reducing the trade deficit and in the medium term will lead to a positive trade balance.

CONCLUSIONS

Romania is a country with a high agricultural potential, being able to become one of the main competitors in terms of international trade in agri-food products, but to increase the monetization of exports in this branch it is recommended to avoid exporting raw materials and processing and processing them in a form as close as possible to the direct consumer.

In 2019 the total value of the imports that Romania registered was of 87,697,178 Euro thousand, having an ascending trend, the same situation being for the imports of Processed food and agro-based products, which reached a level of 4,684,108 Euro thousand, representing 5.43% of total imports. Analyzing the value of total exports made by Romania, it is found that in 2019 they were 69,826,976 Euro thousand after a steady increase, while exports of Processed food and agro-based products were only 2,723,818 Euro thousand, with a share of 3.90 %.

Considering the trade balance deficit related to the Processed food and agro-based products category of -1,960,290 Euro thousand, which has a share of 10.97% of Romania's total deficit, it is necessary to develop Romanian agri-food exports but also to adapt domestic production and domestic supply to the needs of the inhabitants in order to cover their demand for as long as possible to reduce imports.

Food trade is a basic branch of trade due to its importance, being also a branch in which producers, more precisely agricultural producers with value added share, in the context of the growth of the planet's population, are facing a growing demand.

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