

THE ROMANIAN BAKERY INDUSTRY BETWEEN MARKET FRAGMENTATION DURING 2019–2024

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Abstract

The Romanian bakery industry represents one of the most important sectors within the national food industry, both through its economic contribution and its role in ensuring food consumption stability. The aim of this paper is to analyze the structural and economic evolution of the Romanian bakery industry during the period 2019–2024, emphasizing the relationship between industrial performance, agricultural raw materials, market fragmentation, and import dependence. The study is based on a descriptive and comparative analysis of secondary statistical data provided by the National Institute of Statistics, Statista, and sectoral reports. The results indicate that the bakery industry maintains a strategic position within the Romanian agri-food system, accounting for over half of the active entities in the food industry and approximately 15% of total sold industrial production. The paper highlights the interdependence between agricultural production and food processing activities and underlines the necessity of improving competitiveness, supply chain resilience, and sustainable development strategies within the Romanian bakery industry.

Keywords: bakery industry; food industry; industrial performance; imports; sustainability.

1. INTRODUCTION

The food industry represents a strategic component of the Romanian economy, ensuring the transformation of agricultural raw materials into products intended for population consumption and contributing significantly to employment, industrial production, and national economic stability. In 1990, the food industry of our country numbered 365 state-owned enterprises. In general, the production equipment used was outdated, and investments in its renewal or modernization were always postponed. The energy and labor used were high and inefficient, and according to international standards, the quality of the products was low. After 1990, the number of enterprises increased to 5,676 in the period 1996–1997, registering at the end of 1997 a number of 17,069 private food processing entities, which continued with a favorable growth [1]. In recent years, the Romanian bakery industry has been influenced by several major economic and social challenges, including the COVID-19 pandemic, inflationary pressures, increasing energy costs, and the volatility of agricultural raw material prices generated by regional geopolitical instability [2]. Recent studies emphasize that the Romanian bakery industry remains highly fragmented and characterized by intense competition among local and regional producers. According to Deselnicu et al. (2020), the sector is dominated by a large number of small competitors operating mainly on local markets, while only a limited number of companies hold significant national market positions. The authors also highlight that changing consumer preferences toward healthier and diversified bakery products have forced producers to continuously adapt their strategies, product portfolios, and competitive positioning within the market [3].

The bakery industry is strongly dependent on the availability and price dynamics of agricultural raw materials, especially wheat, which represents the principal input in the production process [4]. This complexity is also reflected in the competitive structure of the industry, where market concentration coexists with a high number of micro-enterprises and locally oriented producers, generating significant differences in competitiveness, distribution capacity, and strategic positioning [3].

Consequently, fluctuations in agricultural production directly affect industrial costs, competitiveness, and market stability. In parallel, the increasing value of bakery product imports and the decline in domestic flour production raise important questions regarding the long-term sustainability and competitiveness of the Romanian bakery sector. The aim of this paper is to analyze the structural and economic evolution of the Romanian bakery industry, with particular emphasis on the period 2019–2024.

The study focuses on the evolution of active enterprises, turnover, sold industrial production, wheat production, flour supply and import dependence.

By examining these indicators, the paper seeks to highlight the role of the bakery sector within the Romanian food industry and to identify the main challenges affecting its sustainable development.

The period 2019–2024 is particularly relevant for analyzing the dynamics of the Romanian bakery industry, as it includes several major disruptions, such as the COVID-19 pandemic, inflationary pressures, energy cost increases and instability generated by the war in Ukraine. In this context, the evolution of the sector provides useful evidence regarding its resilience, adaptability and vulnerabilities within the broader agri-food chain.

Although the Romanian food industry has shown a positive evolution in terms of turnover and sold industrial production, the bakery sector reveals a more complex picture, marked by both economic consolidation and structural fragmentation.

2. MATERIALS AND METHODS

The present study is based on a descriptive and comparative analysis of the Romanian bakery industry during the period 2019–2024. The research methodology relies exclusively on secondary statistical data collected from official national and international sources. The analysis focuses on the main economic and structural indicators relevant to the bakery industry and the broader food sector. These indicators include the number of active enterprises classified according to enterprise size categories, industrial production indices, turnover evolution, sold industrial production, agricultural production of wheat and related cereals, average acquisition prices of agricultural products, and the evolution of imports associated with bakery products and flour production. The collected data were processed using comparative statistical interpretation, percentage structure analysis, and trend analysis methods.

The results were subsequently interpreted in relation to broader economic developments affecting the Romanian agri-food sector, including supply chain disruptions, raw material price volatility, and increasing dependence on imported processed food products.

3. RESULTS

The Romanian food industry has experienced significant structural transformations over the last decades, evolving from a centralized production system characterized by low technological efficiency into a competitive and diversified market-oriented sector. According to official statistical data, the number of active enterprises operating within the food industry increased from 9,497 entities in 2019 to 10,394 entities in 2023, representing an increase of approximately 9.4%. Despite this positive evolution, the sector remains highly fragmented. Micro-enterprises employing fewer than 10 persons account for approximately 76% of all active entities in the food industry, while large enterprises employing more than 250 persons represent only around 1% of the total number of companies. This structural imbalance reflects both the entrepreneurial accessibility of the sector and the limited concentration of industrial capital.

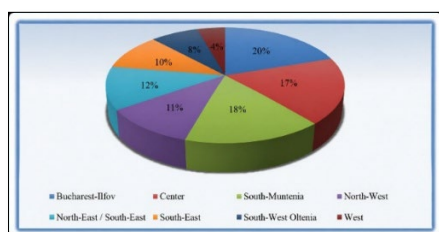


Figure 1. Distribution of large economic entities in Romania by region. Source: *insse.ro* [5]

The regional distribution of large food industry enterprises also reveals significant territorial disparities (Figure 1). Economically developed regions such as Bucharest-Ilfov, South-Muntenia, and Central Romania concentrate the majority of large industrial entities, while less developed regions remain dominated by small-scale production structures. This uneven distribution may contribute to differences in competitiveness, investment capacity, and integration into modern supply chains. Currently, the Romanian food industry is characterized by product diversification, increased exports and deeper integration into European value chains. However, the sector still faces challenges, such as low competitiveness compared to other EU Member States and dependence on imports for certain raw materials. In order to understand in depth the dynamics of the food industry, it is essential to analyze not only the demographic structure of active economic entities, but also their economic performance, reflected in the volume of production and the value of turnover, in close connection with the availability and evolution of essential raw materials.

Based on INS data, the food industry in Romania experienced a spectacular evolution between 2005 and 2024. The food industry, which includes the production and preservation of meat, the processing and preservation of fruits and vegetables, and the manufacture of bakery products, has recorded a constant evolution in recent years, exceeding in 2024 the value of 106.5% compared to the base year (January 2021), while total industrial production remained below the level of the reference year (86.8%).

This superior performance highlights the resilience and dynamism of the food sector, supported in part by constant demand and consolidated value chains (Table 1).

Table 1. The evolution of monthly industrial production, by industry activities for the total industry vs. the food industry in the period 2019-2024

Year	Total industry (%)	Food industry (%)
2019	92.20	96.10
2020	94.60	93.00
2021	98.70	99.20
2022	89.20	97.90
2023	86.10	100.70
2024	86.80*	106.50*

*provisional data according to INS. Source: *insse.ro* [5]

The bakery industry represents one of the most important branches of the Romanian food sector, both in terms of the number of enterprises and economic contribution. In 2023, approximately 6,288 enterprises operated within CAEN Division 107 – Manufacture of bakery and farinaceous products, accounting for nearly 60% of all active entities in the Romanian food industry. The dominant position of the bakery sector is strongly associated with the high consumption of bread and bakery products among the Romanian population.

According to ROMPAN data, Romania remains among the European countries with the highest bread consumption per capita, significantly exceeding the European average [6,7]. A study conducted by Statista Market highlights a clear trend of increasing per capita sales volume for bread and bakery products in Romania. In the context of the international comparison regarding the per capita sales volume of products in the "Bread and cereal products" segment, Romania is positioned in the upper part of the ranking, with a significantly higher consumption than that in Nordic countries such as Finland (46.65 kg), but lower than leaders such as the Philippines (259.68 kg) or South Korea (226.14 kg), all of this information being at the level of the year 2024 (Figure 2).

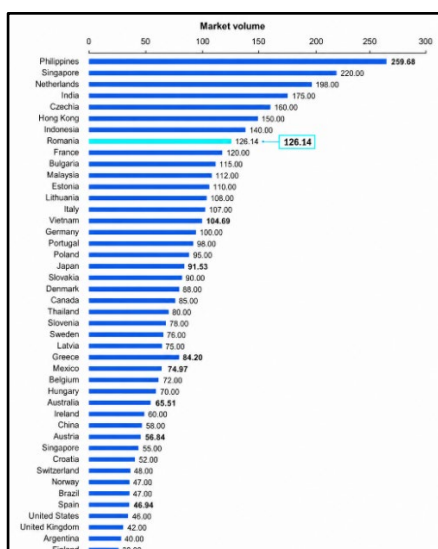


Figure 2. Per-capita volume sales in the bread & bakery products market worldwide, by country in 2024 (in kilograms). Source statista.com [8]

This consumption pattern ensures relatively stable market demand and contributes to the sector's economic resilience. At the same time, the volume of sales of bakery products in our country during the period 2020 - 2024 also records an upward trend from 86.47 kg in 2020, it is estimated that it will reach almost 100 kg in 2030, while other categories, such as pasta, rice or breakfast cereals, record more moderate increases, suggesting a constant and predominant preference of Romanian consumers for traditional bread products (Figure 3).

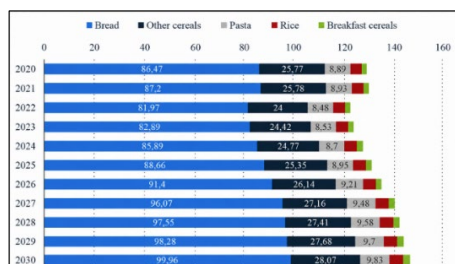


Figure 3. Sales volume in the Bread & Cereal Products market for different segments Romania from 2020 to 2030 Source statista.com [9]

Overall, the results reveal that the Romanian bakery industry maintains a strategic and resilient position within the national food sector, supported by stable consumer demand and a continuously expanding market structure.

The increase in the number of active enterprises, the positive evolution of industrial production, and the growing sales volume of bread and bakery products confirm the sector's significant contribution to the Romanian agri-food economy. At the same time, the predominance of micro-enterprises and the uneven regional distribution of large economic entities highlight the persistence of structural fragmentation and territorial disparities within the industry.

The analysis also indicates that Romanian consumers continue to demonstrate a strong preference for traditional bakery products, particularly bread, compared to other cereal-based food categories.

This consumption behavior contributes to maintaining relatively stable market demand, even in periods marked by economic uncertainty and inflationary pressures. However, the sector's dependence on agricultural raw materials and the increasing integration into international supply chains expose bakery producers to significant risks associated with price volatility, import dependence, and external economic shocks.

These findings emphasize the necessity of developing more sustainable and competitive strategies within the Romanian bakery industry. In this context, the following section discusses the main structural vulnerabilities of the sector and proposes several strategic directions aimed at improving competitiveness, supply chain resilience, technological modernization, and long-term sustainable development within the Romanian bakery market.

4. DISCUSSIONS

The findings of this study highlight the strategic importance and relative resilience of the Romanian bakery industry within the broader agri-food sector. Despite the multiple economic disruptions affecting global food systems during the analyzed period, including the COVID-19 pandemic, inflationary pressures, energy price increases, and geopolitical instability generated by the war in Ukraine, the Romanian bakery sector maintained a positive trajectory in terms of enterprise dynamics, industrial production, and consumer demand. The global food industry is currently undergoing a period of profound structural transformation generated by the overlap of geopolitical, climatic, and energy crises. In this context, the bakery sector, characterized by high energy consumption and strong dependence on agricultural raw material prices, has become an important indicator of the resilience of food production systems [10].

Recent studies emphasize that organizational performance can no longer be separated from the capacity to adapt to energy and raw material price volatility, transforming resource efficiency from a secondary objective into a strategic imperative [11].

The Romanian bakery industry reveals a dual structural profile characterized simultaneously by economic resilience and structural vulnerability.

On the one hand, the sector demonstrates a strong adaptive capacity reflected in the increase in the number of enterprises, the growth of sold industrial production, and the relatively stable evolution of consumer demand. The essential role of bread products within household consumption contributed significantly to maintaining market stability even during periods marked by economic uncertainty and inflationary pressures. Compared to other industrial sectors more strongly dependent on discretionary consumer spending, the bakery industry benefited from the constant demand associated with essential food products.

The predominance of micro-enterprises within the Romanian bakery industry reflects both the accessibility of the sector and its structural fragmentation. While this market structure stimulates entrepreneurial diversity and local production, it may also reduce economies of scale, limit technological modernization, and constrain access to large retail distribution networks. Similar conclusions were identified by Deselnicu et al. (2020), who emphasized the fragmented competitive structure of the Romanian bakery market and the significant differences in strategic positioning between local producers and large national competitors [3].

The results also reveal the strong interdependence between agricultural production and bakery industry performance. Wheat production and flour availability remain essential determinants of industrial stability, while fluctuations in cereal prices directly influence production costs and market competitiveness. The significant increase in wheat prices during 2022 generated additional pressure on bakery enterprises, particularly on small producers with limited financial flexibility. In this context, the bakery industry becomes highly exposed to agricultural market volatility and external economic shocks [5]. Based on the results obtained, the present study proposes a conceptual framework of structural vulnerability and strategic resilience within the Romanian bakery industry (Figure 4). The model suggests that the competitiveness of bakery enterprises is influenced by the interaction between four major structural pressures: agricultural raw material volatility, increasing energy costs, market fragmentation, and import dependence. The cumulative effect of these factors generates a vulnerability environment that disproportionately affects small and medium-sized bakery producers with limited investment and adaptation capacity.

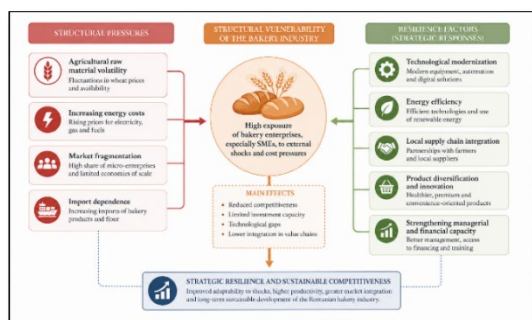


Figure 4. Conceptual framework of structural vulnerability and strategic resilience within the Romanian bakery industry. Source: author's own contribution

Figure 4 illustrates the conceptual framework proposed by the present study regarding the interaction between structural pressures, sector vulnerabilities, and resilience factors within the Romanian bakery industry. The model emphasizes that the long-term competitiveness of bakery enterprises is not influenced by a single determinant, but rather by the cumulative interaction between agricultural raw material volatility, increasing energy costs, market fragmentation, and import dependence. These structural pressures generate significant operational and financial vulnerabilities, particularly for small and medium-sized enterprises characterized by limited investment capacity and reduced integration within modern supply chains. The conceptual framework proposed in the present study complements the cost optimization perspective developed by Popa et al. (2025) by integrating additional structural determinants specific to the Romanian bakery industry, such as market fragmentation and import dependence. While supply chain cost optimization contributes to operational efficiency, the present study suggests that long-term sector resilience also depends on the capacity of bakery enterprises to reduce structural vulnerabilities through technological modernization, local supply chain consolidation, and strategic adaptation to changing consumer and market conditions [12]. Therefore, the proposed framework provides an integrated perspective on the Romanian bakery industry by highlighting the complex relationship between operational efficiency, structural vulnerability, and strategic resilience. The model contributes to a better understanding of the mechanisms through which external economic shocks and internal structural limitations influence the competitiveness of bakery enterprises, particularly in the case of small and medium-sized producers. At the same time, the framework underlines the necessity of adopting integrated managerial strategies focused on technological modernization, supply chain optimization, energy efficiency, and local market consolidation. Consequently, the proposed approach offers both theoretical and practical implications for supporting the long-term sustainability, adaptability, and competitive development of the Romanian bakery sector within an increasingly volatile and interconnected agri-food environment.

5. CONCLUSIONS

The Romanian bakery industry represents a sector situated at the intersection between agricultural production, industrial processing, and consumer market dynamics, which makes its evolution highly relevant for understanding the broader transformations affecting the national agri-food system.

The analysis conducted in this study demonstrates that the future development of the sector depends not only on production capacity or market demand, but increasingly on the ability of enterprises to adapt to structural uncertainty and changing economic conditions.

One of the main conclusions of the paper is that the bakery industry can no longer be evaluated exclusively through traditional economic indicators such as production volume or turnover. In the current economic environment, competitiveness is increasingly influenced by resilience-related factors, including adaptability to supply chain

disruptions, resource efficiency, flexibility in production processes, and the capacity to respond to evolving consumer preferences.

This shift highlights the transition of the bakery sector from a traditional food-processing activity toward a more complex and strategically integrated agri-food system.

The study also emphasizes the growing importance of strengthening the relationship between agricultural producers, processors, and distributors in order to improve supply chain stability and reduce external dependencies. In this context, local integration and regional cooperation may become essential instruments for supporting long-term sector sustainability and reducing exposure to global market volatility.

The persistence of fragmented production structures may limit investment capacity and innovation potential, particularly among small enterprises.

Consequently, improving competitiveness will require not only financial investment, but also the development of collaborative business models, digital production systems, and more efficient resource management practices. At the same time, the evolution of consumer behavior suggests that future market competitiveness will increasingly depend on the capacity of bakery producers to combine traditional consumption patterns with emerging trends related to product quality, health, convenience, and sustainability. This creates new development opportunities for enterprises capable of adapting their production and marketing strategies to the changing expectations of consumers.

Future research directions may include enterprise-level analyses, econometric modelling of competitiveness determinants, or comparative studies between different European bakery markets in order to further explore the mechanisms influencing resilience and sustainable development in the agri-food sector.

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