

Competitiveness of Romanian wine sector in the context of accession to the EU

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Structure

- General presentation of the Romanian wine sector
- Area, production, consumption, foreign trade, competitiveness
- Conclusions



Romania – a wine growing country

- In Europe:
 - 5th place – area under vine,
 - 6th place – grape production,
 - 6th place – wine production
- The area under vine has a share of 1,4% out of the utilised agricultural area
- Vine growing and wine making represent about 14% out of the vegetal production value
- Over 1 million from the rural population get incomes from the vine growing sector

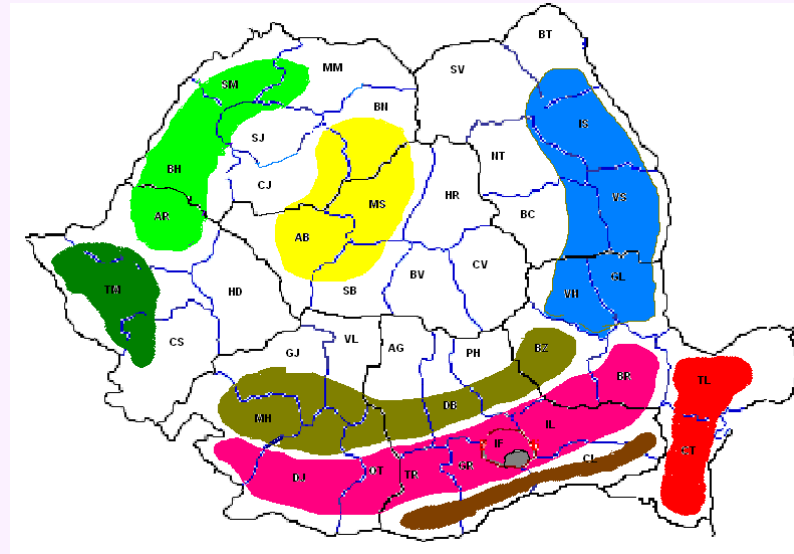


Area under vine, production, consumption

- Total area under vine (2005) – 190.6 thousand ha (93% wine grapes, 7% table grapes)
- Average grape production – about 1 mil tons/year
- Average wine production (2000-2005) – about 5.2 mil hl/year (52% white, 6.5% rosé, 41.5% red)
- Internal consumption – 26.6 l/cap/year (2004)
– 17.5 l/cap/year (2005)



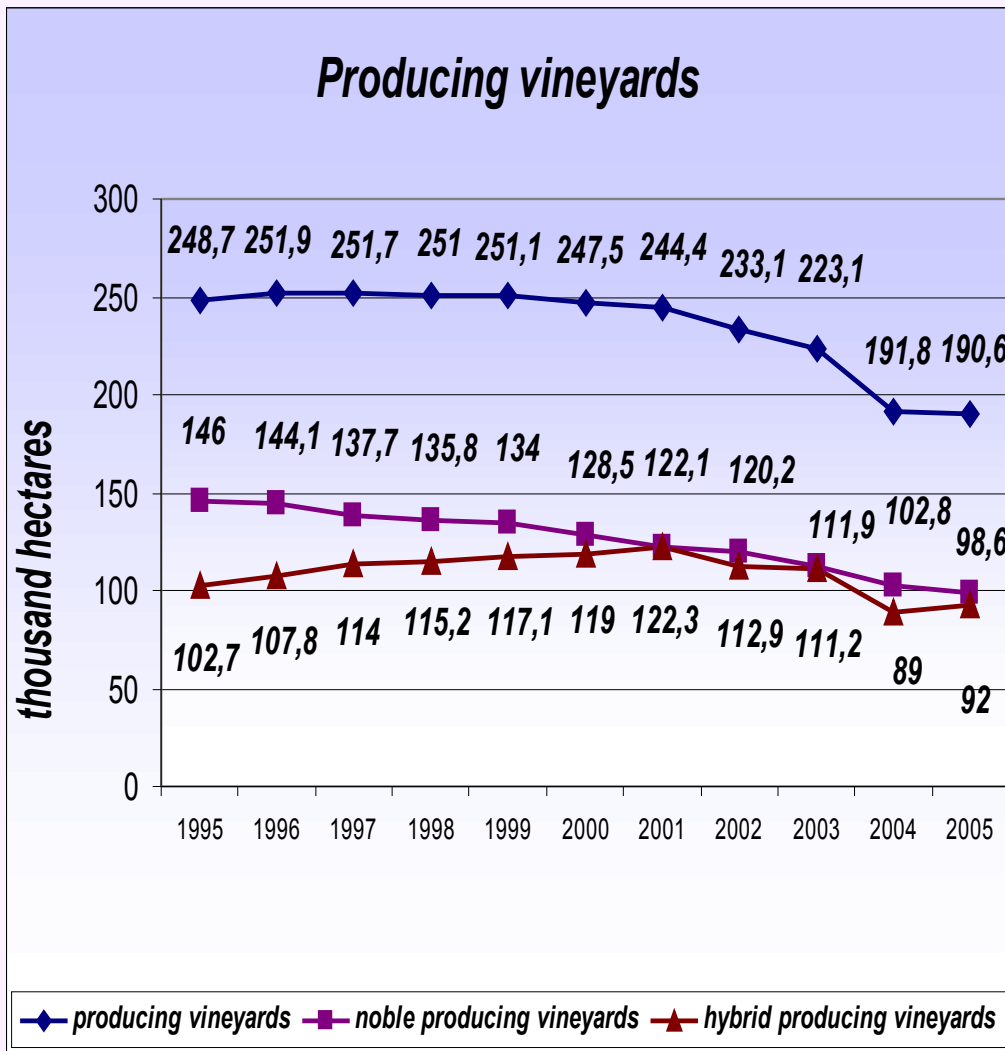
Wine growing regions



Transylvania plateau *Moldova hills* *Muntenia and Oltenia hills*
Banat *Crisana and Maramures* *Dobrogea Hillocks* *Danube*
terraces *Sands and other favorable lands in South*



Trend of the area under producing vineyards (1995-2005)



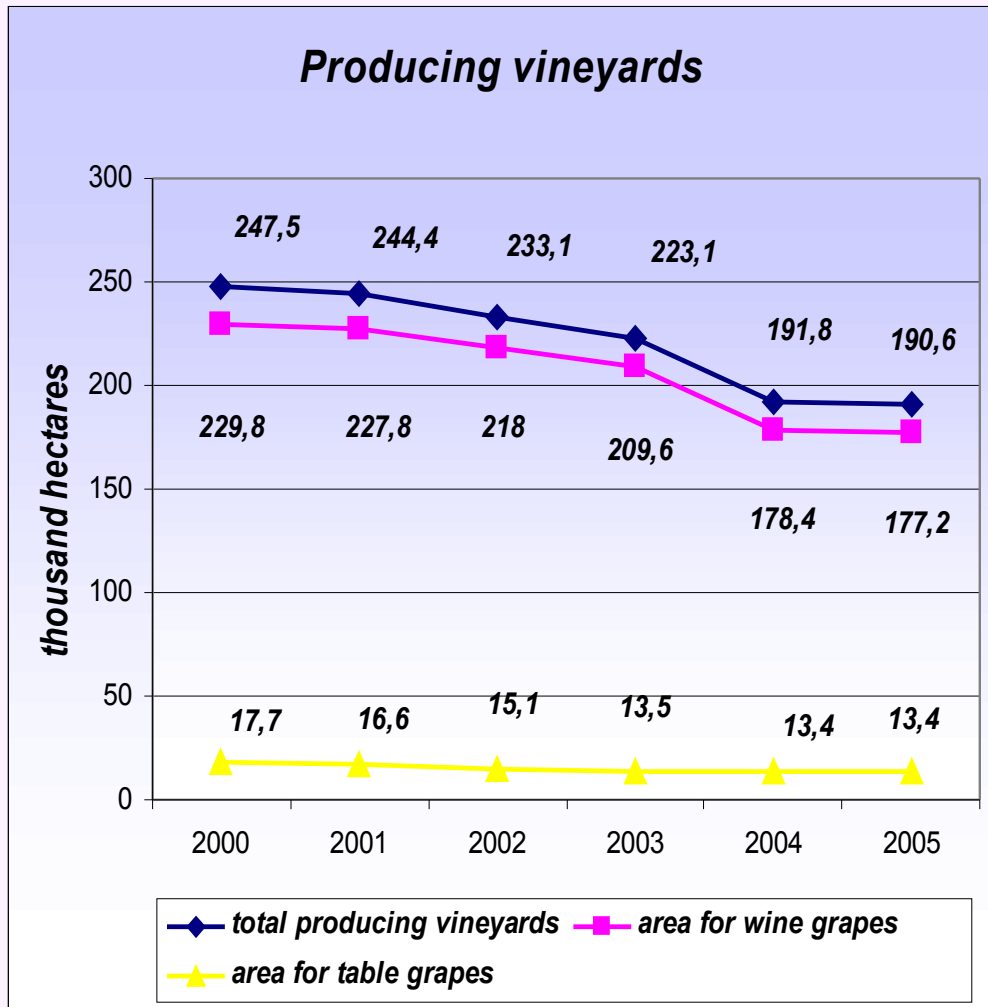
The vineyard area was rather stable until the beginning of 2000

By 2005 decreased to decrease to 190.6 thousand hectares

The area with hybrid vineyards increased (almost 50%) while the area with noble vineyards decreased continuously



Trend of the area under producing vineyards (2000-2005)

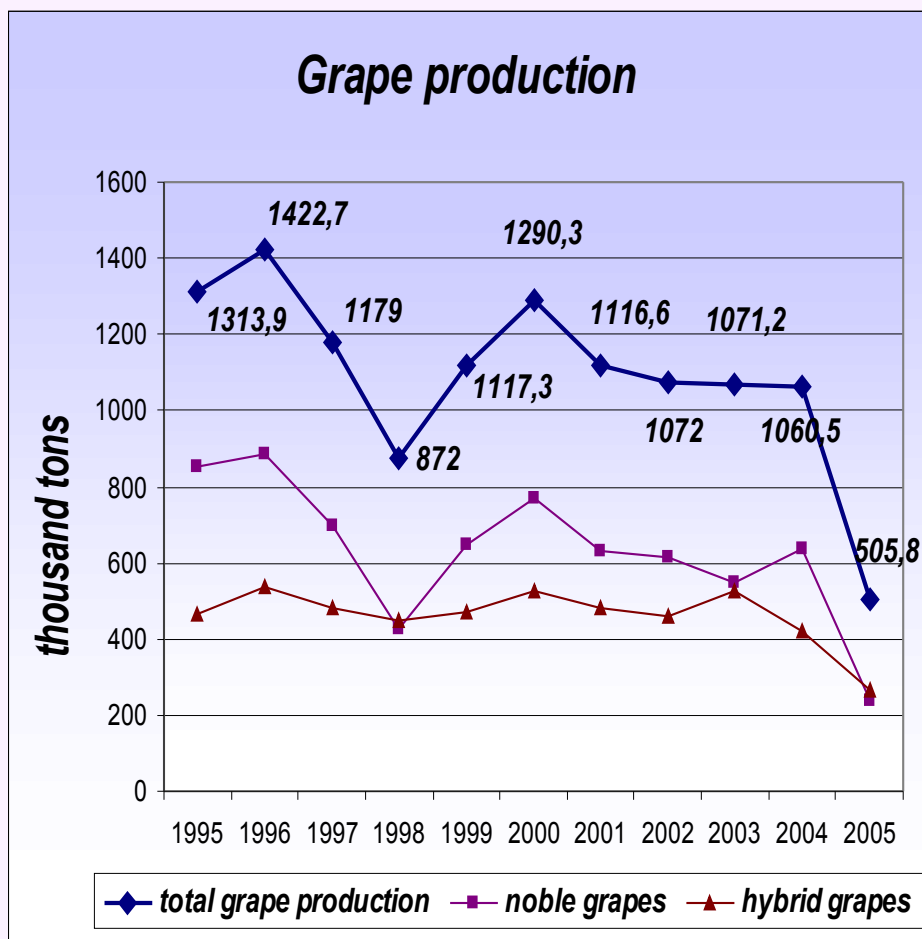


Over the six years there was a continuing fall in the recorded area of wine growing grapes.

By 2005 the area recorded dropped by 15% to 177.2 thousand hectares



Trend of the total grape production (2000-2005)



Due to unfavourable weather conditions a 52% decrease in wine production was recorded in 2005 in comparison with the previous year

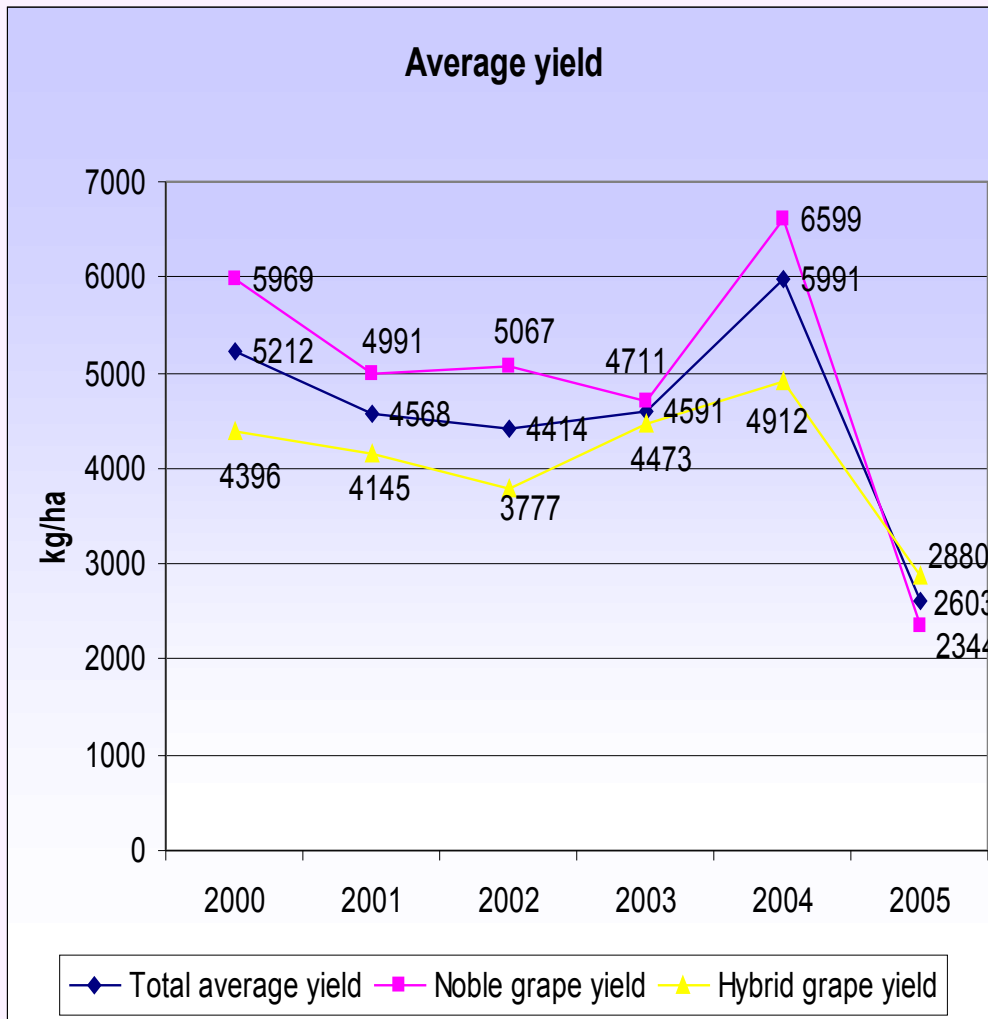
In 2005:

- Noble grape production was 240.7 thousand tons (48%)

- Hybrid grape production was 255.1 thousand tons, (52%)



Average yield (2000-2005)



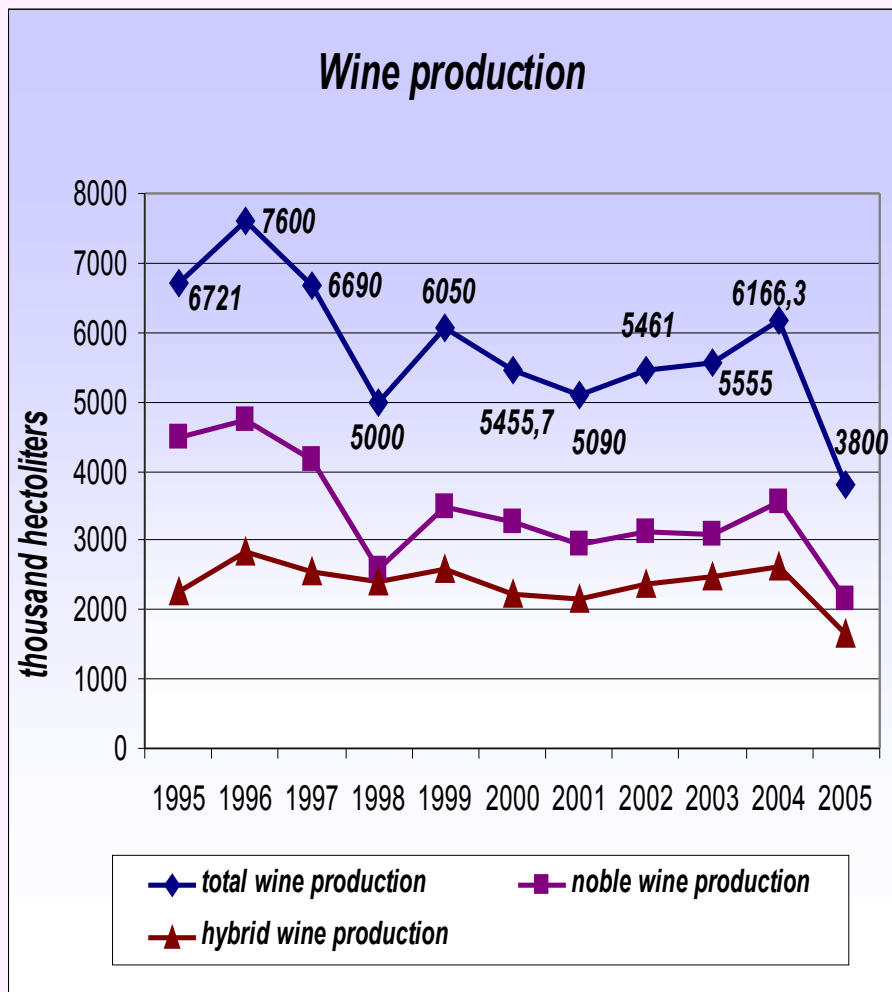
The noble grape yield per hectare is much below the EU average (7500-8000 kg/ha)

The low productivity is due to the:

- high share of hybrid vines
- lack of proper investments
- lack of adequate vine-growing technology
- old vine stock



Trend of the total wine production (1995-2005)



Wine output has averaged 5.2 million hectolitres (despite a continuing fall in the recorded area of wine growing grapes)

More than 40% of production is hybrid wine and is produced almost 100% in the individual agricultural exploitations

Structure of wine production:

- QWPSR wines less than 10%
- Wine with GI around 15-20%
- Table wines 65-70%



Wine Consumption

- More than 90% of Romanian wine is sold on the domestic market
- Preference for white wines (2/3rd of the noble wine growing area)
- In last years the share of wine consumption decreased in the total consumption of beverages due to price increase, consumers prefer to buy beer which is at a cheaper price (investments, adverts, increasing beer varieties)



Wine Export/Import (2004)

- Rising volume of exports in recent years, with a height in 2002 exceeding half a million hectolitres
- The value of net exports of wine has been around 20 million euro a year.
- **Export** Quantity - 375.8 thou hl
 Value - 21080.2 thou €
- **Import** Quantity - 10 thou hl
 Value - 2735 thou €
- **Main export destinations:** Germany, United Kingdom, Denmark, Slovakia, Czech Republic, Estonia, Japan, Canada, USA, Russian Federation, etc



Structure of production

Category of vineyard (ha)	Number of farms	%	Area (ha)	%
0.1 –100	1 124 494	99.92	171538.29	73.59
> 100	830	0,08	61561.71	26,41
TOTAL	1 125 324	100	233100	100

Source: General Agricultural Census 2002

- There are over 1.1 million farms growing wine grapes
- The vast majority has vineyard areas under 100 hectares, and is represented by the small and medium sized producers
- Much of their wine production is for their own consumption or selling in the informal markets
- On the more than 26% of the vineyard area there are 5-6 big producers, such as Murfatlar with more than 2 000 hectares, Jidvei with about 1 000 hectares
- The others have around 500 hectares or above



Conclusions

- Only on 1/3rd of the noble wine growing area is produced red wine, while the demand of the external market is with accent on red wines
- Around half of the wine-grape vineyards are planted with hybrid varieties
- Romania has requested a transition period of 8 years from EU Accession until the end of 2014 for 30 000 hectares hybrid vineyards to be restructured and replanted with approved varieties (this will add to the potential production)
 - ✂️ → 3750 hectares annually to be planted
- To improve the commercial performance of the industry the establishment of strong producer organisations coupled with an effective marketing structure is needed



Conclusions

The main objectives are to:

- Improve vineyards structure through planting domestic and foreign superior quality vines
- Improve the vine-growing technology to increase the productivity by hectare
- Improve wine-making techniques in order to increase the quality of wines produced in specified regions (QWPSR) and wines bearing a geographical indication (GI)
- Increase the share of quality wine production against table wines



Thank you for your
attention !