

## THE DEVELOPMENT OF GOODS TRANSPORT IN ROMANIA

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### Abstract

*Transport represents an essential aspect of the society economic activity, organized with the object of overcoming the distances. As for the transport of goods, one may say that it essentially shows a significant progress in the last three years; it's a development based on the revaluation of road transport advantages in the prejudice of the railway transport of goods.*

**Key words:** the services' sector, the transport of goods, development, factors which encourage and promote the transport

**JEL classification:** R4

### Introduction

The real recuperative process of the gaps can be sustainable and durative only under the conditions of a real convergence which considers that making compatible the economical structure with the one of the other European country has priority.

As opposed to the industrial sector, where the structural convergence is in a continuous process of development, having a satisfactory intensity, the tertiary sector doesn't enjoy the same privileges, being able to find here the biggest gap from a macro-economic point of view.

It is well-known the fact that the services' sector is the most important sector of the global economy, in a continuous positive dynamic. In this sector is concentrated the biggest part of the production and the work force from the vast majority of the developed enterprises. For example, two thirds of the total aggregated production from the OECD countries corresponds to the services' activities. In the case of the active work force attracted by the tertiary sector in these countries, we can say that it represents 70%. In the case of the EU 15 countries also, we come across this situation.

Transport represents an essential aspect of the society economic activity, organized with the object of overcoming the distances.

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### **Methodology of the research**

The transport services as part of the tertiary sector has become a visible strength point of this sector, and this issue I tried to illustrate in this work, with express reference to the transport of goods. To this goal we used statistical data provided by the institution empowered and we tried to make an analysis in the dynamics of this activity. Should be noticed that data concerning last year's analysis are foreseen by the National Commission for Prognosis.

The most important economic issues relating to goods transport are:

- without transport, the possibilities of trade would have been limited or restricted only on the local market;
- transport established and also establishes today a better balance between the demand and the offer for various goods on a national and even on an international level;
- In these terms, the possibility of transporting the goods from rich areas to poor areas (taking into consideration the quantity of goods that one may find in those areas), seems to equalize their prices. The balance between the demand and the offer, established thanks to transport and to market mechanisms will however stabilize the prices on various markets;
- as there are many areas which offer similar products, the competition between the sellers will increase and consequently the competition tends to keep the prices at reasonable levels;
- transport also ensures good measure mobility and capacity of intermediate and final processing;
- the specialization in various activities such as: production and marketing is encouraged and sustained;
- In order to trade on a national and international level, one must follow some conditions: people's traveling on business interests, commercial documents transport and currency exchange, the organization of fairs and exhibitions, the participation to various international economic organization activities.

As for the transport of goods, one may say that it essentially shows a significant progress in the last three years; it's a development based on the revaluation of road transport advantages in the prejudice of the railway transport of goods. Given the fact that the interdependence between the economic growth and the goods transport is much higher, one may underline the following distinctive features:

- in the period 2001 – 2007 , one may notice that some permanent annual increases were recorded, both in the volume of transported goods, and also in the distance covered;
- there were however established some amplitude variations resulted mainly from cuts of railway transport activities;
- The internal activity of our country mainly determines the development of the quantity of transported goods which has been increased by 6,5 % in 2004 ( having a Gross Domestic Product of 8,5%) and by 6,2% in 2006 ( Gross Domestic Product increases by 7, 9%).
- the average distances of transported goods are much more higher which implies a preponderant contribution of goods transport;
- Given the income level, the population resort particularly to the transport on short distances, even in tourism sector, which explains why in some types of transport such

as the road transport, the average distance of transported goods is three times higher than the distance of passenger transport.

- as for the railway and road transport, one may notice a certain specialization, taking into consideration the transported goods, avoiding in this way all the obstacles found in their evolution. If the railway goods transport is centre round coal transport (approximately 37% from the total quantity), petroleum and mineral oil (17%), ore (13%), products and goods made of metal (10%), the road transport is mainly specialized on mineral metal – bearing (quarry products and quarry of sand and gravel, slag, salt, etc with a share of approximately 43%), food products and forages (12%).

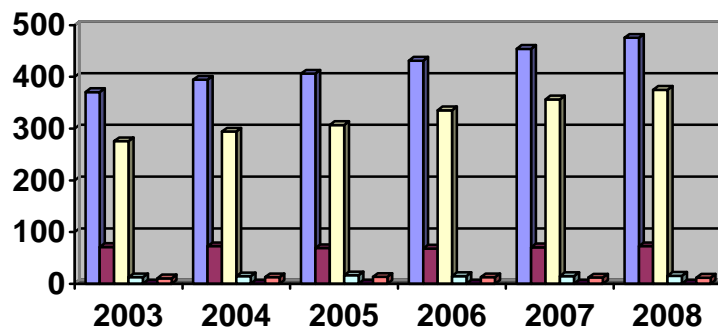
**Table no. 1. The quantitative development of transported goods in the period 2003 – 2008**

	2003	2004		2005		2006		2007		2008 *	
	Mil T	Mil T	-% comparing with the previous year	Mil T	-% comparing with the previous year	Mil T	-% comparing with the previous year	Mil T	-% comparing with the previous year	Mil T	-% comparing with the previous year
Transported goods Total	370,7	394,5	6,5	406,2	3,0	431,3	6,2	454,1	5,3	475,5	4,7
Railway Transport	71,4	72,7	1,8	69,2	-4,8	68,3	-1,3	70,6	3,5	72,9	3,3
Road transport	275,6	294,2	6,8	307	4,4	335,3	9,2	356,5	6,3	375	5,2
Transport by inland waters	12,8	14,6	14,1	16,5	13,0	14,9	-9,7	14,8	-0,7	15,5	4,7
Sea transport	0,23	0,16	-30,4	0,06	-62,5	0,08	33,3	0,07	-12,5	0,08	14,3
Freight transport by pipeline	10,7	12,8	19,6	13,4	4,7	12,7	-5,2	12,1	-4,7	12,0	-0,8

Source: (www.insse.ro (2004-2006) and [www.cnp.ro](http://www.cnp.ro) (2007-2008))

\*for years 2008 the dates are provisioned

For a better understanding of the exact situation in the analyzed period, we also present the dates from the chart under a graphic form which allows us to comprehend the situation.



**Fig.1: The quantitative development of transported goods in the period 2003 – 2008**

According to the previsions made by The Forecast Annual Commission, the year 2008 will represent for the transport activity an important year, an year marked by positive developments which therefore will make the whole industry gross added value to increase by approximately 7 %. The main contribution is however brought by the transport of goods, but if the rhythm of the investments and infrastructure works will intensify, the contribution of the enclosures activities of handling and depositary will also increase, and therefore this contribution will counterbalance the slight reduction of the development of passenger transport.

Among the economic factors which encourage and promote the development of the transport activity in the year 2008 are:

1. A better agricultural or farm production than that of the year 2007;
2. The intensification of highway construction works;
3. The progress made in the petrochemistry and metallurgy section;
4. The extension of the commercial chain network;
5. A great use of labor, arising from various imbalances in the market.

As for the development of the significant quantitative indicators which characterized the transport activity in 2008, the previsions are:

- a positive development, but inferior to the development made in 2007, as a result of the base effect (for instance the passengers' air transport increased in 2007 by approximately 50%), but much more balanced if we take into consideration the various types of transport;
- no longer projected reductions in any category of transport compared to 2007 when there have been reduction in the rail passenger transport on inland waters and sea freight transport by pipeline.
- the most important increase relating to the passengers' transport section it is said to be recorded in the urban traffic (approximately 4,6%), its share being in a slight increase comparing to the year 2006 ( from 86,7% to more than 87%);
- the most important increases are going to be recorded in the transport by inland waters (over16%) and in the air transport ( 10%), thanks to the labor mobility in the area of the Danube Delta, the increase number of airlines which function in Romania ( in 2007 began operating Delta, Wizzair, etc) thanks to the development of tourism business and to Romanians' tendencies to spend their holidays abroad, etc;
- thanks to the investments of more than 500 millions of euros made in the period 2006-2007 in the railway infrastructure, it is expected a new revival of the passengers' railway transport ( approximately 3,3%);
- thanks to the development of week-end tourism, the passengers' road transport will also increase by 3,4%;
- thanks to the increase of the national economy (6,5%), the goods transport will also increase;

### **Conclusions**

As said earlier we can say that the transport of goods has seen a continue dynamic, reaching a total amount of goods from 370,7 million tons in 2003 to 475,5 million tons in 2008. We also noticed that on transport types the first place belong to road transport, representing 74-80% of total merchandise transported. This is due to transport network features in Romania and the ratio between price-quantity transported.

The investments in the construction sector, the expected increase of the foreign trade by over 35 %, along with the abolition of the documents of good transport license in the European Union, the possibility for the carriers not to possess the green card as an insurance of civil responsibility on the territory of other countries once with Romanian adhering to European Union( implicitly transport reductions – resulted from payment authorizations), the increase with over 47% for the cars for goods transport recent registered in the first 9 months in 2007, comparing with the same period of time in 2006; all these will encourage the increase of the volume of goods transported in the road system by more than 5 %, rising also the share of this type of transport, totally goods transport . As for goods railway transport, influenced by some factors that we have already mentioned, it is expected an increase of more than 3 %.

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