RESEARCH REGARDING THE CHANGES THAT HAPPENED ON THE ROMANIAN WINE MARKET DURING THE COVID-19 PANDEMIC PERIOD

ADAMOV TABITA[1], IANCU TIBERIU*[1], PEȚ ELENA[1], PÎRVULESCU LUMINIȚA[1], CIOLAC RAMONA[1], MĂNESCU CAMELIA[1]
[1]University of Life Sciences "King Mihai I" from Timisoara, Faculty of Management and Rural Tourism, Romania
*Corresponding author's e-mail: iancutiberiu10@gmail.com

Abstract: *Even though it is among the top ten European wine producers and the top 20 worldwide, in Romania, the wine culture is not as well developed as in countries such as Portugal, Italy and France, considered the largest consuming countries of wine, from the European Union. In addition, there is a differentiation between urban and rural preferences for wine consumption. Romania is one of the major wine producers, at the European level, ranking 6th, with a total production of 5.4 million hl in 2021, being on an upward trend in last years. The national wine market is in a continuous rise, being determined by a growing demand, supported by the health benefits of wine products. The quality of the wines and the way they are presented, the innovation of flavors and the new distribution networks, combined with the changes that occurred during the Covid-19 pandemic, impose new consumption models.*

Key words: *wine market, production, consumption, vineyard holdings*

INTRODUCTION

Over time, wine has become an important element in human culture and society, both at the national, European and world level. For centuries, wine has been part of national and European culture, being considered a refined product, which should be consumed moderately and appreciated according to its unique characteristics [9,11]. Romanian wine has its origins in the Daco-Roman period, and the French influence contributed to the development of the Romanian wine market by introducing new varieties such as Merlot, Chardonnay, or Cabernet Sauvignon. During the communist period, wine production in Romania decreased because of the decision to eliminate foreign grape varieties. Currently, the wine market in Romania is in continuous growth, education, wine tourism and the variety of events related to wine, held at the national level, leaving their mark on the consumption of wine among Romanians [8,10].

The wine market all over the world is extremely competitive, and the top Romanian brands have invested a lot in re-technology to reach a high-quality level, but they need promotion and facilitators to reach even further.

MATERIALS AND METHODS

This paper presents the main characteristics of the national wine market and the changes that occurred during the Covid-19 pandemic period. To carry out the study, statistical data, presented by different sources, were used.

RESEARCH RESULTS

The COVID-19 pandemic has had a major impact on the wine industry as a result of the forced closure of wineries in various countries to control the spread of the virus. Thus, after a difficult period, due to the Covid-19 pandemic, the international wine market seems to be relaunching, in 2021, with the lifting of sanitary restrictions, the value of exports reaching the highest level, 34.3 billion euros, increasing by 16 % compared to 2020, according to the World Organization of Vine and Wine (OIV).

At the national level, in 2020, the total area cultivated with vines totaled approximately 182,400 hectares (Eurostat), ranking 4th in the European Union, with a share of 5.7% from the total area cultivated with vines [1,4].

The total area cultivated with vines at the EU level is 3.2 million hectares, representing 2.0% of the agricultural area used. (OR). In 2020, the European vineyard area was exploited by 2.2 million vineyards, most of them, 83.3%, being smaller than 1 ha. Romania has at the EU level, the largest number of wine holdings, approximately 800,000, representing 37.9% from the total number of European wine holdings.

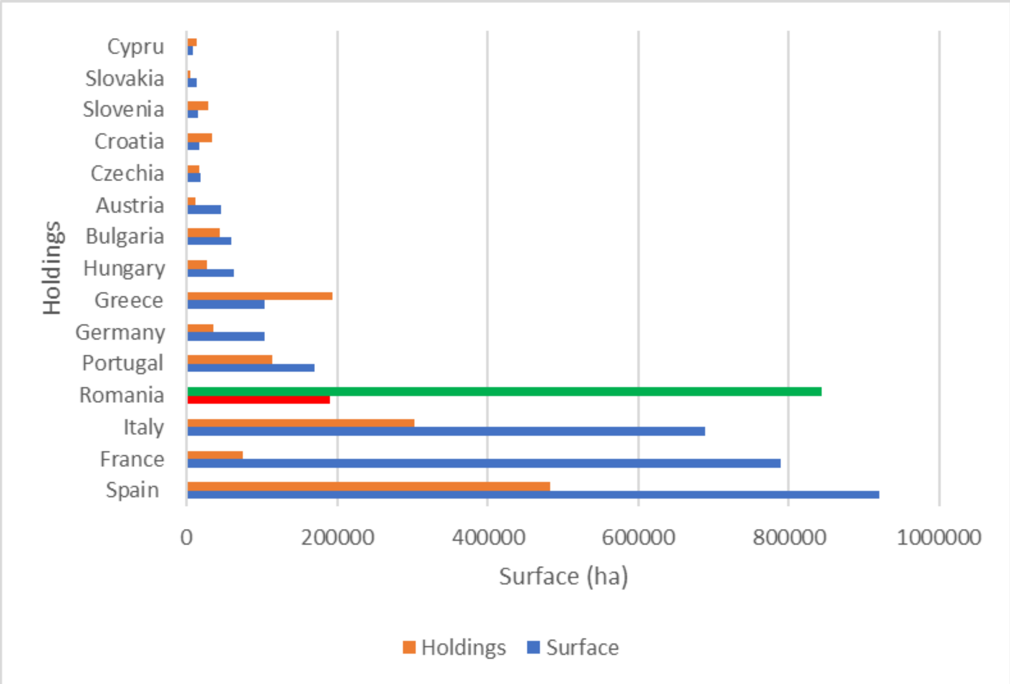

Figure 1. Vineyards in the European Union, 2020 [12]

At European level, vine plantations over 30 years old represent 36.7%, the remaining 44.6% being vines aged between 10 and 29 years. In Romania, most of the vine plantations, approximately 66%, are old, having more than 30 years. Thus, the investments made in the field, mostly European funds, in the last ten years, were intended for the reconversion of already existing vine plantations and not for the establishment of new plantations [5,7,14].

The largest part of the area occupied by vines, at the EU level, (82.4%) is intended to produce grapes for quality wine: wine with protected designation of origin (65.3% - 2.1 million ha) and wines with protected geographical indication (17.1% - 0.5 million ha). At the national level, on 27.9% of the total area of local vineyards, grapes are produced for top quality wines, the remaining 72.1% of the total area being intended to produce table wine.

The structure of the vineyard surface, at the level of the European Union, figure 2, indicates that the first three large European wine producers, Spain, France and Italy, occupy 74.9% of the total vineyard surface and own 38.7% of the total number of vineyards.

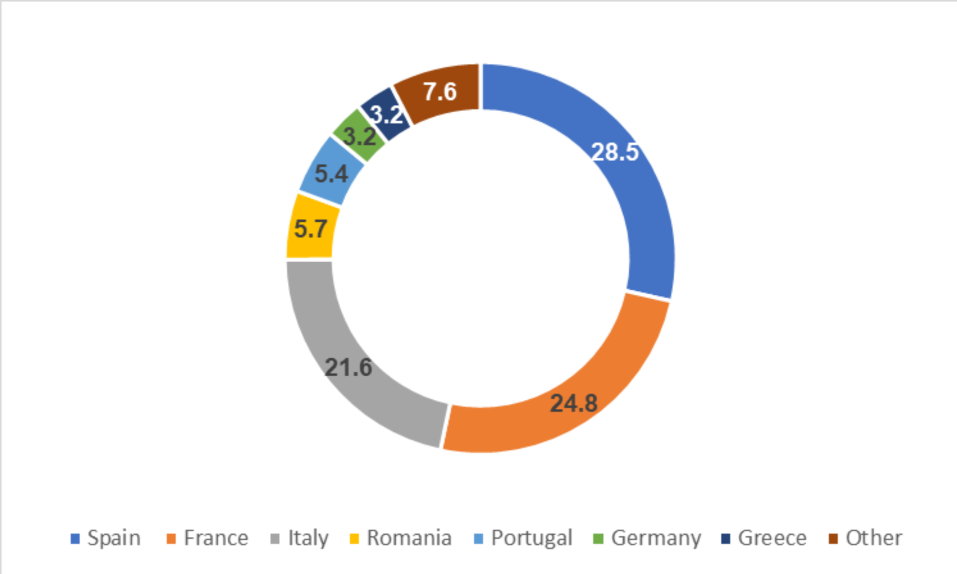

Figure 2. Share of EU area under vines [12]

With a few approximately 0.8 million wine holdings, Romania ranks first in the European Union, followed by Spain with 0.5 million, 0.3 million in Italy and 0.2 million in Greece.

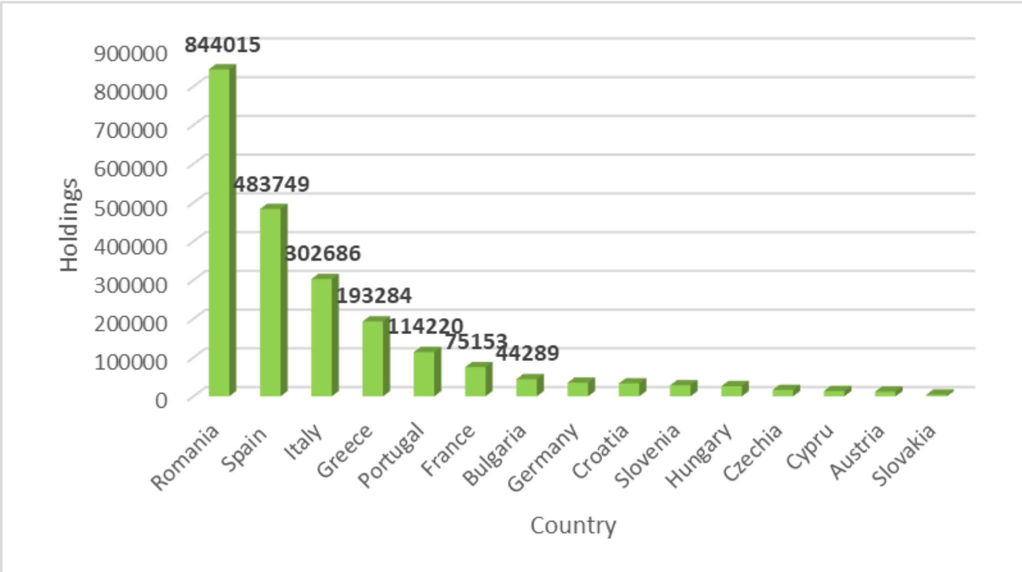

Figure 3. Vineyard holdings, 2020 [12]

In 2020, at the level of the European Union, vineyards had an average size of 1.4 ha, figure 4. The largest average size of a vineyard is recorded in France, 10.5 ha, having a double value, compared to the next average recorded in Luxembourg – 4.6 ha. At opposite pole, there are countries such as Croatia, Cyprus, Greece and Slovenia, with an average size of wine holdings of 0.5 ha and Romania, with the smallest value of 0.2 ha. The average size of 0.2 ha per farm, at the national level, confirms, once again, the traditional exploitation of the vineyard area.

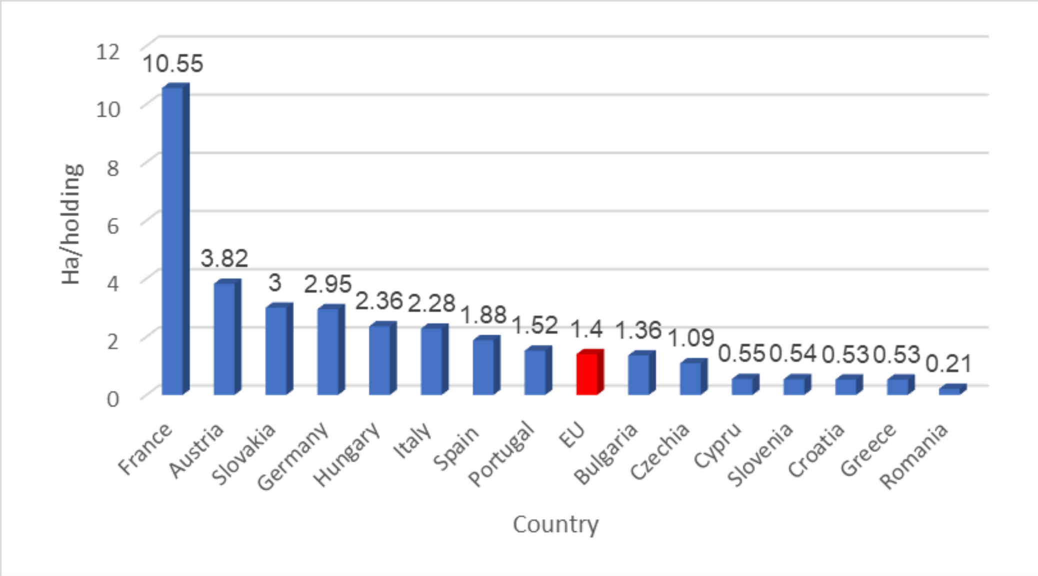

Figura 4. Average area of vineyards

The x-ray of the national wine market shows that Romania is one of the 15 largest wine producers in the world [2,6,13]. In 2021, Romania was the sixth largest wine producer in the European Union and the 11th worldwide.

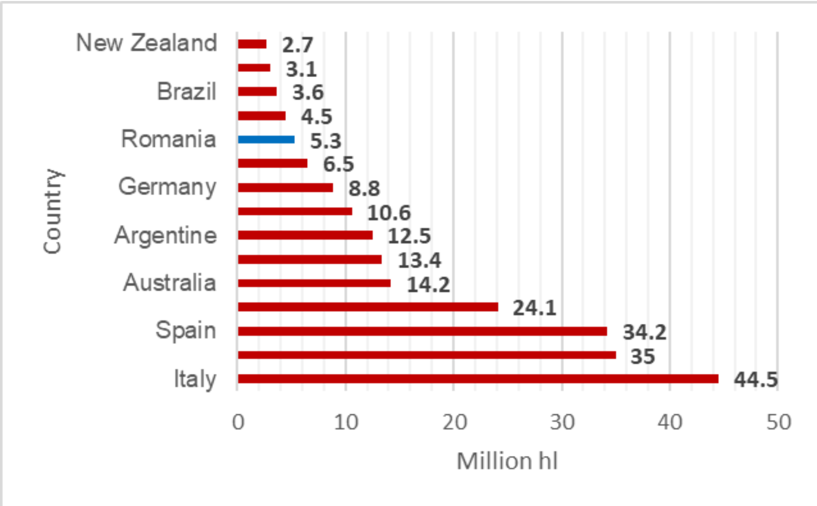

Figure 5. Worldwide wine production, 2021 [12,15]

At the level of 2021, world wine production, according to the OIV, remained relatively stable, recording a decrease of only 1%, (3 million hectoliters). For two of the largest wine producers in Europe, France and Spain, the year 2021 was noted for important decreases in wine production, France -19%, and Spain - 14%. In Romania, wine production experienced a significant increase of 16%, reaching the value of 4.5 million hectoliters, thus being, in 12th place, worldwide, with a production similar to that of Russia.

At the national level, wine production experienced a significant increase in 2021, being on average one third higher than the average of the last five years.

Figure 6. National wine production [16]

The largest amount of red and white wine at national level comes from the vineyards of the Moldova Hills, and the production of rosé wine is concentrated, mainly in the south and southwest of Romania, respectively in Muntania and Oltenia [16,18].

At the national level, there are seven wine-growing regions, comprising over 40 vineyards and over 160 wine-growing centers: Banata, Muntenia and Oltenia, Crisana and Maramures, Transylvania, Moldova, Dobrogea and the Danube terraces. These regions consist of around 40 vineyards and over 160 wine centers renowned for their products.

Regarding the large domestic wine producers, the market leader was, in 2021, Recas Vineyards, with a share of 11.6% of the total [12,15]. The ranking is completed by Jidvei Filiala Alba, with a market share of 8.4%, Cotnari - 8.2% of the total, Ceptura Vineyard - 7.2% and Zarea - 6.4%. The top 10 wine producers in Romania had a cumulative turnover of 983 million lei last year, which represented 57% from the national market.

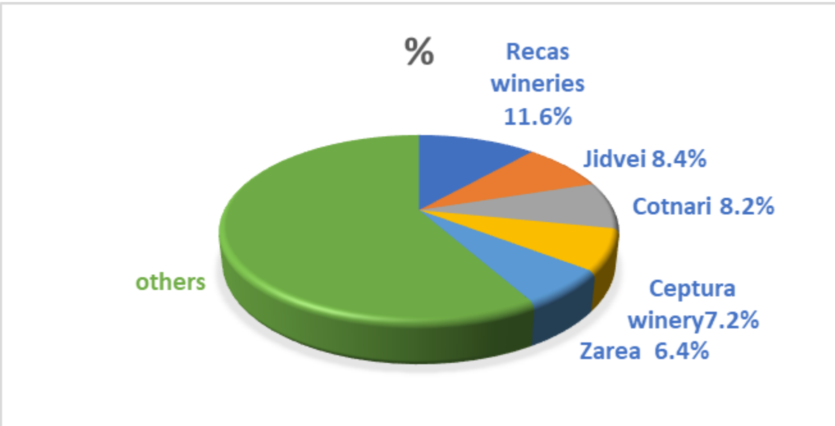

Figure 7. The market cote of national wine producers [18]

Domestic consumption covers almost all domestic production, worldwide, Romanian wine representing only 0.1% from total wine exports. Also, the value of wine imports is very low, only 0.2% of the world total, which indicates that Romanians prefer local wine. It is natural for a large wine-producing country to have a significant share of consumption represented by local wines.

Romania exports only 5% of the wines produced and imports 10-15% of the wines needed for consumption. The Romanian wine market will continue to grow and become more premium, and typical local varieties, such as Feteasca Neagra, will be more and more popular. With a 6th place in Europe and 11th in the world, Romania will have an increasingly significant presence on the world market, especially in the premium segment, where we are currently underrepresented.

Table 1.

Wine exports, worldwide, 2020

	Contry	Export (mil $)	Share in world exports (%)
1	France	10000	29.2
2	Italy	7200	21.1
3	Spain	3100	9
4	Australia	2100	6.2
5	Chile	1800	5.4
6	USA	1300	3.8
7	New Zealand	1300	3.8
8	Germany	1000	3
9	Portugal	968	2.8
10	Argentine	780	2.3
21	Republic of Moldova	135	0.4
33	Romania	35	0.1

Source: worldstopexport.com [17]

Even if it represents an important producer on the wine market, Romania does not have a high notoriety, in this field, at the world level, for autohnous products, being often associated with cheap, high-volume ones, which is not always true. In this sense, the wine industry imposes a common effort, with the aim of increasing the quality of Romanian wines both for export and on the domestic market, and at the same time creating strong brands at the international level

CONCLUSIONS

The current situation may cause a relaunch of the wine market. Wine production shows an increasing annual trend which, together with the increase in the quality and notoriety of local products, will determine a greater possibility of export.

Prizing the products is an important accelerator in the growth of the wine market. Major players from the global market are targeting the development of new flavored fortified wine ranges to meet changing consumer preferences. Consumers want to try new, unique and interesting assortments.

Another important characteristic of the wine market is the education of consumers' taste, many of whom are currently turning to higher quality wines, those with controlled designation of origin or controlled geographical indications. The exploitation of vineyards to European standards and the development of new varieties, adapted to the new demands of consumers, will propel Romanian wine to a favorable position, both nationally and internationally.

The pandemic has slightly changed the trend of recent years on the wine market. The increase in the average price that Romanians are willing to pay for the purchase of a bottle of wine and the orientation towards online distribution channels are just two of the most important changes in the consumer's routine from the last two years.

REFERENCES

[1]. ADAMOV T.C., IANCU T. 2019, Economia spațiului rural, Editura Agroprint, Timișoara

[2]. ALEXANDRI C., DAVIDOVICI I., GAVRILESCU D., 2004, Tratat de economia agriculturii, Editura Expert, Bucureşti

[3]. DAVIDOVICI I., 2002, Economia creşterii agroalimentare, Editura Expres, București

[4]. DONA I., 2015, Economie rurală, Editura Economică, București

[5]. IANCU T., 2007, Economie agrară, Editura Agroprint, Timișoara

[6]. OTIMAN P.I., MATEOC-SÎRB N., MĂNESCU C., 2013, Economie rurală, Editura Mirton, Timișoara

[7]. PEŢ E., 2004, Marketing agrar, Editura Marineasa, Timișoara

[8]. PÎRVUTOIU I., POPESCU A., 2013, Study concerning the E.U. position in the world wine production, Lucrări Științifice Management Agricol, vol. 15(1)

[9]. POPESCU A., 2006, Wine market in the E.U. countries, Annals of Craiova University, Series Biology, Horticulture, Tehchnology of Agricultural Products Processing, Environment Engineering in Agriculture, Vol.XI(XLVII)

[10]. POPESCU A., 2007, Romania's Wine Export, Annals of Craiova University, Series Biology, Horticulture, Tehchnology of Agricultural Products Processing, Environment Engineering in Agriculture, Vol. XII(XLVIII)

[11]. VENIG A., VENIG A., PEȚ E., MATEOC- SÎRB N., 2022, The evolution of the orchard areas and the fruit production obtained in Bihor County in the period 2020-2021, Lucrări Științifice Management Agricol, vol. 24(2)

[12]. *** https://ec.europa.eu/eurostat

[13]. *** https://www.grandviewresearch.com/industry-analysis/wine-market

[14]. *** https://www.mordorintelligence.com/industry-reports/wine-market

[15]. *** https://agriculture.ec.europa.eu/data-and-analysis/markets/overviews/market-observatories/wine_en

[16]. *** http://statistici.insse.ro:8077/tempo-online/

[17]. *** worldstopexport.com

[18]. *** https://economedia.ro/top-producatori-de-vin-din-romania-primele-trei-companii-au-inregistrat-impreuna-afaceri-de-peste-500-milioane-lei.html#.Y4y2yHZBxPY