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**LAND PURCHASING BY FOREIGN ENTITIES - A
PROBLEM OF NATIONAL SECURITY**

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Abstract:

Sustainable development in the geostrategic context of global sustainable development in the 21st century means conserving land, water and the entire heritage, exploiting natural resources in such a way as to meet the needs of present and future generations. Agricultural land represents for Romania one of the most valuable resources for ensuring alimentary security and independence, Romania's agricultural land being among the most fertile in Europe. That is why they are a constant attraction for foreign investors. According to the latest data published by the specialty forums of the European Union, approx. 30% of agricultural land belongs to foreign firms from Europe Union and 10% to non-U.E citizens and companies.

Key words: agricultural land, sustainable development, geostrategic context, alimentary security and independence.

1.Introduction

After 1989, Central and Southeast Europe experienced many geopolitical changes. European integration in the European Union of the former socialist countries was achieved in different times and ways. Economic interests have been and are priorities; to these are added the political, military interests, with the purpose of preserving the national identity. It is desired to maintain a balance between transnational harmonization and national identity of each EU member state. After the Great Unification of 1918, Romania's agricultural area increased from 6.5 million hectares to 14.5 million hectares of agricultural land.

2.Lands owned by foreign investors

Romania's Statistical Yearbook for 2015 presents the agricultural areas in the last years, as follows:

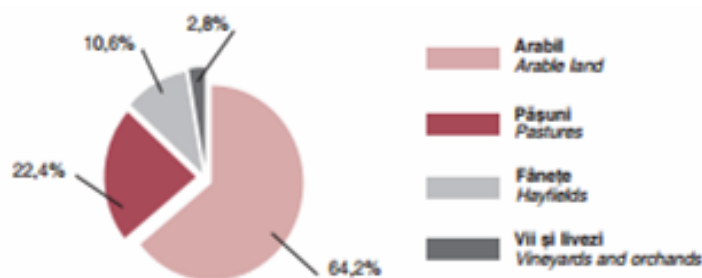


Fig. 1 Agricultural area, by use



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(source: Romania's Statistical Yearbook for 2015,

http://www.insse.ro/cms/sites/default/files/field/publicatii/anuarul_statistic_al_romaniei_1.pdf)

	2009	2010	2011	2012	2013	2014
Total area of the land fund	23839,1	23839,1	23839,1	23839,1	23839,1	23839,1
Agricultural area	1468,9	14534,5	14621,5	14615,1	14611,9	14630,1
- arable	9422,5	9404,0	9379,5	9392,3	9389,3	9395,3
- pastures	3313,5	3288,7	3279,3	3270,6	3273,9	3272,2
- hayfields	1528,0	1529,6	1554,7	1544,9	1541,9	1556,3
- vineyards and vine nurseries	215,4	213,6	211,3	210,5	210,3	209,4
- orchards and tree nurseries	205,2	198,6	196,7	196,8	195,5	196,9
Forests and other forest vegetation lands, of which:	6752,9	6758,1	6759,1	6746,9	6742,1	6734,0
- forests	6334,0	6354,0	6365,0	6373,0	6381,0	6387,0
Construction	703,3	728,3	749,4	752,4	758,3	758,3
Roads and railways	389,8	388,9	388,2	388,3	389,9	389,8
Waters and ponds	833,3	833,9	822,2	836,8	835,0	831,5
Other areas	474,9	495,4	498,7	477,6	500,9	495,4

Table 1 Total land fund, by use (end of year)

(sursa: Anuarul Statistic al României pe anul 2015,

http://www.insse.ro/cms/sites/default/files/field/publicatii/anuarul_statistic_al_romaniei_1.pdf)

	Agricultural area (thou ha)		Structure (%)	
	Total	of which: private ownership ¹⁾	Total	of which: private ownership ¹⁾
Total	14630,1	16399,7	100,0	100,0
Arable	9395,3	8940,2	64,2	65,2
Pastures	3272,2	2852,2	22,4	20,8
Hayfields	1556,3	1517,2	10,6	11,1
Vineyards and vine nurseries	209,4	202,2	1,4	1,5
Orchards and tree nurseries	196,9	187,9	1,4	1,4
Agricultural area irrigated ²⁾ , of which:	145,4	143,9	100,0	100,0
- arable	145,2	143,6	99,9	99,9

¹⁾ Includes: private ownership of state, of administrative-territorial units, of legal persons and of natural persons.
²⁾ Agricultural area irrigated from systems managed by the National Agency for Land Arrangements, in 2014.

Table 2 Agricultural area, by use, in 2014 (end of year)

(sursa: Anuarul Statistic al României pe anul 2015,

http://www.insse.ro/cms/sites/default/files/field/publicatii/anuarul_statistic_al_romaniei_1.pdf)

By size class of the used surface and by category, the situation is as follows:



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Size class of utilized agricultural area (hectares)	Used agricultural area											
	Total		Arable land		Kitchen gardens		Pastures and meadows		Permanent crops		Unutilised agricultural area	
	2010	2013	2010	2013	2010	2013	2010	2013	2010	2013	2010	2013
Total	3724332	3563765	2766912	2603234	2483357	2235363	1511261	1349087	1124114	1063030	320633	11020
under 0,1	384944	408958	54594	53979	297853	328553	3958	30399	50689	46572	344488	7436
0,1-0,3	662122	642056	341024	320752	435108	418777	135292	108336	187855	193347	43826	12998
0,3-0,5	355182	330990	278239	264838	226127	196666	111801	97100	102288	99016	26980	8124
0,5-1	617198	561378	522209	483120	380249	316431	246948	212903	177977	161580	49674	15291
1-2	712288	646542	537780	582620	467400	385039	350025	308508	240214	219657	65487	23587
2-5	727389	691257	678017	640455	505779	428181	444063	408096	278645	256141	72909	34477
5-10	182444	193871	171648	179226	127024	118856	125416	132429	65506	65455	19605	11636
10-20	43609	49648	40308	45572	28269	29829	27752	31851	13080	14595	4230	2373
20-30	9730	10259	8790	9306	5818	5757	5469	5662	2577	2484	772	261
30-50	8213	8468	7345	7513	4466	4276	4363	4566	2032	1836	633	173
50-100	7556	7263	5524	6225	3229	5642	3720	3604	1529	1214	595	185
over 100	13657	13075	10434	9827	2235	1356	6454	5643	1712	1133	1534	487

Table 3 Agricultural holdings, by use category and size class of utilised agricultural area

(source: The Statistical Annuary of Romania / 2015, http://www.insse.ro/cms/sites/default/files/field/publicatii/anuarul_statistic_al_romaniei_1.pdf)



LAND PURCHASING BY FOREIGN ENTITIES – A PROBLEM OF NATIO

The way the Planet is being exploited has not changed significantly: excessive fragmentation and extreme polarity are maintained.

In 2010, 90% out of all Romanian farms they were working under 5 ha/farm, representing an agricultural subsistence (according to Eurostat 2013).

Romania's agricultural land is divided between small farms without economic power, with no investments for their own needs, and a small number of farms are working using modern technologies in the industrial system.

In Romania, agriculture has been and continues to be a priority sector by contributing to the economy and by the share of the employed population in this sector of activity.

If in U.E. the employed population in agriculture is on average 4.7% in Romania in 2014, the weight was 19%, as opposed to Hungary 5%, Poland 10%, Bulgaria 14% (according to Eurostat).

Romania is still an area of interest for foreign agribusiness investors due to the very low price of agricultural land compared to the western European countries. and the fertility of the land. The European Parliament has drawn attention to the fact that financial speculators are another category of land buyers. They are interested in low prices, often buying at speculating prices: buying small plots, merging, and land becoming a variant of investment.

Agricultural land was purchased by banking institutions, pension funds, investment funds, large real estate firms, individuals with financial power outside Romania. Subsidies are concentrated in the hands of some companies, and the small native-born farmer is getting more and more burdened.

Some companies holding large land plots in Romania are: Generali (Italy), Germanagra (Germany), Agriinvest (Denmark), Spearhead International (UK), Northbrige (Norway). Austrian count Andreas von Bardeau owns 21,000 ha of land in Romania, being the fifth largest landowner in the European Union.

In addition to European Union citizens, landowners, in Romania, the group of companies Maria belonging to the citizens of Lebanon has 65,000 ha of land with storage facilities as well as a harbour.

According to unofficial statistics, Romania's agricultural land is worked mostly by foreigners: Italians 23%, Germans 15%, Arabs 10%, Hungarians 8%, Spanish 6%.

Through the EU Accession Treaties from Central and Southeast European countries have liberalized the financial market at different dates. In Romania, the liberalization of land acquisitions has occurred since 1 January. 2014.

Law no. 17/2014 did not create protection mechanisms, mechanisms that would encourage Romanian farmers to buy agricultural land.

Other countries have imposed restrictions for buyers in the land market, such as:

- checking the transactions by a national authority;
- checking the buyer's professional capacity;
- encouraging young farmers and family farms;
- residence of 3 years before and max. 300 ha in Hungary;
- residence of 3 years before and max. 500 ha in Poland;
- residence of 3 years before and max. 500 ha in Latvia;
- residence of 3-10 years before, in France, Belgium, Germany and other restrictive conditions.



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In Romania, besides a land market with very low starting prices, but with tendencies to grow in the next years, the legislation in this field is permissive and not connected with other laws, such as the Lease Law no. 16/1994 updated.

Sales and purchases of land have accelerated in Western counties: Timș, Arad and even Bihor, as well as in the Romanian Plain. Here the land has high soil fertility and the market is dynamic. Access to land, infrastructure and water is essential.

According to the management of the Arad Agriculture Department in 2015, 70% of land buyers are foreigners (www.capital.ro, 11.04.2016). In the years 2014-2015, 15,000 ha of land were sold, out of which 10,000 foreign citizens. In the first 6 months of 2016 1,200 ha were sold to foreign citizens. The surface of arable land is 351,000 ha, out of which 30,000 ha belong to foreigners. 15%, that is, 50,000 ha of land are worked by foreigners.

The average price is 7000 euro/ha, in 2016, going up to 11,000 euro/ha, depending on access, surface, water, degree of merging (source: Direction for Agriculture from Arad County).

In Timis county, approx. 150,000 ha of arable land - that is one third of the area - belong to foreign citizens.

In the first six months of 2017, in this county, 4,283 transactions were made with agricultural land, according to the statistics of the National Agency for Cadastre and Real Estate Advertising on the semester I / 2017.

The lands on favorable locations are also sold with 10,000 euros/ha, while small plots without cadastre are priced at 2-4,000 euro/ha, depending on other physical characteristics or facilities (source: Timis Agriculture Directorate).

According to the Agricultural Direction of Bihor County, arable land was sold with 9,890 euro/ha in the perimeter of Tămășeu commune, on the border with Arad county.

1. Conclusion

Agricultural land, the management of fertile surfaces and the ability to produce food are up-to-date issues, amid the new economic policies and global warming.

Lack of water and poor crops in agriculture can lead to geopolitical instability that propagates and remodels itself according to natural resources and prosperity.

* The Romanian agricultural land market maintains its attractiveness and dynamism given the much lower prices than the European markets as well as the quality and fertility of these lands.

* It is necessary to ensure the food safety of the Romanian population through its own productions.

* Purchase of these lands is also for speculative purpose to be resold in 10-15 years.

* Legislation in this area is permissive and does not impose any restrictions, compared to other U.E. states.

* Intensive exploitation may result in environmental degradation, resource depletion, destruction - if no exploitation conditions are required.

* The regions become mono-industrialized and sustainable economic and social development slows down.

* Small native-born farmers must be encouraged and supported by the state because they can not compete with the prices of small agribusiness.

* Elaboration of records because it is not known what is the agricultural area sold to foreigners, and what areas are being worked by them.

* How much land is still owned by Romanian farmers.



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* To legislate a law that, in line with European Union's rules, would stop the sale of agricultural land to foreigners, following the model of other EU countries.

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