

THE COMPETITIVENESS OF THE AGRIFOOD SECTOR
FROM THE REPUBLIC OF MOLDOVA IN THE FIELD
OF ALIMENTARY PRODUCTS OF PLANT AND ANIMAL ORIGIN

**Elena SCERBACOV¹, PhD, University Lecturer,
The State Agrarian University of Moldova**

Competitiveness is a category that expresses the economic, technical, scientific, production, managerial, organizational, marketing, etc. possibilities of an enterprise, branch, country's economy, which is focused on goods and services, both on the domestic markets and on external ones. This work aims to analyze the competitiveness of the agrifood sector of the Republic of Moldova through the prism of trade with food products of vegetable and animal origin. In the investigation process there were used methods of analysis, synthesis and comparison, and the informational base constituted recent works from the field as well as statistical reports of the NBS. The obtained results show that the fruits and nuts, cereals, oilseeds and oleaginous fruits predominate in Moldovan export of food products of vegetable origin. The reduction in the import of the food products of animal origin during the analyzed period is explained by the fact that the livestock sector has suffered from droughts from the recent years and many farmers have had to sacrifice a part of cattle and poultry livestock.

Keywords: competitiveness, trade, agrifood sector, export, import, alimentary products.

Competitivitatea este o categorie care exprimă posibilitățile economice, tehnico-științifice, de producție, manageriale, organizatorice, de marketing etc. ale unei întreprinderi, ramuri, economii a țării, care se concretizează în mărfuri și servicii, atât pe piețele interne, cât și pe cele externe. Studiul are drept scop analiza competitivității sectorului agroalimentar al Republicii Moldova prin prisma comerțului cu produse alimentare de origine vegetală și animalieră. În procesul investigației au fost utilizate metodele analizei, sintezei și comparației, iar baza informațională a constituit-o lucrările recente din domeniu, precum și rapoartele statistice ale BNS. Rezultatele obținute arată că în exportul Republicii Moldova de produse alimentare de origine vegetală predomină fructele și nucile, cerealele, semințele și fructele oleaginoase. Reducerea importului de produse alimentare de origine animală în perioada analizată se explică prin faptul că sectorul zootehnic a suferit de pe urma secetelor din ultimii ani și mulți fermieri au fost nevoiți să sacrifice o parte din șeptelul de animale și păsări.

Cuvinte-cheie: competitivitate, comerț, sector agroalimentar, export, import, produse alimentare.

Конкурентоспособность является категорией, которая выражает экономические, научно-технические, производственные, управленческие, организационные, маркетинговые и т.д. возможности предприятия, отрасли, экономики страны, которая находит свое отражение в товарах и услугах, как на внутреннем, так и внешнем рынке. Целью данной работы является анализ конкурентоспособности агропродовольственного сектора Республики Молдова с точки зрения торговли пищевыми продуктами растительного и животного происхождения. В процессе исследования были использованы методы анализа, синтеза и сравнения, а информационную базу составили последние работы в данной области, а также статистические отчёты НБС. Полученные результаты показывают, что в экспорте пищевых продуктов растительного происхождения Республики Молдова преобладают фрукты и орехи, зерновые, масличные семена и плоды. Уменьшение импорта пищевых продуктов животного происхождения в течение анализируемого периода объясняется тем, что в последние годы сектор животноводства пострадал от засух и многие фермеры были вынуждены забить часть поголовья скота и птиц.

Ключевые слова: конкурентоспособность, торговля, агропродовольственный сектор, экспорт, импорт, пищевые продукты.

JEL Classification: F11, L66, Q18.
UDC: 338.439.5:339.137.2](478)

¹ © Elena SCERBACOV, elena_condrea5@yahoo.com

Introduction. In a functional economy, the allocation and the use of resources is based on competitiveness criteria, in a transparent economic framework dominated by market forces. The idea that we want to promote can be summarized in a few words: in a world of increasing interdependences, competitiveness is the motor of development and economic growth.

A lot of arguments plead for the study of the competitiveness:

- the globalization trends, the fortification of integration processes, as well as the food system's current global crisis determine the necessity of increasing the production competitiveness of the national agroindustrial complex;

- in the conditions of the open economy, high production competitiveness allows selling of the production on the global markets, this fact permits the entry of foreign currency and, as a result, obtaining a positive trade balance;

- on the global food markets the orientation towards quality is growing.

The first conceptual delimitations of competitiveness were stated by economists, but over time, managers, businessmen and marketing specialists brought substantial amendments to classical approaches which have exacerbated the number of "definitions" of this phenomenon. The intensity of supporting the competitiveness importance in policies's analysis and design at micro and macroeconomic level fluctuated in time, there existed pros and cons related to the importance of this issue, as well as divergent views regarding the approach to this subject.

In their researches, our scientists define competitiveness as a complex economic phenomenon that is specific to the contemporary economy, which has a special importance both in the creation and added value distribution process within the national economic system, as well as in the efficient integration process of the Republic of Moldova into the international economic circuit. They also pay a particular attention to the defining characteristics of the competitiveness, they highlight the determinant competitiveness factors and determine the interactions between the competitiveness concept of the national economy with other economic and social life concepts and fields (economic growth and development, sustainable development, productivity, globalization, national and economic security etc.). National economic competitiveness is a priority research field in the following scientists's works: Bajura T., Burlacu N., Cimpoeș D., Clipa V., Cotelnic A., Fala A., Gumeniuc I., Ionita I., Litvin A., Smîc A., Stratan A., Timofte E., Turcanu P. ș. a.

According to the World Bank, competitiveness "cumulates the elements that confer a superior positioning to an economic entity compared to its competitors" [5, p. 41].

In the opinion of Ovidiu Nicolescu and Dumitru Zaiț, competitiveness is "capacity, trait or characteristic of a system- firm, branch, national economy etc. - to obtain, in economic, scientific, technical, technological etc. fields, superior results in competition with similar systems at the international or national level [3, p.23].

The factor of competitiveness is a direct reason whose presence is necessary and sufficient to change one or more criteria of competitiveness [7, p. 16].

At the country level, the notion of competitiveness gets more complex significances. The final goal for a country is to increase the life and the welfare of its citizens [1, p. 37].

In terms of microeconomics, competitiveness can be defined as "the capacity of a microeconomic entity (unit, company, etc.) to gain or defend a market segment". The definition can be extended at the macrolevel, "the capacity of a macroeconomic structure to gain or defend parts of foreign and domestic markets" or, in other words, "the capacity of a country to expand its exports and to defend and limit its imports" [2, p. 244].

The firm's competitiveness is the firm's possibility to produce competitive production, as well as to have advantages over another firm from the same branch, from the country or abroad.

According to Cefîrkina N., the firm's competitiveness management consists in adopting a series of managerial decisions aimed at the elimination of external factors' action and leadership exercising in accordance with strategic goals [8, p. 6].

The manager's competitiveness represents the advantage of this manager compared with another manager, which is characterized by the possibility to elaborate the respective unit's competitiveness insurance system, to manage the team, in order to achieve the system's purpose. The requirements for a manager are: knowledge and use of modern research methods and the elaboration of the methods teams creation, of labor organization and motivation, of health improving and the culture level increasing.

Competitiveness, as many economists say, becomes a hot topic in the context of globalization, not only as a result of the progress achieved in its conceptualization (by including competitive advantages), but also of the transformations occurred in relational systems between national economies [6, p. 23].

Commercial integration is influenced both by qualitative factors and conditions, and by the quantifiable elements and processes. In addition, the performance in continuous transformation of the agrifood sectors, reflected by levels of productivity and competitiveness, determines their role in the economy they belong to, as well as the results of participation on foreign markets [4, p. 146].

Materials and methods. The quantitative analysis is performed based on the data selected and processed by the author. As data and information sources, there were used the official statistics. Preference was given to the analysis and synthesis method with application of comparison elements.

Results and discussions. The agriculture from the European Union operates in an extremely competitive environment if we consider the agricultural markets from new emerging countries, and if we consider the fact that the world economy is more and more integrated, and the global trade is more and more liberalized [4, p. 182].

The export of agricultural production and food products of vegetable origin is shown in the following figure.

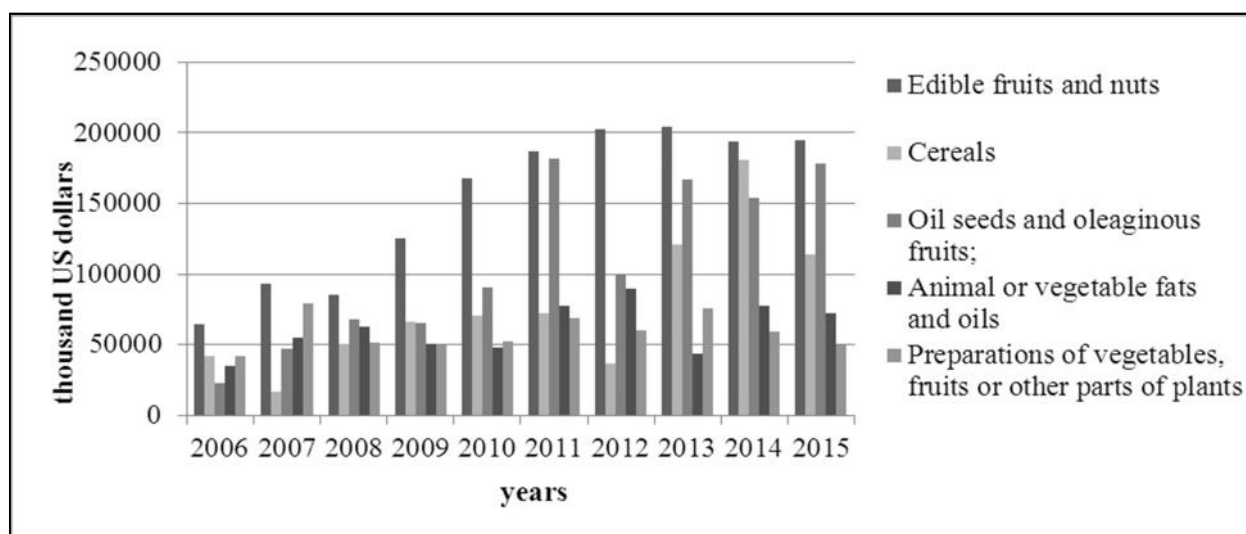


Figure 1. The export of agricultural production and food products of vegetable origin, thousand US dollars

Source: Elaborated by the author based [10].

In 2015 compared to the years 2006, 2007 and 2008 the amount of receipts obtained from the export of fruits and nuts increased respectively by 130078,1; 101824,2 and 109282,7 thousand US dollars in absolute value or by 3,01; 2,09 and 2,28 times, and compared to the years 2009, 2010, 2011 and 2014 it increased respectively by 69230,1; 27034; 7698,8 and 645,9 thousand US dollars in absolute value or by 55,19; 16,13; 4,12 and 0,33 p.p. in relative size. This growth was due to the increase of bearing surfaces of fruit plantations, and of the average yield per hectare.

Cash receipts from cereals export have significantly increased this year compared to years 2006, 2007, 2008 and 2012 respectively with 71847,6; 96709,8; 63596,8 and 77352,3 thousand US dollars in absolute value or by 2,71; 6,64; 2,27 and 3,12 times, and compared to years 2009, 2010 and 2011 they have increased with 47382,9; 42875,4 and 41907,7 thousand US dollars in absolute value or by 71,28; 60,4 and 58,24 p.p. in relative size. In 2015 compared to years 2006, 2007, 2008 and 2009 the export of oilseeds and oleaginous fruits in value expression increased respectively by 155536,3; 130986,9; 109991,2 and 112493,2 thousand US dollars in absolute value or by 7,87; 3,78; 2,61 and 2,71 times, and compared to years 2010, 2012, 2013 and 2014 it increased by 87809,5; 78294,4; 11548,3 and 23971,5 thousand US dollars in absolute value or by 97,16; 78,38; 6,93 and 15,54 p.p. in relative size.

The amount of receipts from exports of animal or vegetable fats and oils increased in 2015 compared to years 2006, 2007 and 2008 respectively with 37155,3; 16749,7 and 9122,2 thousand US dollars in absolute value or by 2,07 times and by 30,31 and 14,5 p.p. in relative size, and compared with years 2009, 2010 and 2013 it increased with 21303,8; 24428,2 and 27972,4 in absolute value or by 42,01; 51,34 and 63,52 p.p. in relative size.

Cash receipts from the export of the products of vegetables, fruits or other parts of plants decreased in 2015 compared to 2007, 2008, 2009 and 2010 respectively with 29597,5; 1517,4; 233,5 and 2391,3 thousand

US dollars in absolute value or by 37,24; 2,95; 0,47 and 4,57 p.p. in relative size, and compared to years 2011, 2012, 2013 and 2014 they decreased with 18885,4; 10488,6; 26185,1 and 9782,1 thousand US dollars in absolute value or by 27,46; 17,37; 34,42 and 16,40 p.p. in relative size. So in the Republic of Moldova's export of alimentary products of vegetable origin fruits and nuts, cereals, oilseeds and oleaginous fruits predominate.

The export of production of animal origin in value expression is shown in the following figure.

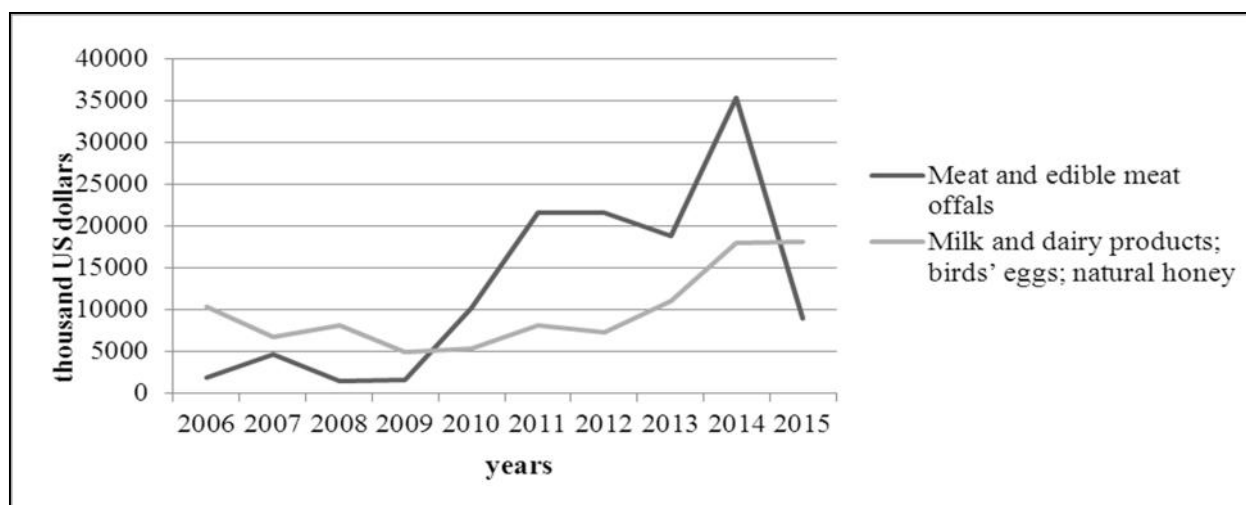


Figure 2. The export of production of animal origin, thousand US dollars

Source: Elaborated by the author based [10].

Analyzing the data of the above graph we can say that the cash receipts from the export of meat and edible offals increased in 2015 compared to the years 2006, 2007, 2008 and 2009 respectively with 7051,9; 4282,1; 7511,3 and 7367,9 thousand US dollars in absolute value or by 4,85 times; by 93,03 p.p.; by 6,47 and 5,86 times, and compared to the years 2010, 2011, 2012, 2013 and 2014 they reduced respectively with 1342,6; 12663,2; 12666,9; 9885,7 and 26411,8 thousand US dollars in absolute value or by 13,13; 58,77; 58,77; 52,67 and 74,83 p.p. in relative size, the main cause of the decrease being the meat export restrictions imposed by Russia and Belarus. Mutton and lamb export from the Republic of Moldova significantly reduced because of the armed conflicts from Libya, Syria, Iraq and Yemen.

The export of milk and dairy products, birds' eggs and natural honey in value expression increased in 2015 compared to the years 2006, 2007, 2008, 2009 and 2010 respectively with 7732,1; 11469,9; 10001,3; 13157,1 and 12823,4 thousand US dollars in absolute value or by 74,52 p.p.; by 2,73; 2,23; 3,66 and 3,43 times, and compared to 2011, 2012, 2013 and 2014 it increased respectively with 10068,9; 10863,9; 7161,1 and 214 thousand US dollars in absolute value or by 2,25; 2,5 times and by 65,42 and 1.2 p.p. in relative size.

The data that reflect the import of production of vegetable origin is shown in the following figure.

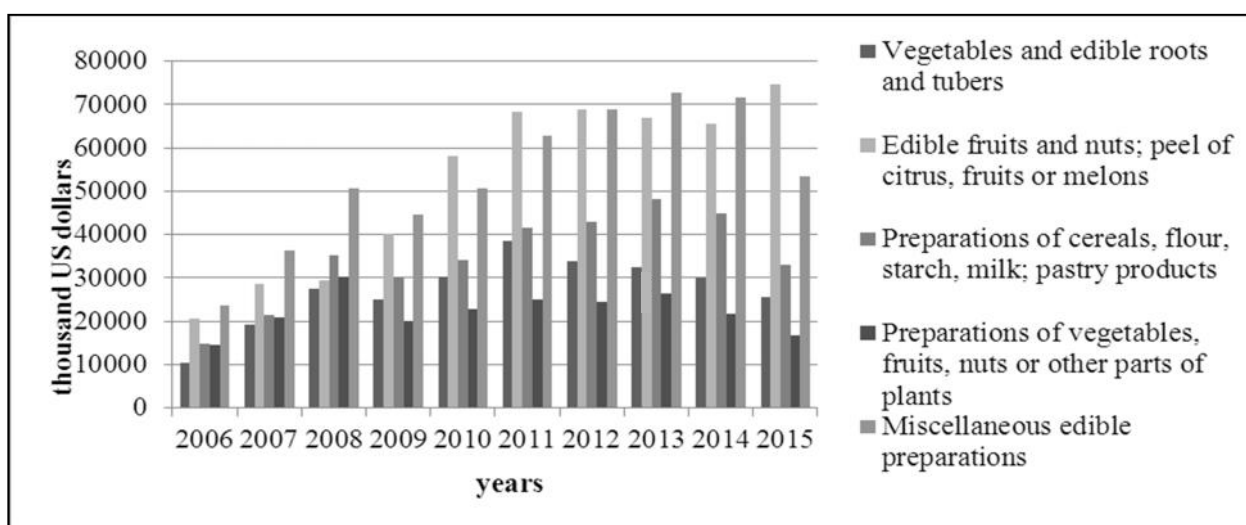


Figure 3. The import of production of vegetable origin, thousand US dollars

Source: Elaborated by the author based [10].

From the data of the above graph we can note that the import of vegetables and edible roots and tubers in value expression decreased in 2015 compared to 2008, 2010 and 2011 respectively with 1811,6; 4643,9 and 12964 thousand US dollars in absolute value or by 6,63; 15,39 and 33,68 p.p. in relative size, and compared to the years 2012, 2013 and 2014 the value of imported products decreased respectively with 8270,9; 6962,5 and 4492,5 thousand US dollars in absolute value or by 24,47; 21,43 and 14,96 p.p. in relative size.

As our country imports citrus and other fruits that compete with local products such as apples from Poland, the import of edible fruits and nuts, peel of citrus fruit or melons increased in 2015 compared to 2006, 2007, 2008, 2009 and 2010 respectively with 54119,7; 45948,9; 45073,5; 34346,6 and 16580,8 thousand US dollars in absolute value or by 3,64; 2,6 and 2,53 times and by 85,32 and 28,58 p.p. in relative size, and compared to the years 2011, 2012, 2013 and 2014 it increased respectively with 6154,3; 5868,4; 7553,4 and 9064,1 thousand US dollars in absolute value or by 8,99; 8,54; 11,27 and 13,83 p.p. in relative size.

In 2015 compared to 2008, 2010 and 2011 there were imported cereal products, flour products, starch products, milk products, pastry products less with 2113,9; 839,1 and 8439,9 thousand US dollars in absolute value or by 6,0; 2,47 and 20,31 p.p. in relative size, and compared to the years 2012, 2013 and 2014 – less with 9935; 14922,5 and 11681,7 thousand US dollars in absolute value or by 23,07; 31,06 and 26,07 p.p. in relative size.

The import of products of vegetables, fruit, nuts or other parts of plants in value expression was reduced in 2015 compared to 2007, 2008, 2009 and 2010 respectively with 4027,6; 13307,3; 3186,3 and 5902 thousand US dollars in absolute value or by 19,32; 44,17; 15,92 and 25,97 p.p. in relative size, and compared to the years 2011, 2012, 2013 and 2014 it decreased respectively with 8302; 7605,3; 9439,2 and 4969,6 thousand US dollars in absolute value or by 33,04; 31,13; 35,94 and 22,80 p.p. in relative size.

The import of miscellaneous edible products increased in 2015 compared to 2006, 2007, 2008, 2009 and 2010 respectively with 29827,9; 16944,1; 2694; 8818,5 and 2755,2 thousand US dollars in absolute value or by 2,27 times and by 46,53; 5,32; 19,80 and 5,44 p.p. in relative size, and in comparison with 2011, 2012, 2013 and 2014 it reduced respectively with 9425,9; 15375,5; 19245,4 and 18181,8 thousand US dollars in absolute value or by 15,01; 22,37; 26,51 and 25,41 p.p. in relative size.

In order to protect domestic producers from the competition of imported products, the responsible authorities should apply a system of taxes and/or non-tariff barriers (low quality, genetic modification, increased content of toxins, sharing etc.).

The import of production of animal origin is shown in the following figure.

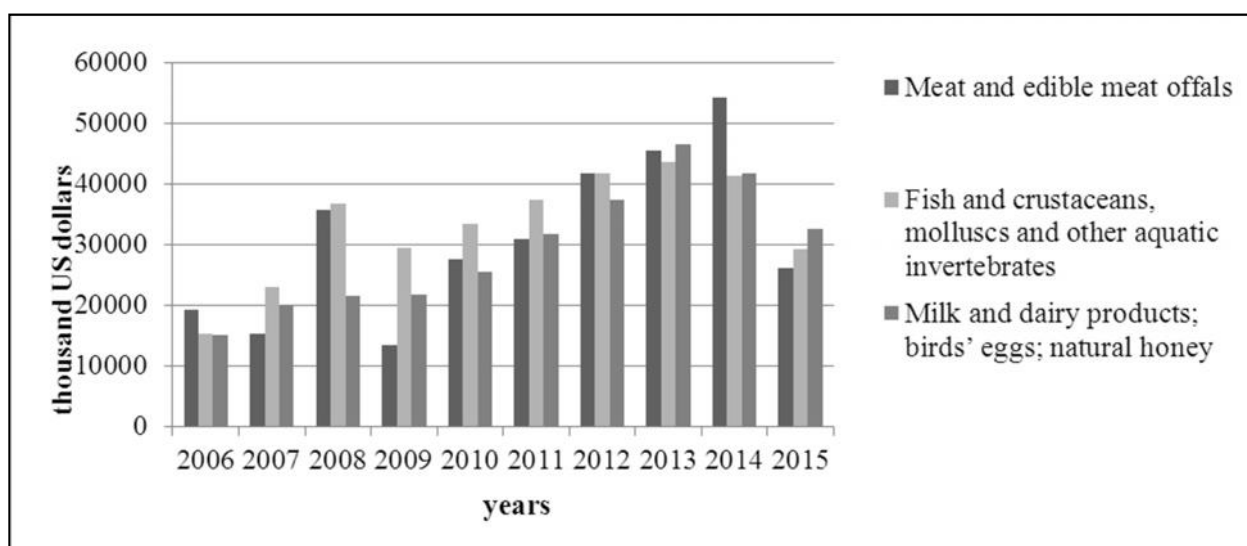


Figure 4. The import of production of animal origin, thousand US dollars

Source: Elaborated by the author based [10].

From the data of the graph we can see that the import of meat and edible offals in value expression decreased in 2015 compared to 2008, 2010 and 2011 respectively with 9455,9; 1419,5 and 4679,5 thousand US dollars in absolute value or by 26,56; 5,15 and 15,18 p.p. in relative size, and compared to

the years 2012, 2013 and 2014 it reduced respectively with 15624,7; 19424,7 and 28104,4 thousand US dollars in absolute value or by 37,41; 42,63 and 51,81 p.p. in relative size.

Also the import of fish and crustaceans, molluscs and other aquatic invertebrates reduced in 2015 compared to 2008, 2009, 2010 and 2011 respectively with 7447,4; 130,1; 4150,1 and 8152,1 thousand US dollars in absolute value or by 20,29; 0,44; 12,42 and 21,79 p.p. in relative size, and compared to the years 2012, 2013 and 2014 it reduced respectively with 12511,6; 14280,1 and 11970,9 thousand US dollars in absolute or by 29,96; 32,80 and 29,04 p.p. in relative size.

The import of milk and dairy products, birds' eggs and natural honey in value expression increased in 2015 compared to 2006, 2007, 2008, 2009, 2010 and 2011 respectively with 17323,7; 12672,2; 11021,7; 10771,1; 6899,2 and 727,7 thousand US dollars in absolute value or by 2,14 times and by 64,01; 51,39; 49,64; 26,98 and 2,29 p.p. in relative size, and compared to the years 2012, 2013 and 2014 it reduced respectively with 4930,3; 13993,9 and 9358,4 thousand US dollars in absolute value or by 13,18; 30,12 and 22,37 p.p. in relative size. Import reduction is explained by the fact that the livestock sector has suffered from droughts in recent years and many farmers have had to sacrifice a part of their cattle and poultry livestock.

Conclusions. In the Republic of Moldova's export of alimentary products of vegetable origin fruits and nuts, cereals, oilseeds and oleaginous fruits predominate. The amount of receipts from export of fruits and nuts grew in the analyzed period due to the increase of bearing surfaces of fruit plantations and of the average yield per hectare. The export of mutton and lamb from the Republic of Moldova reduced significantly because of the armed conflicts from Libya, Syria, Iraq and Yemen. The export of milk and dairy products, birds' eggs and natural honey in value expression increased in 2015 compared to 2006-2014, which confirms the increase of the competitiveness level of these products.

The import of edible fruits and nuts, peel of citrus or melons increased in 2015 compared to 2006, 2007, 2008, 2009 and 2010 because our country imports citrus and other fruits that compete with domestic products, such as apples from Poland. The reduction in import of milk and dairy products, birds' eggs and natural honey is explained by the fact that the livestock sector has suffered from droughts in recent years and many farmers have had to sacrifice a part of their cattle and poultry livestock.

In order to unblock and increase the exported products volume it is necessary to streamline the negotiation process between the Republic of Moldova and the Russian Federation, to intensify the efforts of economic diplomacy.

On the other hand, in order to intensify the goods export in the European Union, there are required the measures related to the improvement of the quality infrastructure, to the modernization of local production processes and to wider products promotion.

Proposals

1. Agriculture, unlike the other sectors, needs government incentives, financial support policies. Also, it is recommended to the responsible authorities, as far as the WTO rules allow, to protect the domestic market from cheap, but of poor quality, imports, through an import taxes system and/or non-tariff barriers (low quality, genetic modifications, increased toxins content etc.).

2. The benefits of favorable climatic conditions (except the drought years) are not distributed uniformly throughout the agricultural sector. Thus, due to the significant increase of various agricultural products offer at local and regional level, the small producers have to face too low selling prices that undermine their profitability. Therefore, a special emphasis will be placed on the consolidation of small agricultural producers's bargaining power against intermediaries.

3. Annual approval of new regulations on subsidies creates instability among producers and decreases their interest to invest. Therefore, we recommend improving the legal framework in order to adopt subsidizing regulations for a period of five years, which will give the possibility to plan subsidies, to ensure the production process continuity and to recover investments promptly. All sub-branches of agriculture should benefit subsidies annually and not just those that have achieved low results in previous years.

4. Increasing the agricultural competitiveness is achieved by the elaboration and transfer of innovation technologies, but also in the complex with the rural area development. Consequently, it is recommended streamlining the organizational structure of the Agency for Interventions and Payments in Agriculture by creating a Directorate responsible for financing rural development projects: sewerage, aqueduct, bridges and roadways, small farms for agricultural raw materials processing (soy processing, fruit juices production lines, frozen potato production line etc.), as well as financing the projects in the bio-energy

production field. This fact will contribute to the increase of the agricultural production added value.

5. In the conditions of EU Association Agreement, ensuring the agricultural producers success consists in their association. Therefore, the Ministry of Agriculture and Food Industry should stimulate and promote more insistently the producer groups creation policy, which will give them the possibility to plan, to adjust their production according to the market requirements, to obtain subsidies from the government or european funds, but also to sell their production at higher prices.

6. Having analyzed the impact of the policies and of the main factors that influence the agrifood sector competitiveness, we recommend to the Ministry of Agriculture and Food Industry the use of the block of general and secondary indicators in order to assess annually the agrifood sector competitiveness progress.

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Recommended for publication: 12.05.2017