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**TECHNIQUES AND ACTIONS TO PROMOTE DOMESTIC AGRI-FOOD PRODUCTS
ON FOREIGN MARKETS**

**METODE ȘI ACȚIUNI DE PROMOVARE A PRODUSELOR AGROALIMENTARE
AUTOHTONE PE PIEȚELE STRĂINE**

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Annotation: The purpose of this research is to identify the techniques and actions for the promotion of domestic agri-food products on foreign markets. Promotion involves communication with the consumer, not necessarily directly, but with the aim of positively influencing his wishes or actions. On international markets, it is often difficult to coordinate the promotion strategy with the other marketing strategies due to the high degree of variability of promotion tools and because, however, culture, customs and language differences also complicate the promotion activity. The promotion of agri-food products on foreign markets includes a set of actions and means aimed at informing and attracting potential buyers in order to satisfy their needs and desires and, implicitly, to increase the economic efficiency of the activity of the producing enterprises.

Adnotare: scopul prezentei cercetări este de a identifica tehnicile și acțiunile de promovare a produselor agroalimentare autohtone pe piețele externe. Promovarea presupune comunicare cu consumatorul nu neapărat directă, dar cu scopul de a influența în sens pozitiv dorințele sau acțiunile acestuia. Pe piețele internaționale este adesea dificil de coordonat strategia de promovare cu celelalte strategii de marketing datorită gradului ridicat de variabilitate a instrumentelor de promovare și pentru că totuși cultura, obiceiurile și diferențele de limbă îngreunează și ele activitatea de promovare. Promovarea produselor agroalimentare pe piețele externe include un ansamblu de acțiuni și mijloace vizând informarea și atragerea cumpărătorilor potențiali în vederea satisfacerii necesităților și dorințelor acestora și, implicit, a creșterii eficienței economice a activității întreprinderilor producătoare.

Keywords: promotion, foreign trade, export, import, strategy, competitiveness, cooperation.

Cuvinte-cheie: promovare, comerț exterior, export, import, strategie, competitivitate, cooperare.

Introduction

The promotion of agri-food products on foreign markets requires a broader fundamental approach in a systemic form with deep implications on the efficiency of the promotion of Moldovan exports. The system of promotion of agri-food products on foreign markets represents a set of tools, techniques and methods through which certain aims and objectives of exports growth and diversification are pursued.

In most countries, at the governmental level there are bodies that support the promotional actions of exporting companies, organizations and institutions by granting premiums and subsidies.

An important role belongs to the apparatus of economic representation and the network of commercialization abroad, which through the actions of spreading information on the potential of the national economy and the export offer, as well as by providing assistance to exporters (information, forecasts on branches and products, consultancy in the use design, consultancy in the organization and conduct of commercial operations) contribute to increasing the level and quality of efforts to promote and propel exports.

Foreign trade activity under the conditions of the market economy requires permanent, sufficient, good quality and up-to-date information. From here, objectively derives the necessity of setting up and perfecting the systems to ensure them.

Materials and methods of research

In order to carry out this study, various research methods were used such as: comparative method, analysis, synthesis, induction and deduction, statistical data collection, monographic method. The informational and statistical support of the conducted investigations was provided by the generalizing data of the National Bureau of Statistics of the Republic of Moldova, the data of the Ministry of Economy of the Republic of Moldova.

Results and considerations

The problem of approaching the promotion systems of agri-food products on foreign markets must take into account the relationship between the commercial policy and the promotion policy, the interconnection between their methods and goals, as well as the concordance between these two policies in order to ensure a generous and rigorous economic policy.

The policy of promoting agri-food products on foreign markets is a component of the marketing policy which, through the applied means and instruments, uses various strategies to publicize the export potential and cooperation in order to diversify exports.

The promotion of external economic affairs brings together, in a complex mechanism, all the concepts, means and instruments used to make known the export and cooperation potential of a company, branches or economies in order to increase and diversify exports.

Entering an export market is a good way for the enterprise to present itself and its product, to familiarize itself with potential partners, competitors and with the local business environment. There are ways that require more financial resources, but there are also alternatives that require smaller investments, so each enterprise chooses the method that corresponds to its capabilities and priorities. There are three basic ways in which the market can be approached - attending fairs and exhibitions, attending trade missions and attending one-to-one business meetings (B2B).

Exhibitions - the place where the reputation of the enterprise and its products come together, where you can meet your competitors and develop new ideas.

Trade missions – a good way to get to know the target market and potential partners located there.

Individual business meetings (B2B matchmaking) – a very effective format for establishing partnerships and penetrating the target market, it can be organized within events or outside them, at

the offices of potential partners, with different people in the same enterprise, you get diametrically opposite answers.

An essential role in increasing the competitiveness of goods is played by measures to stimulate exports, which are divided into four categories and can be of the following nature: budgetary through subsidies, premiums; fiscal through tax exemptions, reductions or refunds; financial-banking by granting and guaranteeing loans, exchange rate by offering a more advantageous exchange rate than the official exchange rate (the exchange rate with a premium given by commodity groups and geographical areas) and by monetary depreciation only in the short term if the reduction of the national currency exchange rate is more accelerated than reducing its domestic purchasing power, a phenomenon known as dumping.

A promotion and information program is a coherent set of operations that may include: advertising campaigns in the press, on television, radio or online; promotional actions at the point of sale; public relations campaigns; participation in exhibitions and fairs.

The promotion programs, which are implemented by the beneficiaries over a period of 1-3 years, can take the form of:

- "simple" programs presented by one or more organizations formulating proposals from the same Member State - more than half of the budget allocated to such programs in 2016-2021 targeted markets outside the EU or
- "multinational" programs presented by two or more organizations formulating proposals from at least two Member States or by one or more pan-European organizations - although the proportion of such programs targeting non-EU markets increased in the period 2016-2021 they were mainly used to finance promotional activities on the domestic market.

The major objective in the promotion of agri-food products on foreign markets is the amplification of the state's role by providing permanent support to producers and exporters of agri-food products. In this context, it is necessary not only to liberalize trade conditions, but also to create mechanisms and levers to promote the respective products. The promotion of agri-food products on foreign markets is the fundamental factor for balancing the trade balance, creating new jobs and ensuring a sustainable economic development.

In the conditions of COVID 19, which has affected practically all the economies of the world, many countries (especially the developed ones), are initiating new strategies for the development of national economies emerging from the existing realities, respectively adapting/adjusting the economic processes so that they can cope pandemic challenges in order to minimize the economic losses caused by COVID19. Regrettably, in the Republic of Moldova, according to the NBS, the GDP recorded a decrease of 8.2% in the first 9 months of 2020 compared to the similar period in 2019.

Exports of domestic goods, however, in 2021 constituted 2433.2 million US dollars (77.4% of total exports), increasing by 28.9% compared to 2020, which contributed to the increase of the total value of exports by 22,1%.

In 2021 re-exports of foreign goods (after processing and classic ones) amounted to 711.2 million US dollars (22.6% of total exports) or 22.7% more compared to 2020. This growth influenced the increase in total exports by 5.4%.

Re-exports of goods after processing (including clothing, footwear and parts of footwear, sets of spark plugs and other sets used in means of transport, coaxial cables, electrical conductors and transformers, bags, leather pocket goods and textile materials, shelled nuts, seats, seat parts, toys, steering wheels, columns and steering boxes for motor vehicles) held 15.2% of total exports, and the classic re-exports of goods, which did not undergo essential transformations (diesel, medicines, articles of plastic and wood for transport or packaging, cigarettes containing tobacco, water pipe tobacco, whisky, vodka, liqueurs, wine or grape marc distillates, sparkling wines, rum, gin, beer, perfumes, waters toilettries, beauty products) - 7.4%.

In 2021 road transport means remain the most frequently used for goods exports (83.7% of total exports), followed by maritime transport (9.5%), rail transport (5.6%) and air transport (1.2%).

Exports of goods destined for the countries of the European Union (EU-27), in 2021, totaled 1919.4 million US dollars (17.0% more compared to 2020), holding a share of 61.1% in total exports, down by 5.4 percentage points compared to 2020 (Figure 1).

Exports of goods to the CIS countries, in 2021, had a value of 466.2 million US dollars (23.7% more compared to 2020), which is equivalent to a share of 14.8% in total exports, decreasing by 0.5 percentage points compared to 2020 (Figure 1).

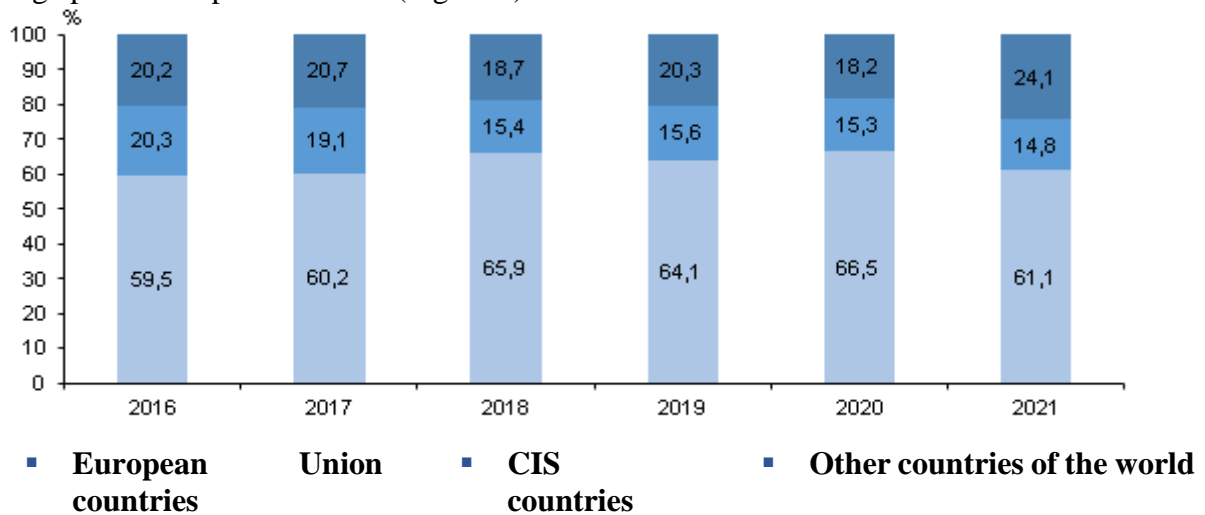


Figure 1. The structure of goods exports, in the years 2016-2021, by country groups (%) [4]

In 2021, the main destination countries of goods exports (Figure 2), which held 89.7% of total exports, were: Romania (26.5% of total exports), Turkey (10.0%), the Russian Federation (8.8%), Germany (7.8%), Italy (7.6%), Switzerland (3.8%), Poland (3.5%), Ukraine (3.0%), Czech Republic and Bulgaria (2.5% each), Belarus (2.2%), the United Kingdom of Great Britain and Northern Ireland (2.1%), Spain (2.0%), Greece (1.4%), Hungary (1.3%), the Netherlands (1.1%), France and the United States of America (1.0%), Lebanon and Serbia (0.8%) [3].

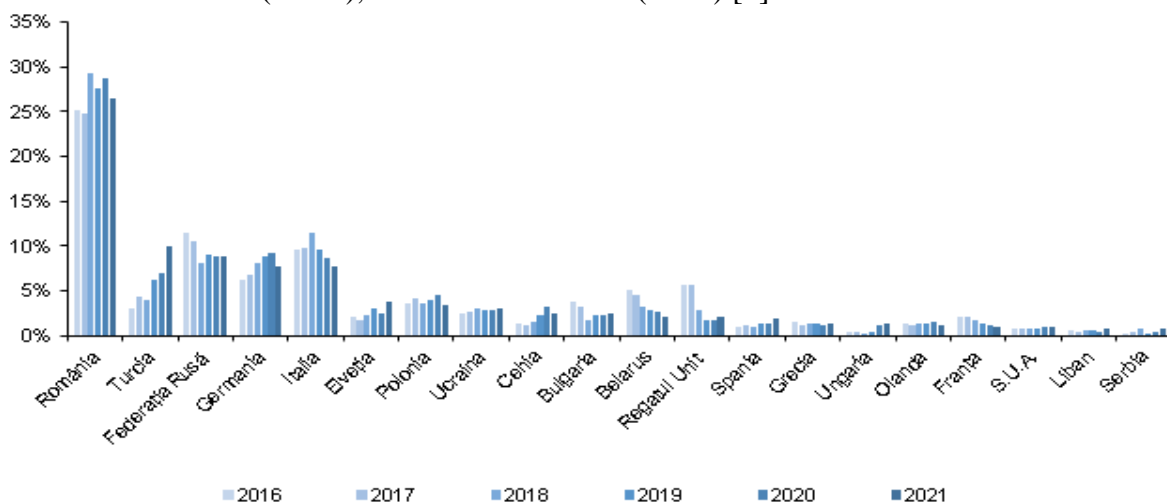


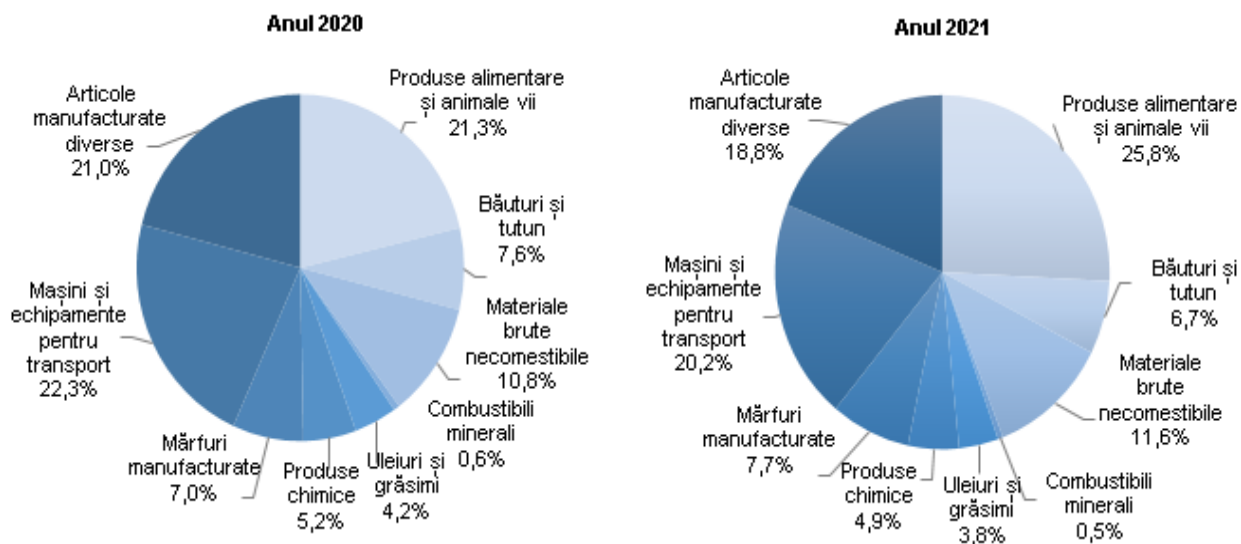
Figure 2. The structure of exports, in the years 2016-2021, by the main countries of goods destination (%) [4]

The analysis of the exports evolution by country in 2021 compared to 2020, reveals an increase in goods deliveries to Turkey (1.8 times), Romania (+17.9%), the Russian Federation (+27.3%), Switzerland (by 1.9 times), Spain (1.8 times), Italy (+12.3%), Ukraine (+33.5%), the

United Kingdom of Great Britain and Northern Ireland (1.5 times), Germany (+8.8%), Bulgaria (+33.7%), Greece (1.6 times), Hungary (1.5 times), Serbia (2.5 times), the United Arab Emirates (by 21.3 times), Lebanon (2.1 times), Belgium (1.7 times), Israel (2.5 times), Portugal (1.8 times), Slovakia (1.6 times), the United States of America (+23.6%), Egypt (12.6 times), Cyprus (+34.2%), Bangladesh (10.7 times), France (+9.4%), Uzbekistan (1.5 times), Indonesia (+47.4%), Canada (+41.3%), Tunisia (7.3 times), Libya (73.3 times), North Macedonia (2.2 times), Belarus (+2.9%), Malaysia (1.6 times), Syria (+37.7%), Azerbaijan (+41.1%), which contributed to the increase in total exports by 27.1% [3].

At the same time, exports of goods decreased in Georgia (-14.5%), Jordan (-63.6%), Czech Republic (-1.8%), Poland (-1.1%), mitigating, thus, the increase in total exports by 0.3% [5].

In the structure of exports, from the year 2021 (Figure 3), six sections of goods from the International Trade Standard Classification (CSCI Rev.4) hold 90.8% of total exports, as follows: food products and live animals (25.8 %); machinery and equipment for transport (20.2%); various manufactured items (18.8%); inedible raw materials (11.6%); manufactured goods (7.7%); beverages and tobacco (6.7%).



Various manufactured items (21.0%)

Machinery and equipment for transport(22.3%)

Manufactured goods(7.0%)

Chemical products (5.2%)

Oil and fat (4.2%)

Mineral fuel (0.6%)

Inedible raw materials (10.8%)

Beverages and tobacco (7.6%)

Food products and live animals (21.3 %)

Figure 3. Structure of exports, by commodity sections (%) [4]

In 2021 compared to 2020, there increased the exports of cereals and cereal-based products (2.9 times), metal-bearing ores and metal waste (3.2 times), electrical machines, appliances and their parts (+10.0%), clothing and accessories (+14.6%), seeds and oleaginous fruits (+15.2%), road vehicles, mainly re-exports (2.1 times), medicinal and pharmaceutical products, mainly re-exports (1.5 times), yarn, fabrics, textiles and related products (+29.6%), alcoholic and non-alcoholic beverages (+10.3%), furniture and its parts (+12.8%), fixed, crude, refined or fractionated vegetable

fats and oils (+17.1%), non-metallic mineral articles (+33.4%), processed metal articles (1.6 times), sugar, sugar-based products ; honey (1.8 times), vegetables and fruits (+3.8%), iron and steel (8.7 times), wooden articles, excluding furniture (+32.0%), machinery and industrial appliances with general applications; parts and spare parts of these machines (+25.1%), raw and processed tobacco (+48.0%), footwear, mainly re-exports (+11.2%), prefabricated constructions; other installations and accessories for sanitary, heating and lighting installations, mainly re-exports (+29.8%), paper pulp and paper waste (2.6 times), paper, cardboard and pulp articles, from paper or cardboard (+28.8%), coffee, tea, cocoa, spices and their substitutes (+29.9%), travel articles; bags and similar, mainly re-exports (+20.6%), meat and meat products (+33.2%), tanning and coloring products (3.1 times), essential oils, resinoids and perfumes, toilet preparations , beauty products (+14.4%), oil, petroleum products and related products, mainly re-exports (+10.2%), influencing the increase in total exports by 27.5%.

At the same time, there decreased the exports of organic chemical products (-25.9%), live animals (-27.8%), professional, scientific and control instruments and devices (-5.9%), animal feed (-4.0%), specialized machines and devices for specific industries (-8.5%), mitigating the increase in total exports by 0.8%.

Creating a favorable investment climate, perfecting the instruments for attracting foreign and domestic investments, as well as promoting domestic products to increase the competitiveness of the economy and increase exports must represent fundamental priorities of the state. The development, promotion and implementation of a comprehensive economic policy in the field of investment attraction and export promotion is closely related to the economic growth based on innovations and investments. The contribution of investments to increasing the competitiveness of enterprises and facilitating technological transfer, creating new jobs and stimulating foreign trade are the basic elements considered in the process of developing and implementing policies to attract investments and promote exports [1].

In order to ensure an optimal, sustainable and inclusive economic growth, the economic policies promoted by the state institutions must be oriented towards increasing the competitiveness and quality of domestic goods, increasing exports, including the increase of investments in economic infrastructure.

In an interconnected environment, the economic performance and sustainable development of developing countries are directly affected by several external factors, including those of a political and security nature. Thus, decision-makers should lay the foundation for a sustainable economy based on stable political and social relations that can withstand and prevent emerging crises and external shocks.

In this context, in order to capitalize on the strategic geographical position, in recent years, the state authorities have intensified regional integration efforts, promoting an open economic policy. Therefore, the legal framework was strengthened, several laws were adopted on the regulation of foreign trade, competition, protection of industrial property rights, etc.

Conclusions

Given the existing situation, as well as taking into account the fact that the country's economy is very sensitive to external economic shocks, i.e. very dependent on the changes that occur in the traditional markets for domestic products, it is necessary, first of all, to capitalize on the potential existing in these markets. In this context, in order to recover the economic situation and mitigate the decrease in the volume of exports, it is proposed to undertake some urgent/prompt measures, namely:

- 1) strengthening the capacities and effectiveness of the relevant state institutions in promoting the export of domestic products;
- 2) strengthening the capacity to identify and promote the interests of local producers within existing and potential economic and free trade agreements;

- 3) strengthening the capacities for the protection of the interests of local producers from unfair competition in the framework of bilateral and multilateral trade agreements;
- 4) identification of priority industrial sectors, from the perspective of export potential, import substitution, the impact of unfair competition and the unfair application of restrictive trade measures by other countries.

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