The Competitiveness of Polish Apples on International Markets

Pawel Jakub Kracinski, Horticultural Economics Department, Institute of Agricultural and Food Economics-National Research Institute, Warsaw, Poland

ABSTRACT

The article presents the problem of competitiveness of Polish apples. In the paper the quantity of production and international trade of was analyzed. Major importers and exporters of apples were identified. In order to assess the international competitiveness ex post measure has been used. The study covered 2004-2015. The assumed research hypothesis has been verified positively. The indicators of the ex-post competitive position indicate that Polish apples were competitive in the world market in the years 2004-2015. Their position was increasing until the last study subperiod (2013-2015), during which, as indicated by some adopted indicators, it started decreasing.

KEYWORDS

Competitiveness, Export of Apples, Poland, World Largest Exporters of Apples

1. INTRODUCTION

The competitiveness is the ability to supply goods and services in the location at the time they are sought by buyers, at prices that are as good as or better than those of other potential suppliers, while earning at least the opportunity cost of returns on resources employed (Freebairn, 1987). The word “competitiveness” is derived from “competition” i.e. the fight among economic operators in the market. Currently, the scientific works include many definitions of the competitiveness. The multitude of definitions does not make it easier to understand the essence of the competitiveness currently referred to many economic entities, from a single product to the world economy. The researchers analyse the competitiveness at the following levels: global (the world), regional (a group of countries), macro- (economies of individual countries), mezo- (sectors, industries), micro- (enterprises, households) and micro-micro (individual consumers, entrepreneurs, employees) (Gorynia, 2009). The competitiveness may be considered with regard to a country (internal competitiveness) and to foreign countries (external competitiveness). The internal competitiveness is an economic position which a given sector (industry, product, company) holds in relation to other branches etc (Woś, 2001). The international competitiveness treated as an economic category also has an ambiguous meaning. In the literature, we distinguish the international competitive capacity also referred to as the factor-based competitiveness and the international competitive position also referred to as the result-based competitiveness (Pawlak, 2013). The international competitive capacity is a long-term ability to cope with the international
competition (Bieńkowski & Sadza, 2000). The international competitive position is an ability to compete at a given moment of time and presenting the static aspect of the subject (Wziątek-Kubiak, 2003). Some researchers extend the understanding of the international competitive position by changes in the shares of a given state in international trade flows while taking into account the qualitative changes (Misala, 2005).

Measuring the competitiveness may have a form of either ex-post or ex-ante analysis. To measure the competitiveness in the past, we use an abundant set of indices based on market shares and international trade as well as the amount of foreign direct investment, which may be a partial substitute for the export (Traill & Da Silva, 1996). The potential competitiveness (ex-ante) may be analysed using the accounting methods, the Domestic Resource Costs – DRC index and mathematical models. The essence of the accounting methods is to compare the manufacturing costs and, on their basis, draw conclusions on the competitiveness. The Domestic Resource Costs index determines the costs of domestic resources necessary to save or earn a foreign currency unit. In addition to it, we have the Net Economic Benefit – NEB or Social Cost Benefit – SCB indices functioning on a basis of the same data (Frohberg, 2000). The most advanced tools to analyse the ex-ante competitiveness are the mathematical models. Mainly used models are the general and partial equilibrium models. The studies on the economics of entire countries and sectors are dominated by the general equilibrium models thanks to which it is possible to examine interactions within the entire economic system while the partial equilibrium models whose range is narrower scope provide a higher level of detail in the analysis.

Apples are one of the main fruits of the temperate zone. They play a big role in the production, consumption and foreign trade in horticultural products. Poland is the largest producer of this fruit in the European Union. According to the European Statistical Office in 2015, the production of apples in Poland reached 3.2 million tonnes. The area of orchards at that time was 180 thousand hectares which accounted for nearly one percent of all agricultural land in that country. According to the Central Statistical Office’s data, the majority of produced apples (ca. 60%) were intended for the consumption and export. The remaining part was used as raw material for the processing industry to manufacture mainly concentrated apple juice and, to a lesser extent, other products i.e. NFC (Not from Concentrate) juices, cider, puree, dried apples and other. International trade covers primarily dessert fruit. Trade in industrial apples is of small importance and takes place mainly in border regions (e.g. Poland-Germany) (Kraciński, 2015). Experts estimate that in the next few years the Polish production will increase to 4 or even 5 million tonnes. A significant difficulty in international trade in apples for Poland and the EU is the embargo introduced in August 2014 by the Russian Federation.

The increasing production in Poland and problems with free trade in apples made the studies on the external competitiveness become very important for the economic practice.

2. OBJECTIVE AND RESEARCH METHODS

The objective of the article was to determine the competitive position of Polish apples in the world market. The author put forward a hypothesis that the Polish apples are competitive, but their position in the recent years has been decreasing. In order to verify the hypothesis, the largest producers, exporters and importers of apples have been identified. The competitive position of Poland and of the major global exporters of apples in the period 2004-2015 has been measured. The results obtained were analysed to determine trends and were compared with the calculations regarding the other major exporters. In order to determine the competitive position of Polish apples, the indicators of the ex-post competitive position have been used.

The data on production came from the databases of the United Nations Food and Agriculture Organization (FAO) and the European Statistical Office (Eurostat). The commercial data came from the database of the United Nations (UN Comtrade) and the Ministry of Finance of the Republic of Poland. The study period covered the years 2004-2015, and, in case of the FAO production data,
Supporting Creative Learning by Information Communication Technology (ICT) in Project Teams
[www.igi-global.com/chapter/supporting-creative-learning-by-information-communication-technology-ict-in-project-teams/207140?camid=4v1a](www.igi-global.com/chapter/supporting-creative-learning-by-information-communication-technology-ict-in-project-teams/207140?camid=4v1a)

A Qualitative Analysis of Innovation Adoption in the Olive Oil Extraction Process
[www.igi-global.com/article/a-qualitative-analysis-of-innovation-adoption-in-the-olive-oil-extraction-process/223930?camid=4v1a](www.igi-global.com/article/a-qualitative-analysis-of-innovation-adoption-in-the-olive-oil-extraction-process/223930?camid=4v1a)