

Competitiveness of the Romanian Agri-Food Trade in the European Union

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Almost on the one and a half decade of joining Romania to the European Union (EU) and introduction of Common Agricultural Policy has been accumulated sufficient evidences, which makes possible to evaluate the export performance of Romanian agri-food trade and to compare this tendencies with the performance of previous period (Fogarasi 2008). Foreign trade with agri-food products in Romania is expanding with the EU. The question is whether the export increases is due to competitiveness improvement of agri-food products on the reference markets, or whether this is due to structural effects rising into the reference markets of these products. It is also interesting to find out which products become more competitive and for which products the competitiveness has worsened.

The paper investigates the competitiveness of Romanian agri-food products in the European Union by employing the Constant Market Share method (Fagerberg and Solle 1987, Fertő 2004, Bojnec and Fertő 2014, Poór 2010). The empirical results indicate that the driving force of export increase of agricultural products to the EU markets was driven by the structural effect, the increase of import of these products to the EU, and not the increase of competitiveness. The positive signs of residual effect and second order effect indicate enhancing competitiveness in the EU, but the lower values compared to structural effect showed that they have not succeeded in increasing their market share.

Keywords: Romania, competitiveness, export, constant market share

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