OECD Review of Agricultural Policies: Romania

As a relatively poor country with a large agricultural sector, Romania depends on farming for 36 per cent of total employment. But despite favourable soil and climatic conditions and abundant farm labour, Romania is a net importer of agro-food products. Like many transition economies, it suffers from declining production on state-owned farms, weak market integration of small farms and an inefficient food processing sector. As it prepares to face future competition within the European single market, Romania needs to adopt more open trade policies, reduce price distorting policies, and improve the economic efficiency of the food chain.

These are some of the conclusions of a new OECD publication, Review of Agricultural Policies: Romania. The review, undertaken within the programme of the OECD’s Centre for Co-operation with Non Members, was initiated at the request of the Romanian government and carried out in close collaboration with local experts in Romania. It provides a solid foundation upon which Romanian agricultural policymakers can build their medium and long-term reform strategies.

A seminar to discuss the findings of the Review will be held in Bucharest on 9 November at 2.00 p.m. within the INDAGRA 2000 Food Fair (Virgil Madgearu Hall, ROMEXPO Exhibitions Complex). It will be followed by a news conference at 3.00 p.m.

Support levels to Romanian agriculture stood at 5 per cent of GDP in 1999, compared to OECD and EU averages of less than 2 per cent. And these are imposing unsustainable costs on Romania’s economy, while at the same time perpetuating the problems posed by low rural incomes and disguised unemployment. Instead, the OECD review argues, Romania should adopt rural development policies to stimulate non-farming activities, a strategy that would be more in line with current European Union approaches.

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Copies of the full report are available to the media by request (fax 33 1 45 24 80 03 or news.contact@oecd.org).

“Review of Agricultural Policies: Romania”
238 pages, OECD, Paris 2000
Available in electronic format (pdf)
FF340: US$51; DM101
ISBN 92-64-17673-X (14 00 08 1)


JT00100295