

THE ROLE OF TRANSPORT SERVICES IN THE ECONOMIC DEVELOPMENT OF ROMANIA

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Abstract

Transports are indispensable for the economic development of EU member states and not only. Among the first common communitarian policies, there was the European transport policy as well, given the importance of transport in the free movement of goods and people. Also, the European economic agents need to preserve their competitive positions at the global level through the intermediary of the sector of transports and logistics. The development of transport services needs to be tightly linked with the environment, in the sense of minimizing their impact on the environment. The strategy in the field of transports for 2014-2030 identifies and hierarchies the future transport network, analyzing the economic sustainability of both the infrastructure and the central network together with the global trans-European transport network.

This paper is an attempt to make a thorough analysis of the transport services in Romania and to highlight the role they play in economic development.

Key words: trade, commercial services, transport, passengers, goods

JEL Classification: O24, R40, M21

1. Introduction

National economy, as well as the economies of other nations function nowadays in a much more complex and competitive environment than the one

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characteristic of the early 1990s. Organizations need to adapt to this competitive environment, becoming more efficient by cutting costs and increasing the standard of customer services. In order to fulfil these objectives, an essential role is played by the supply-outlet chain, in which transport represents the basic link. There is also a sum of external factors that impose change and the adaptation of organizations to the present-day environment, such as: globalization, new technologies, policies and regulations (Coyle J. et all. 2011).

Ever since ancient times, transports were indispensable due to their role in the commercial activity. In modern age, these have perfected and have imposed themselves as a separate domain. Looked upon as a sector of national economy, transports are considered to be an extension of the processes of production, any misbalance in transports bearing repercussions on the whole market economy of a country (Zaharia M., 2005).

The role and importance of transports can be shown through the analysis of their relationship with various economic, social and political aspects of the activity of society members.

The economic importance of freight transport is well-known, both at the micro as well as the macroeconomic levels. At the microeconomic level, a series of factors justify the economic importance of freight transport, such as: place utility, goods lose value as long as they do not reach the place where they have been solicited in time; time utility; form utility; the impact on competitiveness; the contribution to costs and prices; the influence on other activities of the organization. From a macroeconomic point of view, a series of aspects converge along the same line – the major role and place that transports have in the national economy: the possibility of geographic specialization; large scale production; the intensification of competition; economic development (Bălan C., 2006-p.128).

From a social perspective, the transport activity has a special significance as it facilitates the free movement of citizens, this sector creating workplaces as well. The growth and wide scope of the tourism activity are due to the development and improvement of transports.

Without transport connections and networks, free movement would not be possible. The EU policy in the field has always been oriented towards

overcoming the obstacles between member states and the creation of a unique European space of transport, with equitable conditions for competitiveness for and between various types of transport: road transport, railway transport, air transport and inland waterways transport (the European Commission, 2014).

In 2011, the European Commission published a new *White Paper* regarding transports, with the measures that need to be adopted in view of finalizing the internal market of transports. These measures refer to: building integrated transport networks that combine various means or types of transport, the improvement of infrastructure in the countries that have joined the EU (starting with 2004 a greater emphasis will be placed on research, innovation and investments, so that Europe should not depend on petrol in the future) and the preparation of industry for the fulfillment of the difficult objectives of decarbonization without the reduction of mobility.

A priority on the EU agenda is represented by the reduction of gas emissions generated by transport activities, this politics being encouraged by a multitude of projects that aim at the reduction of urban agglomeration, the encouragement of the use of more ecological means of transport such as the train and inland navigable routes, and the development of alternative fuels for ships and automobiles.

Road transport, the main means of transport, is also the main source of pollution: according to the most recent data, traffic generates approximately 71% of the total carbon dioxide emissions associated with transport activities.

This paper makes a thorough analysis of transport services in Romania and emphasizes their role in economic development.

2. The analysis of Romanian trade in commercial transport services

In 2014, the balance of services registered a surplus of 5856 million euro, comparative to the 4700 million euro in 2013, as a result of an increase in returns resulting from the processing of goods found in the property of third parties, from transport, telecommunication, informatics and information services, to other services for businesses. We can assert that the balance of services registered a positive and increasing value from one year to another, for

instance it almost doubled in 2013 in comparison with 2012. All the components of the balance of services, with the exception of tourism, have evolved positively in comparison with 2012, registering increases in surpluses (processing of goods, transport, architecture services, engineering and scientific services as well as other technical services).

Table no. 1 *Structure of Romanian commercial services (%)*

Exports of commercial services	2012	2013*	2014**
Total, out of which:	100.0	100.0	100.0
processing of goods	15	16.9	16.7
transports	25.4	28.9	29.1
travel	11.6	8.9	9.1
Other services	48.0	45.3	45.1
Imports of commercial services	2012	2013*	2014**
Total, out of which:	100.0	100.0	100.0
processing of goods	1.7	1.6	1.8
transports	18.0	15.7	17.1
travel	19.3	17.7	19.7
Other services	61.0	64.8	61.4

Source: ours own calculations after the Romanian Statistical Yearbook, 2014, and BNR (the National Bank of Romania)

*) Semi-definitive data

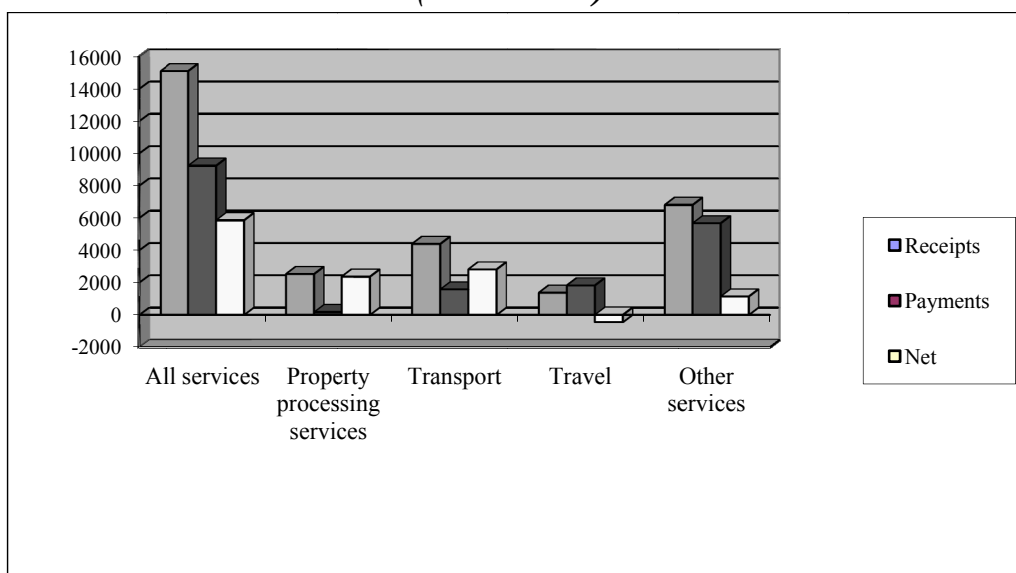
**) Provisional data

From the point of view of the structure of Romania's exports and imports of services, on the categories presented in table 1, there were no significant changes throughout the 3 years under analysis. In 2013, transports held 28.9% of the total returns in the export of services, and in 2014 these totalized 4391 million euro. Exports of services in Romania are made primarily with

Germany, Italy, Great Britain, Austria, the United States of America, the Netherlands, Switzerland, Belgium and Spain.

In 2013, payments in services totalized 8727 million euro (greater by 17.9 percent than the previous year), transports holding approximately 15.7%. 2014 brings a new increase in payments for services, of approximately 6%, payments in transports amounting to 1577 million euro. Over 60 percent from payments for services were made to 10 countries: Germany, Austria, Italy, France, Great Britain, the Netherlands, the United States of America, Switzerland, Hungary and Spain.

Figure no. 1 *Evolution of the balance of services and its main components in 2014*
**** (EUR million)**

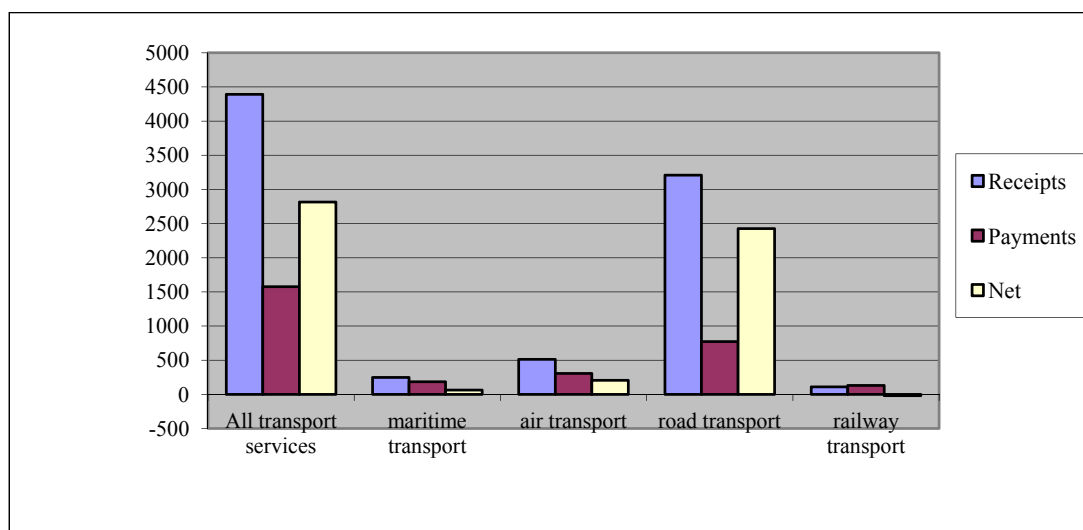


Source: BNR

**) Provisional data

In 2014, transports registered a surplus of 2814 million euro, an increase in comparison with the previous year by 320 million euro. Road transports contributed significantly to this surplus, by 2436 million euro, followed by air transports, with 205 million euro and pipeline transports with 73 million euro.

Figure no. 2 *Evolution of the balance of transport services and its main components in 2014 ** (EUR million)*



Source: BNR

**) Provisional data

Road transport, the main type of transport, is also the main source of pollution: according to the most recent data, road traffic generates approximately 71% of the total carbon dioxide emissions associated with transport activities. Maritime transport and air transport generate 14% and, respectively, 13% of the total emissions, whereas inland navigation accounts for 2%. Railway transport pollutes the least, less than 1%. Nevertheless, in the case of natural persons, the preferred means of transport is the automobile, followed by the airplane, the train, the tramway and the subway. The last position among preferences is occupied by maritime transport.

As far as long and medium distance freight transport is concerned, the market is dominated by road transporters. For almost half of the quantity of goods, road transport is used, followed by maritime transport, railway transport, inland waterways transport and transport via petroleum pipelines. Air freight transport occupies the last position, due mainly to higher costs.

Table no.2 Transported goods, by means of transport (*million tons*)

	2011	2012	2013	2014
Railway transport	61	56	50	51
Road transport	184	188	191	191
Maritime transport	39	39	44	44
Air transport	27	29	32	32
Inland waterways transport	29	28	27	28
Transport via petroleum pipelines	6	6	6	6

Source: Statistical breviary (2015), Romania in figures

The indicator transported goods for railway transport registered a decrease in 2012 and 2013 in comparison with 2011. During 2014, in comparison with 2013, there was an increase of the indicator of transported goods for railway transport and inland waterways transport, and a constant value for road, maritime, air and petroleum pipelines transports. Road freight transport registered, for the transported goods indicator, an increase by 4 million tons in 2012 in comparison with 2011, and a constant level in the years 2013 and 2014, of 191 million tons. Air freight transport registered increases in 2012, 2013, and 2014.

Table no.3 Passenger transport, by means of transport (*million passengers*)

	2011	2012	2013	2014
Railway transport	61	58	57	65
Road transport	243	262	274	282

Maritime transport	*	*	*	*
Air transport	11	11	11	12
Inland waterways transport	*	*	*	*

Source: Romania in figures 2015 – Statistical breviary

*) under 0.5 million passengers

National and international passenger transport registered increases for road transport so that in 2014 the number of passengers was of 282 million. In 2014, national and international passenger transport for railway transport registered an increase in comparison with the previous year, by 8 million passengers. For air transport the increase was of 1 million passengers in 2014 in comparison with 2013.

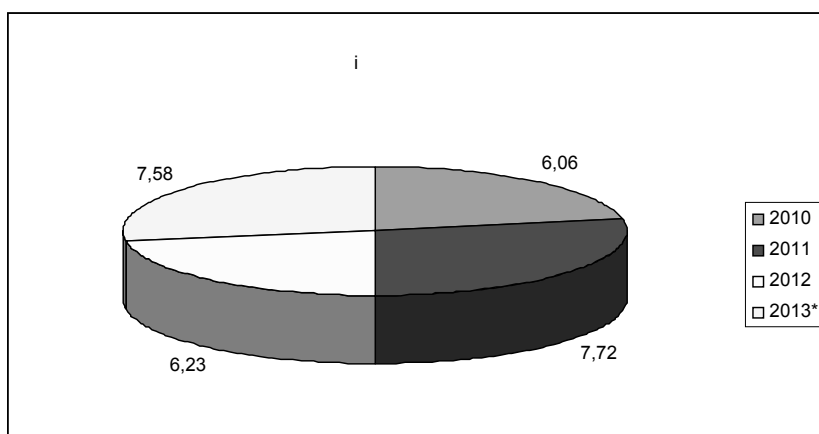
Although it is much more ecological and safe from a statistical point of view than road transport, railway transport makes efforts in order to be competitive on the passenger and freight transport markets.

The most important sector, which brings a significant contribution to workforce employment and to the EU economy, namely air transport, generates, directly and indirectly, 5.1 million employment positions, and contributes with 365 billion euro to the European GDP.

According to existing data in the Romanian Statistical Yearbook 2014, investments for the environmental protection in the sector of transports (unspecialized producers) amounted to 113.240 thousand lei in 2013. The structure of investments in environmental protection in 2013 is the following: 49.5% in air, 27.3% in water, 0.8% in waste, 12% in soil and subterranean waters, 0.13% in the protection of natural resources and the conservation of biodiversity, as well as in other domains – approximately 10%. As far as internal expenditures for environmental protection in 2013 is concerned, in the sector of transport (unspecialized producers), they were of 12.351 thousand lei, representing only 0.35% of the total expenditures on environmental protection from unspecialized producers.

The population employed in transport and storage services represents approximately 5% of the total number of people employed at a national level, namely, in 2013, 429 thousand people.

Figure no. 3 Share of net investments in the transport and storage sector from the total investments in Romania (million lei)



Source: ours own calculations, based on data from the Romanian Statistical Yearbook 2014

*) Provisional data

As we can see in figure no. 3, investments in the transport sector did not have a spectacular evolution. The greatest value was registered in 2011 (6775.5 million lei), followed in 2013 by 6125 million lei. As a share of investments in this sector of activity, we may notice that this is quite small in comparison with the total investments classified into fields of activity.

Figure no. 4 Active organizations in the field of transport and storage, by size classes (number)



Source: the Romanian Statistical Yearbook 2014

The number of active organizations in the field of transport and storage increased in 2013 in comparison with 2012 by approximately 6%, due mainly to the increase in the number of small enterprises. As far as the form of property of these companies is concerned, the greatest number is represented by mainly private joint stock companies. The number of private entrepreneurs in the transport sector increased in 2013 in comparison with 2012 by approximately 27%, according to the data in the Romanian Statistical Yearbook 2014.

The turnover of companies whose main activity is market services increased in 2012 in comparison with 2011 by approximately 7%. Active organizations in the field of transports contributed significantly to this increase, mainly road transports and those of storage and auxiliary activities for transport. Although 2012 was a prosperous year from the point of view of sales, especially for active organizations in the sector of road freight transport, this fact was not reflected in financial performance as well, a situation caused especially by the environment of aggressive competition in the field.

3. Conclusions

Transports represent one of the basic pillars of the European integration process, which contribute to economic growth and the occupation of the workforce of a country to a great extent. In our century, transports are facing great challenges, because of global competition and insufficient investments in the field. The main concern of our country should be the development of the transport infrastructure in agreement with current requirements. Although it has an advantageous geographical position, Romania is nevertheless an example of a country in which economic development is negatively influenced by the critical transport infrastructure.

All the above-mentioned figures demonstrate the importance of transport services for economic development, these being a means and a premise for the evolution of the country towards prosperity and wellbeing.

The preoccupation for economic development needs to be correlated with that for the impact on the environment and the reduction of pollution generated by transport activities. Also, the development of the transport infrastructure needs to be accomplished through the minimization of negative consequences for the environment and for people's quality of life.

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