WHERE IS THE ROMANIAN WINE INDUSTRY HEADING?

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Abstract
The wine sector in Romania occupies a very good position in Europe and worldwide. The favourable natural and climatic conditions as well as the historic tradition in growing grapevines and producing wine have been and are favourable factors for the development of this industry. This paper focuses on highlighting some important aspects of the Romanian wine market in the light of supply and demand. The volume of production is fluctuant, just as the average wine consumption, while the exports and imports are mainly intra-Community. The main external partners are Germany, France and Italy. The 100% absorption rate of Community funds allowed Romania to attract additional amounts in the period 2014-2018.

Key words: viticulture, production, consumers, external trade, allocation of European funds

JEL classification: L66, O13

1. Introduction

Due to the extremely favourable natural conditions for grapevines all over the country, the Romanian viticulture represents a harmoniously developed traditional activity of major economic importance (Bucur, 2011).

As an important European country in the wine sector, Romania has a rich winemaking history. In the work entitled „*România - ţara vinului*” (2003), the author specifies that vineyards were one of the main riches of Dacia which was supported by the archaeological evidences discovered. Further on, it is mentioned that during the 19th and 20th centuries our country had close relations with France, which had as a result the replanting with noble vines such as Pinot Noir, Cabernet Sauvignon, Merlot, Chardonnay etc. At the same

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time, the relations that Romania had in the wine sector were not limited only to France, since in the interwar period our country established important relations also with Germany and Austria. Later on, during the communist regime, the focus was especially on the quantitative aspect of this production and less on the qualitative aspect. However, Romania managed to win important medals in that period at the international wine competitions the country attended.

Currently, Romania plays an important role in the European wine market and ranked 6th in terms of wine production (http://www.agerpres.ro/economie/2015/10/28/oiv-romania-pe-locul-13-in-topul-celor-mai-mari-producatori-mondiali-de-vin-productia-s-a-majorat-cu-9-in-2015-16-07-49), while in 2002 wine occupied the third place in terms of share in the total exported agricultural products. In 2014, Romania placed 5th in the EU in terms of wine-growing areas, with a share of 1.4% in the whole agricultural area of the country (http://www.madr.ro/docs/agricultura/agricultura-romaniei-2015.pdf).

This paper aims at bringing to the attention of specialists some essential aspects of this field of activity. The issue is especially about the supply and demand of the Romanian wine market. For studying the supply, we took into consideration the dynamics of the areas planted with wine grapes; the wine grape varieties cultivated in the Romanian vineyards; the volume of wine production; the top producers in Romania; the dynamics of exports in our country. The demand of this product was analysed through the average wine consumption and through the imports. In order to elaborate the paper, we used a series of statistical data taken from the official sites of some institutions in this field. In the process of searching for statistical data, we identified certain discrepancies in the data published by domestic and international institutions in this field which in such cases made us use the domestic data. Closely related to the wine sector we also presented a series of data related to the measures financed from Community funds, allocated to Romania for the period 2014-2018.

2. The position of the Romanian wine sector in Europe and worldwide

According to EUROSTAT data, the world leader in wine production is the EU, with approximately 60% of the total. The EU holds half of the global areas planted with vine. The statistics of the International Organisation of Vine and Wine (OIV) reveal that the world wine production in 2011 was of 267,434 million hl, of which 176.4 million hl were produced in the EU. Romania was the 13th most important player in the world wine market, with a production of approximately 4 million hl. The Wine Institute published that the Romanian production in 2013 was of 5.113 million hl, with a share of 1.81% in the world production (http://www.wineinstitute.org/files/World_Wine_Production_by_Country_2014_cTradeDataAndAnalysis.pdf). In the same year Romania ranked 12th among the world's most important wine producers. According to the OIV data, in 2014, although, a decrease of 26% was registered in the volume of production compared to 2013, Romania still managed to keep the 12th place in the world.

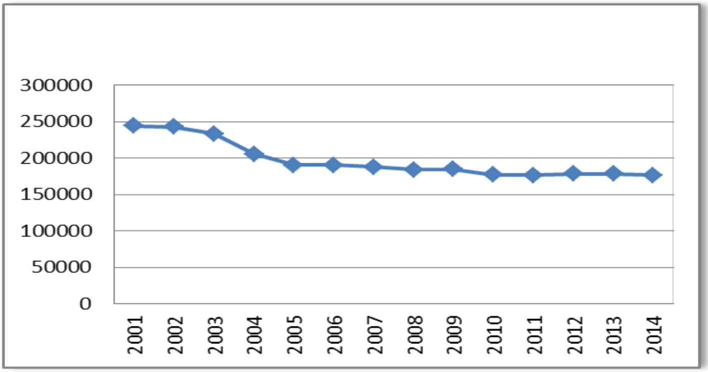
At EU level, the top three largest wine producers are France, Italy and Spain. In the period 2004-2014, the battle for the first place in the ranking of the top 10 main European producers was between France and Italy. Besides, the two countries mentioned, together with Spain, ranked as well within the top of world hierarchy; the positions held by these were the same as those held in Europe.

Regarding Romania, as we have already mentioned, it ranked 6th in the top 10 most important wine producers in the EU, following Portugal.

3. Cultivated areas and varieties

According to the figures of the Ministry of Agriculture and Rural Development (MARD), the area planted with vines in Romania currently is of 1.4% of the total agricultural area. Over time, however, the wine-growing area decreased (figure 1). Thus, if we refer only to 2014, the calculations made show that the area of bearing vineyards was of 72.28% of the area in 2001, which meant 67,756 ha less. Overall the analysed period, the dynamics of this area can be seen in the figure below:

Fig. 1: Area of bearing vineyards - Romania (2001-2014)



Source: carried out by the author based on INSSE-TEMPO ONLINE data

Romania holds 8 great wine-growing regions included in the European wine-growing zones B, CIa and CII which consist of 37 vineyards and 6 independent wine-growing centres (see table 1).

Table 1: Wine-growing regions in Romania

No.	Region	Wine-growing zone type	No. of vineyards/centres	Planted area in 2012-2013*
1	Transylvania Plateau	B	5	6,574.91 ha
2	Moldova's Hills	CI	12	69,586.77 ha
3	Oltenia and Muntenia Hills	CI și CII	8	53,090.42 ha
4	Banat Hills	CI	6 (centres)	2,915.5 ha
5	Crişana and Maramures Hills	CI	4	9,194 ha
6	Dobrogea Hills	CII	3	17,440.38 ha
7	Danube Terraces	CII	2	10,940.63 ha
8	Sandy lands in the Southern part of the country	CII	3	12,972 ha
Total	**x**		**37/6**	**182,714.61 ha**

Source: OIV; * - http://ec.europa.eu/agriculture/wine/statistics/yields-2012-2013_en.pdf

The varieties planted are both of domestic and foreign origin. According to the official data of the NIS for 2009, the area planted with white wines grapes varieties had the highest share (over 84%). These varieties were planted predominantly in the following development regions: Southeast (37.4%), Northeast (18.8%), Southwest-Oltenia (18.4%) and South-Muntenia

(16.1%). In the Southeast development region was registered the greatest area planted with wine grapes varieties of which red wines are produced (53.6%), followed by the regions Southwest-Oltenia (20.5%) and South-Muntenia (15.1%). Further on, it must be mentioned that for the same year, the greatest area planted with wine grapes was registered in the Southeast (40% of the total) development region, followed by Southwest-Oltenia (18.8%) region (http://www.agrinet.ro/content.jsp?page=139&language=1).

By wine-growing regions, the main varieties planted are the following:

1. *of domestic origin:*

- white: *Grasa de Cotnari* (Moldova); *Feteasca Albă* (Transylvania, Muntenia-Oltenia); *Feteasca Regală* (Transylvania, Moldova, Crişana-Maramureş); *Galbena de Odobeşti* (Moldova);
- red: *Băbeasca Neagră* (Moldova); *Feteasca Neagră* (Muntenia-Oltenia);
- aromatised: *Tămâioasa românească* (Moldova); *Busuioaca de Bohotin* (Moldova);

2. *of foreign origin:*

- white: *Italian Riesling* (Transylvania, Banat, Crişana-Maramureş, Muntenia-Oltenia, Dobrogea); *Sauvignon* (Transylvania, Muntenia-Oltenia, Banat, Dobrogea); *Pinot gris* (Dobrogea, Muntenia-Oltenia); *Chardonnay* (Dobrogea); *Traminer Rose* (Transylvania); *Aligote* (Moldova, Dobrogea);
- red: *Cabernet Sauvignon* (Muntenia-Oltenia, Dobrogea, Crişana-Maramureş, Moldova); *Pinot noir* (Muntenia-Oltenia, Dobrogea, Banat, Crişana-Maramureş); *Merlot* (Muntenia-Oltenia, Banat, Dobrogea, Crişana-Maramureş); *Burgund mare (*Banat, Muntenia-Oltenia, Crişana-Maramureş);
- aromatised: *Muscat Ottonel* (Tansylvania, Dobrogea, Moldova, Muntenia-Oltenia, Crişana-Maramureş) (www.wineromania.com).

The data of the MARD for 2014 highlight that the most important noble wine grapes varieties planted were Feteasca Regală, Merlot and Feteasca Albă with the following areas and shares:

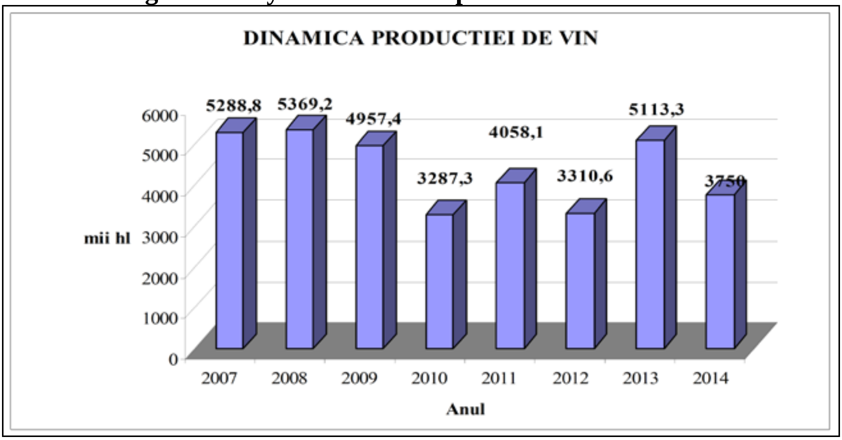
- Feteasca Regală: 13,690 ha (15.83%);
- Merlot: 11,902 ha (13.74%);
- Feteasca Albă: 10,218 ha (11.8%).

Feteasca Neagră represented the opposite pole with 2,117 ha area and 2.68% of the total area planted with noble grapes varieties.

4. Wine production and average consumption per inhabitant

The dynamics of wine production was oscillating with increases and decreases generated mainly by the evolution of weather conditions. In the years when the weather conditions were not favourable (abundant, continuous rainfall and with hail which led to the development of diseases in certain wine-growing regions and serious damages in others) smaller quantities of grapes and wine were produces. For 2007-2014, the evolution of wine production in Romania was the following:

Fig. 2: The dynamics of wine production in Romania



Source: http://www.madr.ro/horticultura/viticultura-vinificatie.html

In general, except for the years 2009, 2010, 2011, 2012 and 2014, the Romanian wine production was approximately over 5,000 thousand hl. 2010 was the year when the wine production was the lowest (3,287.3 thousand hl) while in 2008 the greatest production (5,369.2 thousand hl) was registered. According to the data of MARD, in 2014, out of the total production of approximately 3.75 million hl, 2.3 million hl (61.33%) wine was produced from noble varieties and 1.45 million hl (38.67%) wine was produced from interspecific hybrid varieties. The calculations made on the volume of noble varieties show that out of the total 70.25% (1,615.7 thousand hl) was white wine, 28.18% was red wine (648.2 thousand hl) and 1.33% was rosé wine (30.5 thousand hl).

By quality class, the wine production of noble varieties was the following:

- 0.467 million hl wines with protected designation of origin (P.D.O.);
- 0.132 million wines with protected geographical indications (P.G.I.);
- 1.681 million hl wines having neither P.D.O. nor P.G.I

A total of 31.52% P.D.O. wine quantity was produced in the wine-growing region Transylvania Plateau and 30.67% in the wine-growing region Moldova Hills. Besides, this latter region (Moldova) produced 36.82% (846.9 thousand hl) of the total wine production in 2014.

For wines with P.G.I., the greatest production was registered in the wine-growing region Moldova (51.89% of total wines P.G.I.).

In the case of wines having neither P.D.O. nor P.G.I., 37.41% of the total was produced in Moldova Hills and 26.68% in Dobrogea Hills.

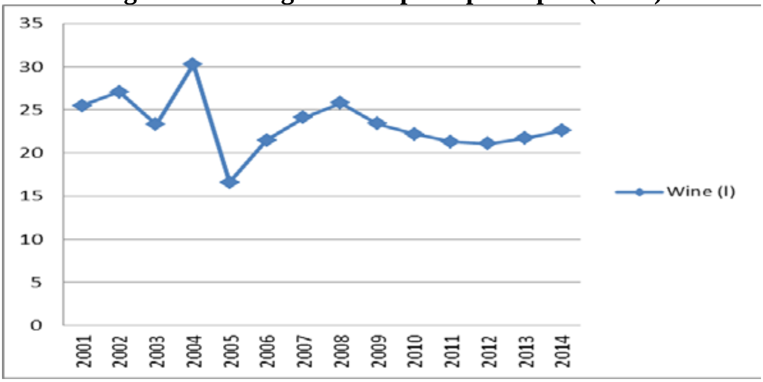
By total regions, the lowest production was produced in the Sandy lands in the Southern part of the country, that is, 2.2 thousand hl, representing approximately 0.096% of the total wine production.

There are over 360 wine producing companies carrying out activity in the wine industry (http://www.wall-street.ro/articol/Companii/108189/Harta-celor-mai-importanti-producatori-de-vinuri-din-Romania-INFOGRAFIC.html). Few of these hold an important share in the national wine production. In 2014, in terms of turnover, the most important wine producers were the following: *Murtfatlar* (25.41 million Euros); *Cotnari* (25 million Euros); *Jidvei* (22,72 million Euros); *Cramele Recaş* (20.30 million Euros); *Vincon* (11.72 million Euros); *Angelli Spumante & Aperitive* (12 million Euros); *Zarea* (11.47 million Euros); *Vinexport Trade-Mark* (8 million Euros); *Cramele Halewood* (with 7.6 million Euros) and *Domeniile Tohani* (with 6.9 million Euros) (http://www.forbes.ro/topul-celor-mai-mari-producatori-de-vinuri-din-romania-41593).

Concerning the average consumption per capita, in 2014 Romania placed 21st at global level, with 24.26 litres (http://www.wineinstitute.org/files/World_Per_Capita_Wine_Consumption_Revised_Nov_2015.pdf).

As it can be noticed in the figure below, between 2001 and 2014, the average consumption per capita at national level was fluctuating.

Figure 3: Average consumption per capita (litres)



Source: figure carried out by the author based on INSSE-TEMPO ONLINE data

The comparative analysis of the average monthly wine consumption per capita by consumer segments, carried out for 2008 and 2014, highlights the following aspects (table 2):

- even if in 2014, in contrast to the reference year, a decrease of the average monthly consumption was registered, the consumption of wine in the rural area was approximately twice of the amount compared to the urban area. Even though there is less wine consumed in the urban area, still, the value of this consumption is greater compared to the consumption in the rural area;
- the dynamics of consumption by regions was different. There was a decrease in the case of the following regions: Bucureşti-Ilfov, Southeast and South-Muntenia, while in the case of the rest of the regions there were increases registered in consumption for 2014. The highest average monthly consumption per capita was registered in the Southwest development region (approximately 2 litres), while the lowest in the West development region (approximately 0.25 litre). The Northeast region (approximately 1.5 litres) ranked second;
- as expected, by level of education, consumers with the highest consumption are those with primary level of education, while consumers with the lowest consumption are those with higher level of education. It must be mentioned that between the two consumer categories there are differences as well in price. Better financial situation allows to those with higher education to consume some wines of superior quality and more expensive;

- by age group, consumers with the highest consumption are those aged 65 and over, with approximately 1.1-1.2 litres/month, while consumers with the least consumption are those from the age group of 15-24 years, with approximately 0.4 litres/month. Although the latter age group has the lowest consumption, nevertheless, they consumed more in 2014 compared to 2008 (by over 24%);
- the highest quantity of wine is consumed in the households consisting of two persons (over 1.1 l/month), while in the households with 4, 6 members, respectively, is consumed the lowest quantity in 2008 (0.780 l/month) and in 2014 (0.604 l/month), respectively.

Table 2: Average monthly wine consumption – 2008 and 2014

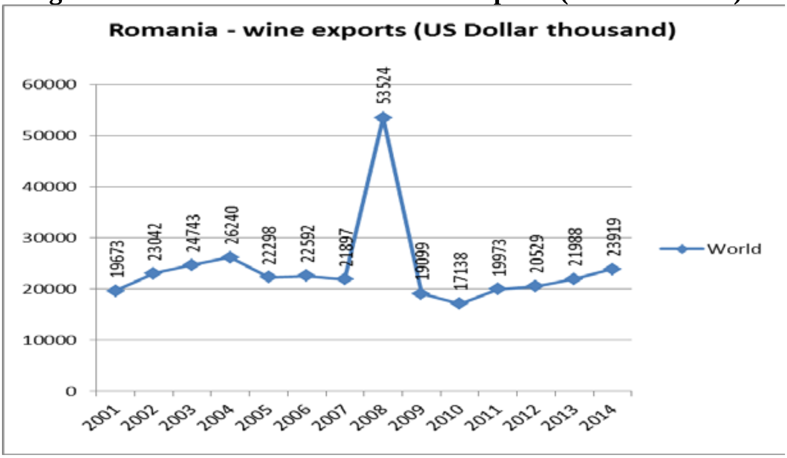
No.	**Criteria**	**Average monthly consumption per capita (litres)**			**2014/2008 (%)**
		2008	**2014**	Maximum/minimum (year)	
1.	**Social categories**	x	x	-	x
	Employees	0.691	0.662	-	95.80
	Self-employed in non-agricultural activities	0.855	0.646	-	75.55
	Farmers	1.719	1.551	Maximum	90.23
	Unemployed	0.610	0.584	Minimum	95.74
	Pensioners	1.058	1.033	-	97.64
2	**Residential areas**	x	x	-	x
	Urban	0.617	0.602	Minimum	97.57
	Rural	1.318	1.220	Maximum	92.56
3	**Regions**	x	x	-	x
	Northeast	1.474	1.499	-	101.70
	Southeast	1.146	0.990	-	86.39
	South-Muntenia	0.799	0.728	-	91.11
	Southwest-Oltenia	1.959	1.969	Maximum	100.51
	West	0.240	0.263	Minimum	109.58
	Northwest	0.566	0.566	-	100.00
	Centre	0.524	0.536	-	102.29
	București-Ilfov	0.455	0.413	-	90.77
4	**Educational level**	x	x	-	X
	Primary	1.243	1.036	Maximum	83.35
	Secondary	0.897	0.900	-	100.33
	Tertiary	0.764	0.656	Minimum	85.86
5.	**Age groups**	x	x	-	X
	15-24 years	0.364	0.453	Minimum	124.45
	25-34 years	0.713	0.718	-	100.70
	35-49 years	0.778	0.759	-	97.56
	50-64 years	1.013	0.948	-	93.58
	65 years and over	1.187	1.078	Maximum	90.82
6.	**Household size**	x	x	-	X
	1 person	1.128	1.015	-	89.98
	2 persons	1.191	1.119	Maximum	93.95
	3 persons	0.948	0.853	-	89.98
	4 persons	0.780	0.735	Minimum (2008)	94.23
	5 persons	0.841	0.908	-	107.97
	6 persons	0.810	0.604	Minimum (2014)	74.57

Source: processed by the author based on NIS data: *Coordinates of living standards in Romania. Incomes and consumption of population in 2009 and 2014*

5. Wine exports and imports

In terms of value, the evolution of the Romanian wine export for the years 2001-2014 was the following:

Figure 4: Evolution of Romanian wine exports (thousand USD)



Source: carried out by the author based on International Trade Centre (ITC) data

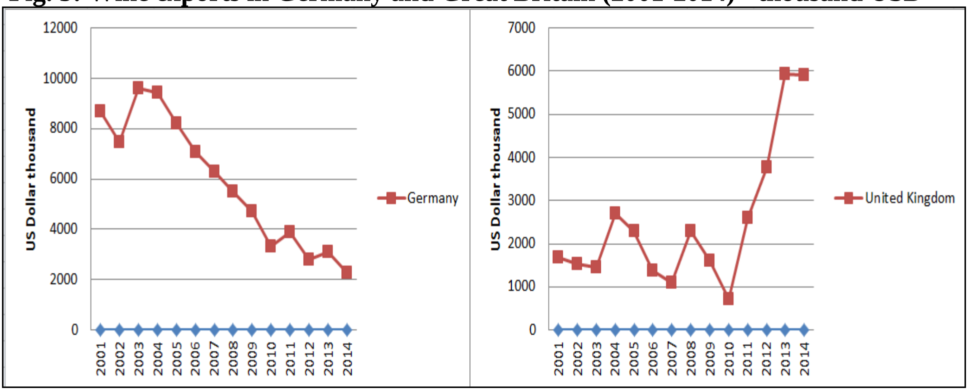
The value of exports had an oscillating evolution. 2008 was the year when the highest value was reported for the exported wines (over 53,000 thousand USD). The exports in 2008 were approximately by 2.44 higher than in 2007. The transition from 2008 to 2009 marked a decrease in the value of exports by more than half (with approximately 64%). The lowest value for exports was registered in 2010, slightly over 17.000 thousand USD. In the period 2001-2014, the ratio between the lowest and the highest value of exports was approximately 1/3.

Based on the analysis of the Romanian wine exports by main destinations we established that:

- in general, Germany was the main destination (between 2001-2007 and 2009-2011), with weights, in most of the years, over 30% (even over 44% in 2001) in total exports. The other top 5 countries as main destinations of the Romanian wine export were: Great Britain (2013, 2014), China (2012) and Italy (2008- over 58%, the most significant percentage in the analysed period);

- the second place by destinations of exports went successively to more states: Great Britain (2001, 2012); Republic of Moldova (2002-2005); Russian Federation (2006); China (2007, 2010, 2011, 2014); Germany (2008, 2013) and Hong Kong- China (2009);
- the following states ranked 3rd: Republic of Moldova (2001); Great Britain (2002, 2004, 2005, 2009, 2011); SUA (2003, 2006); China (2008, 2013); Germany (2012, 2014) and Italy (2007, 2010);
- there was no constancy in the top three places. States such as Germany, China and Great Britain ranked in the first three places in a row in the top 5 main destinations of the Romanian wine. There were, however, years when the three countries did not rank in the first three positions. For example, in the case of Great Britain the situation is the following: in 2003/4th place; 2006/5th place; 2007/7th place; 2008/5th place; 2010/7th place. Further on, if we refer to China, it must be mentioned that until 2007 it was not included in the top 5. Of the 3 countries mentioned only Germany ranked constantly in one of the first three places.
- compared in terms of value, the evolution of Romanian wine imports in Germany and Great Britain had different trends (see the comparison of the years 2014/2008). If in the case of Germany the tendency was decreasing, for Great Britain the tendency was increasing:

Fig. 5: Wine exports in Germany and Great Britain (2001-2014) - thousand USD



Source: figure carried out by the author based on ITC data

A synthetic situation of the top of 5 main destinations of the Romanian wine export is presented below, where we considered only a few representative years for the period studied (2001-2014), namely: 2001, 2005, 2010 and 2014.

Table 3: Top 5 main destinations of the Romanian wine exports

Position	2001		2005		2010		2014	
	Importers	Exported value US$ thousand	Importers	Exported value US$ thousand	Importers	Exported value US$ thousand	Importers	Exported value US$ thousand
1	Germany (44.21%)	8697	Germany (36.91%)	8231	Germany (19.37%)	3320	United Kingdom (24.69%)	5905
2	United Kingdom (8.53%)	1678	Republic of Moldova (11.96%)	2667	China (16.68%)	2858	China (15.72%)	3759
3	Republic of Moldova (7.16%)	1408	United Kingdom (10.24%)	2283	Italy (10.63%)	1822	Germany (9.42%)	2254
4	Czech Republic (4.67%)	918	United States of America (8.83%)	1970	United States of America	1821	Netherlands (7.97%)	1907
5	Japan (4,48%)	881	Estonia (4.91%)	1094	Estonia (7.42%)	1271	Italy (6.71%)	1604
…	...	...	...	...	...	...	…	…
	World	**19673**	**World**	**22298**	**World**	**17138**	**World**	**23919**

Source: ITC data, processed by the author

Overall exports Intra-UE28 and Extra-UE28 in 2014, the Romanian wine export in Euro amounted to 18,006 thousand Euros. The majority of these exports, approximately 2/3, were directed to EU member states and the rest to the countries outside the EU. The same situation can be identified as well in the case of the export in terms of volume. The average unit price of the Romanian wine sent abroad was of 1.73 Euros/litre (see table 4).

Table 4: The situation of Romanian wine exports Intra-UE28 and Extra-UE28 (2014)

Export	Extra-UE28	Intra-UE28	Extra+Intra
in terms of volume – hl	28,224	76,049	104,273
In terms of value – thousand Euro	6,066	11,940	18,006
In terms of unit price– Euro/litre	2.15	1.57	1.73

Source: http://ec.europa.eu/agriculture/wine/statistics/wine-trade-2014_en.pdf

Concerning wine import, its dynamics in the period 2001-2014 was the following:

Fig. 6: The evolution of the Romanian wine exports (thousand USD)

Source: carried out by the author based on ITC data

If at the beginning of the 21st century, the level of wine imports in our country was extremely low (slightly over 1,300 thousand USD), in time it started growing, reaching a maximum of over 90,000 thousand USD in 2008. The current economic and financial crisis was felt in our country starting from 2009, and this fact was reflected as well in the extremely low value of wine imports in contrast to the previous year (decrease of over 77%). 2010 and 2011 mark a new increase in value of the wine imports, while after 2011 another decrease in the value of these imports up to 44,602 thousand USD was registered.

Just as in the case of exports, we notice the same inconstancy in ranking as well in the case of imports. Thus, by origin, the order of the first three places was the following:

- 1st place: France (2001-2005, 2014), Republic of Moldova (2006), Italy (2007, 2009, 2010, 2013), Spain (2011, 2012) and Great Britain (2008);
- 2nd place: Free Zones (2001), Italy (2002-2006, 2011, 2012), France (2009, 2010, 2013), Spain (2007, 2008);
- 3rd place: Italy (2001, 2008, 2014), Free Zones (2002), Germany (2003, 2004), France (2006, 2007, 2011, 2012), Spain (2010, 2013), Republic of Moldova (2005, 2009).

By supplying countries, the most significant figure of the share in import was registered in 2006: 64.6% of total imports for Republic of

Moldova (23.785 million USD). Other important figures concerning total import are as well for the years: 2003 – 50.68% (1.151 million USD) imports registered by France, 2011 - 45.51% for imports registered by Spain (over 31.6 million USD, this representing at the same time as well the highest value import throughout the entire period analysed).

The top 5 most important external suppliers for the analysed period are presented below:

Table 5: Top 5 main external wine suppliers of Romania – thousand USD –

Position	2001		2005		2010		2014	
	Exporters	Imported value	Exporters	Imported value	Exporters	Imported value	Exporters	Imported value
1	France (29.24%)	391	France (32.05%)	2954	Italy (29.65%)	8200	France (20.64%)	9204
2	Free Zones (17,43%)	233	Italy (24.97%)	2302	France (27.52%)	7609	Spain (19.35%)	8630
3	Italy (15.86%)	212	Republic of Moldova (15.43%)	1422	Spain (15.08%)	4170	Italy (10.57%)	7787
4	Germany (14.51%)	194	Hungary (8.72%)	804	Republic of Moldova (6.93%)	1917	Republic of Moldova (10.57%)	4714
5	Spain (10.10%)	135	Germany (6.11%)	563	Germany (5.34%)	1477	Germany (9.05%)	4038
...	…	…	...	...	...	...	...	...
	World	**1337**	**World**	**9218**	**World**	**27652**	**World**	**44602**

Source: ITC data, processed by the author

In 2014, the imports in value and volume were of 349,140 hl, and of 34.729 thousand Euros, respectively. Just as in the case of exports, here we have the same situation: the largest part of imports have intra-Community origin (over 76% of the total volume of imports and over 83% of the total value of imports). The average import price was of 0.99 Euro/litre (see table 6).

Table 6: Situation of Romanian wine imports – 2014

Import	Extra-UE28	Intra-UE28	Extra+Intra
by volume – hl	82,871	266,269	349,140
by value – thousand Euros	5,694	29,035	34,729
at unit price–Euro/litre	0.69	1.09	0.99

Source: http://ec.europa.eu/agriculture/wine/statistics/wine-trade-2014_en.pdf

We have to mention as well the fact that in the period 2001-2005, Romania registered a trade balance surplus (the exports exceeded the imports in terms of value and quantity) for the external trade with wine. Between 2006 and 2014 the situation is reversed since the trade balance for wine was deficient.

6. European funds intended for producers in the wine sector

In the period 2009-2013, Romania benefited from financial allocations from European funds through the National Support Programme. The total of these allocations was of 210.5 million Euros, which meant annual financial allocations of 42.1 million Euros. These funds were used for the restructuring and conversion of vineyards, insurance of vineyard harvest, use of concentrated must to raise the alcoholic strength of wine and promotion of wines on third country markets (http://www.evz.ro/cum-pot-fi-cheltuite-477-milioane-de-euro-de-la-ue-pentru-viticultura.html).

The 100% absorption of these funds ensured to our country the right to continue to benefit from additional resources through the National Support Programme (NSP) 2014-2018. Thus, there were annual amounts of 47.7 million Euros allocated for the following measures, that is, a total of 238.5 million Euros:

- restructuring and conversion of vineyards;
- promotion of wines produced in the European Union and promotion of wines on third country markets;
- insurance of vineyard harvest;
- investments;
- by-product distillation.

By years, the distribution of these funds is the following:

Table 7: Financial allocation by measures – wine sector, Romania (2014-2018) – thousand Euros

Measure	Years					Total period	
	2014	2015	2016	2017	2018	Amount	%
Restructuring/conversion of vineyards	45,050	37,350	35,212	32,350	31,850	**181,812**	**76.23**
Promotion	1,300	7,000	7,638	9,500	10,000	**35,438**	**14.86**
Insurance	350	350	350	350	350	**1,750**	**0.73**
Investments	1,000	2,500	4,000	4,500	4,500	**16,500**	**6.92**
By-product distillation	0	500	500	1,000	1,000	**3,000**	**1.26**
Total	**47,700**	**47,700**	**47,700**	**47,700**	**47,700**	**238,500**	**100.00**

Source: EUROSTAT data (http://ec.europa.eu/agriculture/wine/statistics/annex-4-2014-2018_en.pdf)

The greatest share of these allocated funds (76.23% of the total) is intended for the measure related to the restructuring and conversion of vineyards. The funds are used to increase the competitiveness of wine producers by adapting the offer to the market supply. The accepted activities through NSP are the following: 1) varietal conversion to higher quality varieties; 2) relocation of plots to locations with favourable climate and soil conditions; 3) modernization of vineyards to increase efficiency and improve the quality of wine products.

The second most important measure in terms of allocation of Community funds in this sector is the promotion of wines within and outside the EU (14.86%). The eligible activities for this measure according to NSP 2014-2018 are the following: 1) public relations, promotion measures including at the retail and advertisement area, which underline especially the advantages of Community products regarding quality, food safety or environmental compliance; 2) participation at events, fairs or exhibitions of international importance; 3) information campaigns, in particular on the Community systems covering designations of origin, geographical indications and organic production, including tastings; 4) studies of new markets, necessary for the expansion of market outlets; 5) studies to assess the results of the promotional and information measures.

In terms of performance improvement, the enterprises in the wine sector are financially supported from Community funds as well to invest in tangible investments (land, buildings and plantations, machinery and equipments) or intangible investments (transfer of technology through acquisition of intellectual property rights, patents, know-how or unpatented technical knowledge).

The voluntary distillation of wine by-products is a measure aimed at the partial or total elimination of the by-products by delivering these for distillation. The amount allocated by the EU to our country in the period 2014-2018 for this measure is of 3,000 thousand Euros, with a share of 1.26% of total allocations.

At the same time, NSP 2014-2018 provides that through the insurance measure wine producers should be financially supported at a rate of 50-80% of the cost of insurance premiums paid against losses as a result of adverse climatic events which can be assimilated to natural disasters or losses caused by animals, diseases or pest infestations. The amount allocated is only of 1,750 thousand Euros.

7. Conclusions

This paper allows us to draw the following conclusions:
- although the wine production in Romania is generally influenced by favourable or unfavourable weather conditions, it is well positioned both on the European (6th place) and the world market (12-13th places);
- Romania ranks 5th in terms of area under vines in the EU, even though its dynamics was unfavourable;
- over 84% of the area under wine grape varieties is cultivated for the production of white wines;
- at regional level, the largest area under wine grape varieties is the Southeast development region (40% of the total);
- the most important noble wine grape varieties are the following: Feteasca Regală, Merlot and Feteasca Albă;
- our country ranks 21st in the world in terms of wine consumption per capita;
- the greatest quantity of wine consumption is registered in the rural area for the social category of farmers; in the case of consumers with low level of education the greatest quantity of wine consumption was registered for the oldest age group, in the Southwest-Oltenia development region and in households consisting of 2 persons;
- the intra-Community wine exports and imports prevail;
- the value of the Romanian wine exports fluctuated and 2008 was the year with the highest value registered;
- the main destination for the exports was in general Germany;
- France and Italy prevailed as main external suppliers;
- the financial allocations from Community funds for the period 2009-2013 were entirely absorbed and were supplemented for the period 2014-2018.

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