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FRESH FRUIT TRADE IN THE EUROPEAN CONTEXT

ABSTRACT

Starting from the premise of capitalising on favourable climate and soil resources, the paper presents a detailed analysis of Romania's trade in fresh fruit compared to the European Union. Using specialised databases, value and structure indicators were used. The results show an increase of the fresh fruit demand on the domestic market, more than half of imports in value terms being represented by meridional and exotic fruits. For fruits with favourable conditions, the dependence on imports has sharply increased.

Key words: fresh fruit, trade.

JEL Classification: Q11, Q17.

I. INTRODUCTION

Global trade in fruit and vegetables has a very rich history that extends over thousands of years. People have traded fruit and vegetables since ancient times and trade has played a crucial role in the development of civilisations across the world. Fruit and vegetables have had an increasing share in global agricultural trade, which has become more complex with the emergence of multinational corporations and global supply chains.

In Europe, there is a demand for fresh fruit all year round. There is a seasonal market supply for indigenous fruits, depending on the period. The European countries do not have appropriate climate conditions for growing tropical fruits and are dependent on imports.

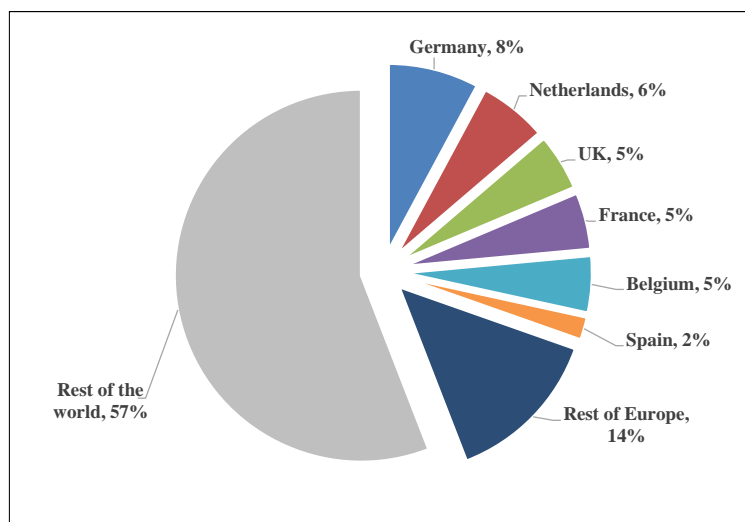
The food chain approach is one of the key issues within the European Commission. The European Union is a major fruit producer. The member states export fresh fruit and vegetables to other member states and to non-EU countries.

Romania is a market with a relatively stable demand for most fresh fruits. The year-round demand, the poor organisation of the sector as well as the increasing demand for meridional and exotic fruits make Romania dependent on external suppliers.

2. STATE OF KNOWLEDGE

Fruit and vegetables had an increasing share in global agricultural trade, from a nominal value of 3.4 billion USD (10.6%) in 1961, to almost 70 billion USD (16.9%) in 2001. The variety of supply also increased. Bananas, apples, oranges and tomatoes accounted for over 30% of total fruit and vegetable trade in the 1960s and 1970s, but by the late 1990s these represented less than 20%. Fresh grapes, fresh vegetables, frozen potatoes, nuts and other fruit and vegetable products have entered global trade channels in increasing quantities (Huang, 2004; Huang & Huang, 2007).

Europe currently accounts for 43% of global fresh fruit and vegetable imports. The most important importers of fresh fruit and vegetables are Germany, United Kingdom, France, the Netherlands and Belgium, which are also major re-export trading countries (Figure 1).



Source: <https://www.cbi.eu/market-information/fresh-fruit-vegetables/what-demand/>.

Figure 1. Share of fresh fruit and vegetable import value in 2021 (including re-exported products).

3. MATERIAL AND METHOD

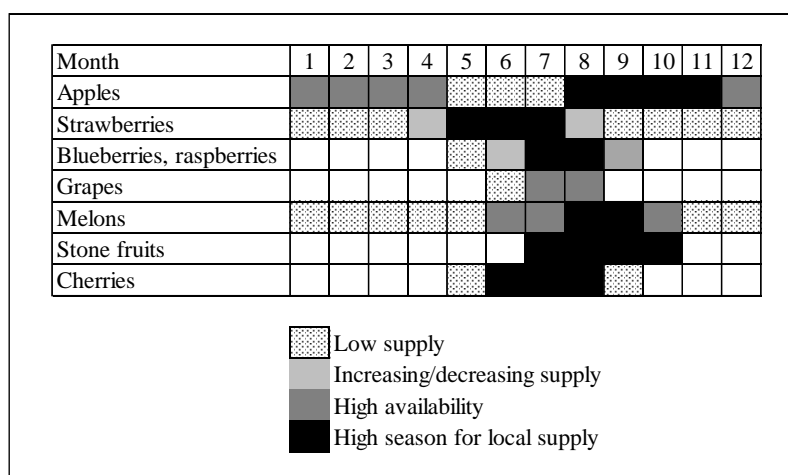
For a trade overview, electronic literature searches were conducted, primarily in databases such as PubMed, Google Scholar, Scopus and Science Direct. These were materialised in the identification of articles of interest for the addressed field.

The site <https://trendeconomy.com> was used as data source. Value and structure indicators were used. The trade balance was calculated by subtracting the value of imports from the value of exports. If a country's exports are greater than its imports, there is a "trade surplus"; when imports are greater than exports, the country has a "trade deficit". The ratio of total exports to total imports represents the degree of import coverage by exports (%).

4. RESULTS AND DISCUSSIONS

4.1. THE DEMAND FOR FRUIT AND FRUIT PRODUCTS IN THE EUROPEAN UNION

There is a demand for fresh fruit all year round in Europe. Market supply for indigenous fruits is seasonal, depending on the period. Figure 2 shows the seasonality of supply.



Source: <https://www.cbi.eu/market-information/fresh-fruit-vegetables/what-demand/>.

Figure 2. Indicative seasonal calendar for fruit availability in Western/Northern Europe.

According to information on the site www.cbi.eu (Centre for the Promotion of Imports from developing countries), Germany, the Netherlands and France are the main European importers of processed fruit and vegetables, which make them interesting markets. The Netherlands has the highest share of imports from developing countries, accounting for more than half of its imports. Germany imports about 30% of the fruit and vegetables processed in developing countries. The main difference between them is that the Netherlands re-exports most of its imported products. Germany is also a major re-exporter, but also the largest consumer and processor of imported products and ingredients. France, Italy and Belgium are

other important and promising European markets, importing a great part of fruit and vegetables processed in developing countries.

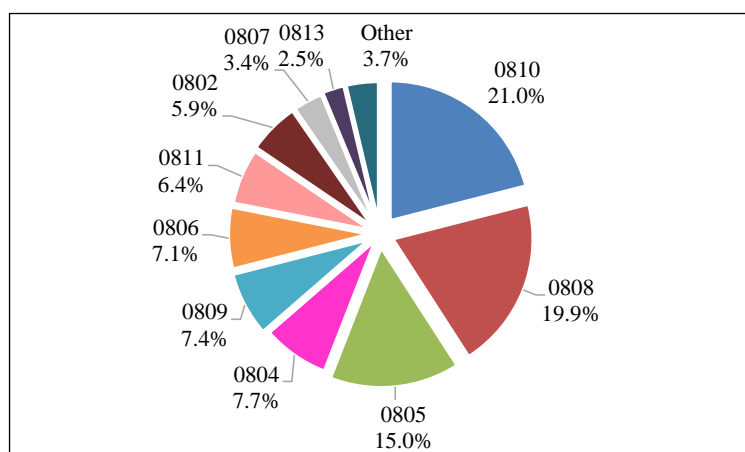
4.2. FRUIT TRADE OF THE EUROPEAN UNION

The value of exports of the commodity group 08 “Edible fruit and nuts; peel of citrus fruit or melons” from the European Union totalled 6.7 billion USD in 2021, up by 2.93 billion USD or by 77.66% compared to 2010; compared to the previous year, exports increased by 7 million USD or 1.06%.

The value of imports to the European Union totalled 23 billion USD in 2021. This increased by 6.36 billion USD compared to 2010 or by 37.34%; compared to the previous year, imports increased by 497 million USD or by 2.17%.

Structure of exports and imports

More than 55% of exports cumulate three commodity sub-groups, namely 0810 – other fruit, fresh (e.g. raspberries, currants, blueberries, etc.), 0808 – apples, pears and quinces, fresh and 0805 – citrus fruit, fresh or dried (Figure 3).

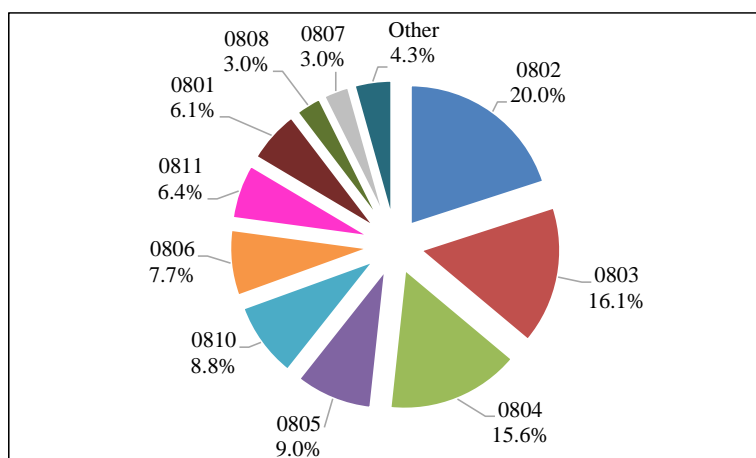


Notes: in the Combined Nomenclature, the codes represent: 0802 – Other nuts, fresh or dried, whether or not shelled or peeled; 0804 – Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried; 0805 – Citrus fruit, fresh or dried; 0806 – Grapes, fresh or dried; 0807 – Melons (including watermelons) and papaws (papayas), fresh; 0808 – Apples, pears and quinces, fresh; 0809 – Apricots, cherries, peaches (including nectarines), plums and sloes, fresh; 0810 – Other fruit, fresh (strawberries, raspberries, blackberries, mulberries and loganberries, black-, white- or redcurrants and gooseberries, cranberries, bilberries and other fruit of the genus *Vaccinium*, kiwifruit, etc.); 0811 – Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter; 0813 – Fruit, dried, other than that of headings 0801 to 0806; mixtures of nuts or dried fruits.

Source: <https://trendeconomy.com>; http://taric3.customs.ro:9080/taric/web/main_EN.

Figure 3. Structure of fruit exports of the EU, 2021.

The European countries do not have suitable climate conditions for growing tropical fruits and are dependent on imports. This import dependency is strongest for dried fruit and edible nuts, in which domestic production covers less than 10% of total consumption. Statistics show that almost 52% of imports consist of the following fruit sub-groups: 0802 – other nuts, fresh or dried, whether or not shelled or peeled (*e.g.* almonds, hazelnuts, walnuts, edible chestnuts, pistachio, etc.); 0803 – bananas and 0804 – dates, figs, pineapples, avocados, guavas and mangosteens, fresh or dried (Figure 4).



Notes: in the Combined Nomenclature, the codes represent: 0801 – Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled; 0802 – Other nuts, fresh or dried, whether or not shelled or peeled; 0803 – Bananas, including plantains, fresh or dried; 0804 – Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried; 0805 – Citrus fruit, fresh or dried; 0806 – Grapes, fresh or dried; 0807 – Melons (including watermelons) and papaws (papayas), fresh; 0808 – Apples, pears and quinces, fresh; 0809 – Apricots, cherries, peaches (including nectarines), plums and sloes, fresh; 0810 – Other fruit, fresh (strawberries, raspberries, blackberries, mulberries and loganberries, black-, white- or redcurrants and gooseberries, cranberries, bilberries and other fruit of the genus *Vaccinium*, kiwifruit, etc.); 0811 – Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter.

Source: <https://trendeconomy.com>; http://taric3.customs.ro:9080/taric/web/main_EN.

Figure 4. Structure of fruit imports of the EU, 2021.

4.3. ROMANIA'S FRUIT TRADE

The share of Romania's exports for group 08 in total EU exports was 2.1% in 2010 and decreased to 1.7% in 2021. In contrast, from a percentage of 1.4% in imports in 2010, in the year 2021 Romania's imports represented 3.9% of the value of fruit imports of the EU.

The value of exports of the commodity group 08 "Edible fruit and nuts; peel of citrus fruit or melons) from Romania totalled 116 million USD in 2021. The

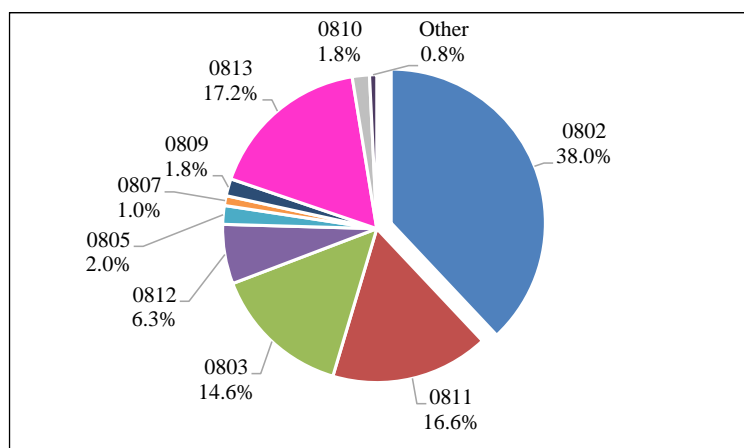
exports of the commodity group 08 from Romania increased by 38.83 million USD or by 49.73% compared to 2010 and much more sharply in the last analysed year, respectively by 25.36 million USD or by 27.71% compared to 2020.

The value of imports of the commodity group 08 in Romania totalled 905 million USD in 2021. The sales of the commodity group 08 in Romania increased by 675.14 million USD or by 292.97% compared to 2010. Compared to 2020, the increase amounted to 104.16 million USD or 12.9%.

In the year 2021, the trade deficit increased 4.7 times compared to 2010, from 152.37 million USD to 709.89 million USD. In the year 2010, the degree of import coverage by exports was 34%, while in the year 2021 it was only 13%.

Structure of exports and imports (group 08) – Romania

Almost 70% of exports are represented by three fruit subgroups: 0802 – other nuts, fresh or dried, whether or not shelled or peeled, 0811 – Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter, and 0803 – bananas, fresh or dried (Figure 5).

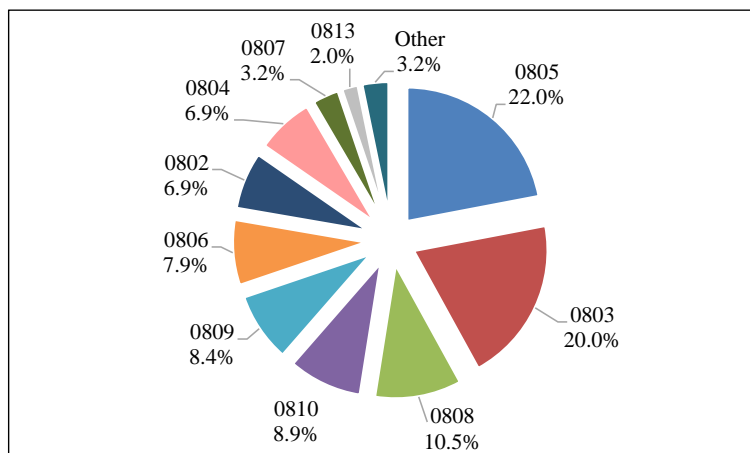


Notes: see Figures 3 and 4.

Source: <https://trendeconomy.com>; http://taric3.customs.ro:9080/taric/web/main_EN.

Figure 5. Structure of fruit exports (group 08) of Romania, 2021.

Over 50% of imports are represented by subgroups 0805 – citrus fruit, fresh or dried, 0803 – bananas, fresh or dried, and 0808 – apples, pears and quinces, fresh (Figure 6).



Notes: see Figures 3 and 4.

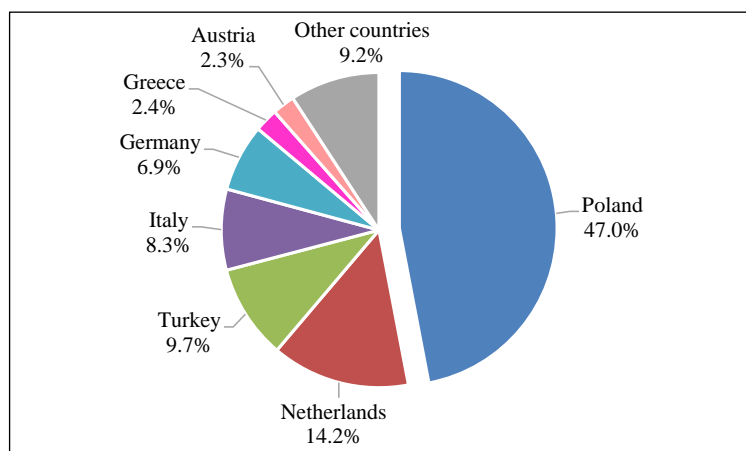
Source: <https://trendeconomy.com>; http://taric3.customs.ro:9080/taric/web/main_EN.

Figure 6. Structure of fruit imports (group 08) of Romania, 2021.

Trade in indigenous fruits is of interest, so the analysis will focus on the commodity group 0808 – apples, pears and quinces, fresh, which represent the third major group of products in total fruit imports, next to citrus fruits and bananas.

Despite favourable conditions, Romania's exports are in a drastic decline for the commodity group 0808 – apples, pears and quinces, fresh. The value of exports totalled 514 thousand USD in 2021, down by 92% or by 6,023,350 USD compared to 2010, and by 745,821 (59%) compared to 2020. In total group, 35% (182 thousand USD) represents subgroup 080810 – fresh apples.

The value of imports of commodity group 0808 – apples, pears and quinces, fresh, in Romania, totalled 95 million USD in 2021. The increase of imports by 321% compared to 2010 or by 72,958,557 USD in value terms, reveals that Romania is increasingly dependent on foreign markets to meet its domestic demand. Compared to the year 2020, in 2021 imports decreased by 1.92% (-1,879,871 USD). The imports of fresh apples (080810) in total group 0808 represent 65% (62 million USD). In 2021, trade deficit increased 5.9 times compared to 2010, from 16.1 million USD in 2010 to 95.15 million USD. The main supplier for group 0808 – apples, pears and quinces, fresh, in 2021, was Poland, with 47% of imports (Figure 7).



Source: <https://trendeconomy.com>.

Figure 7. Main markets of origin for apples, pears and quinces, 2021.

5. CONCLUSIONS

Given that the European countries do not have suitable climate conditions for growing tropical fruits, they depend on imports.

Import dependence is strongest for dried fruit and edible nuts. Trade development show an increase in the degree of import coverage by exports, from 22% in 2010 to 29% in 2021.

In time, Romania has become increasingly dependent on imports, with trade deficit increasing 4.7 times compared to 2010. Imports mainly consist of citrus fruit, fresh or dried, bananas and apples, pears and quinces, fresh. Although apples, pears and quinces have optimum conditions to be cultivated in our country, these rank third as importance in total fruit imports, next to citrus fruits and bananas. Romania's exports are in drastic decline for apples, pears and quinces, fresh, by 92% in 2021 compared to 2010.

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