



ROMANIA'S MERCHANT FLEET HISTORICAL AND EVOLUTION

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Abstract *Shipping and merchant fleet were for many years one of the key industries of our country. Before 1989, Romania's fleet was ranked of British analysts 4th in Europe and 11th in the world, this state and the country flag flying on board of more than 300 ships, brought Romania prestige and material benefits in the long term. Years following the change of political regime, witnessed a period of instability for most industries, and now the country's maritime industry keeps developing the shipbuilding segment. Domestic demand is non-existent, the share of exports of ships of Romania is 100%, so Romanian shipyards compete with Chinese Japan and South Korea exports.*

Key words:

fleet, trade, ship
owner, sailing
pavilion

Introduction

Danube and the Black Sea has been since antiquity a magnet for intrepid seafarers. With rudimentary craft, they went the way of water to transport cargo and to explore new territories. "The Trip" on the Danube was done by a carved tree trunk, so-called "monoxila". Historians say that Alexander the Great himself used this type of boats to move army across the Danube, succeeding in one night. This first means of shipping, "monoxila" can still be admired today at the Museum Navy.

In the XIV century, Mircea cel Batran called "ruler to the great sea", had a small fleet of small ships and monoxile. Upgrading navigation Romanian countries began in the reign of Stefan cel Mare when famous Moldovan Panzar constructed on Chilia and Akkerman, arrived in all Mediterranean ports. A century later, Mihai Viteazul had the Danube galleys, boats and kayaks armed with guns. In 1860, Alexandru Ioan Cuza unites Moldavia and Wallachia fleets and lay the foundations of modern naval forces of the United Principalities.

War of Independence marks the baptism of fire for Romanian sailors on the Danube, with the sinking of several boats Turkish. In World War I, the fall of 1916, Romanian military vessels took part in the liberation of localities in Dobrogea, occupied by German armies. In the last year of the war, in 1918, the Navy had to fulfill the difficult task of demine Danube. Marina came out of WWI with many losses and damaged ships. Navy vessel was then equipped with new and modern.

After the Second World War military fleet is growing continuously and features cute, submarine hunting, celebrities, torpedo, rocket-bearing stars, Mine warfare, corvettes, cruisers and a submarine.

The last vessel completed Romanian Army fleet is frigates "King Ferdinand" and "Queen Mary", which brought the combat capability of naval forces to NATO requirements.

Until 1990, Romania's merchant fleet counted 300 ships, with an additional fleet of ocean and river fishing. In March 2010, the Romanian fleet had only six ships, the others being alienated. The tanker Histria Topaz, Albatros cargo, ferries Eforie and Mangalia and RO-RO Sammarina sites A and M are the only vessels flagged Romanian shipping.

Ferries Mangalia and Eforie last descendants of Stephen the Great, were drawn from the quay in 2011. Although de facto does not exist for years, Romania's maritime fleet officially end its activities in 2011 with the decommissioning state of the two ships that still fly the flag on the mast Romanian. Following the disappearance of state shipping companies remained a mountain of debt.

Ships have not been out for six years at sea, one of the reasons was expired registry documents, and in 2011 were moved from the ferry terminal at Agigea cold Park Constanta South Port.

In early 1990, the maritime transport fleet numbered 288 ships, with a tonnage of 5614.0 thousand dwt (deadweight tons), structured as follows:

- 188 general cargo freighters - 1,444 thousand dwt. (25.6%);
- 12 tankers - 1,090 thousand dwt. (19.5%);
- 70 ore - 2979 thousand dwt. (53.2%);
- 18 specialized vessels - 101,000 dwt. (1.7%).

Depending on years of service, the situation was as follows:

- 30 ships under 5 years (10.4%);
- 69 ships between 5-10 years (24.1%);
- 91 ships from 10 to 15 years (31.1%);
- 44 vessels between 15 to 20 years (15.3%);
- 54 ships over 20 years.

The statistics above show that only 10.4% of the total fleet was represented by new ships, other vessels being old (55.2%) or very old (over 15 years old: 34.2%). Wear and tear of old and very old ships had an effect both on the volume maintenance costs (the conclusion of insurance contracts) and the employment of vessels, where the ships were preferred less than 5 years old and older ships refused 15 years.

In terms of organization, maritime transport fleet was given two shipping company: Enterprise Fleet Maritime Operations (IEFM) "Navrom" Constanta - 275 ships (5380.0 thousand dwt.) And Foreign Trade Enterprise (ICE) "Navlomar" Bucharest - 11 ships (225.0 thousand dwt.). There are also joint venture and Roliship "- 2 vessels (dwt 9600.0.) At which 51% of the shares were held by IEFM "Navrom" Constance, and 49% of the shares belong to the Libyan company "Lafico".

By the end of 1989, maritime transport fleet activity was the monopoly of the State represented by ICE "Navlomar" Bucharest that take contracts of carriage of goods belonging to foreign trade enterprises.

On January 1, 1990, although it was heavily exploited marine fleet (especially the oil and ore), IEFM "Navrom" Constance record foreign debt of \$ 29 million, foreign factor which, in addition to technical and strategic, enterprise and business has seriously affected the Romanian maritime fleet. This foreign debt must be added the lack of capacity IEFM "Navrom" the payment of insurance premiums, given that in 1990, only 50% of the vessels were secured.

Another aspect of the situation is the merchant fleet on the quality and reliability of ships. Since more than 87% of these were built in shipyards Romanian and had supplied engines, mechanisms, gears and domestic equipment, ships were well below world standard quality and many were not approved by the relevant institutions

Precarious state of Romanian ships, lack of equipment in accordance with the rules of international conventions, the acute shortage of spare parts were the most important causes that led to low utilization of naval fleet and thus to an increase in spending ships were engaged on navluri small and large prime insured.

In 1990, under Decree-Law no. 50/1990, 24 vessels were sold I.E.F.M. "Navrom" Constance, of which 19 had expired during normal operation.

In August 1990, according H.G. nr. 494/9 May 1990 I.E.F.M. "Navrom" Constance was divided into three joint stock companies: SC "Petromin" etc. specializing in oil and ore ship, SC "Navrom" etc. specialized in general cargo and cargo operation SC "Romline" etc. specializing in ship container ships, ro-ro ferries and general cargo freighters, who divided vessels under a protocol signed on August 9, 1990.

Subsequently, the three companies were transformed into joint stock companies, specializing in the transport of goods and passengers, vessels owned or rented, ore and oil exploitation, brokerage, repair, purchase and sale of vessels.

Mainly three newly established companies have established and directed strategies to overcome the crisis it was in Romanian maritime fleet, have developed various forms of cooperation and had some common provisions. They consist shipping reorientation towards other partners where ties import and retrofitting, where the Romanian banks still were not giving long-term loans, the grace period, the completion of its own efforts to ships under construction in different Romanian shipyards, circumstance vessels were removed from the budget appropriation, exploitation strategy reorientation of vessels through cooperation with foreign companies with experience in this area and market conditions, selling old ships or removed from service.

In late 1993, Romanian maritime fleet had 244 ships, totaling 5,303,664 dwt. (94% from 1 January 1990), structured as follows: - "Navrom": 84 ships (691,860 dwt.) And held 51% shares in the joint venture "Roliship" (6 vessels - 28,800 dwt.), "Romline" 77 ships (630,968 dwt.), "Petromin": 70 ships (3,742,546 dwt.) and held 50% shares in the joint ventures (6 ships - 517,954 dwt.). There were also five private companies: 13 ships (238,290 dwt.).

During 1990-2001, the Romanian shipyards were built 19 ships (702,000 dwt.) Another noteworthy fact is that their manufacturing process was started before 1990. In October 2001 they were listed under Romanian flag vessels 45 (564,843 dwt.), ie 10% of those existing at January 1, 1990, the following structure: companies with majority state capital: 12

ships (176,031 dwt.), private equity companies: 33 ships (388,812 dwt.).

Construction of marine and river transport and water and were strongly influenced by structural changes in all aspects of Romanian society, since 1989, caused by any failures inherent in the transition to a market economy.

The main causes essentially contributed to serious and irreversible degradation Romanian fleet, were:

- Inability to adapt to the shock of socio-economic decentralization of management activity.
- Lack of an adequate legislative program, allowing movement maritime fleet markets both in terms of national legislation and international scrutiny.
- Immobility and lack of professionalism of the representatives FPS shipping to site specific, incorrect assessment of the property, private capital preconceptions.
- Total withdrawal of Romanian state from supporting national maritime interests, a situation that is still present, although in all countries of the world maritime fleet is one of the most important strategic objectives.
- Advanced wear and tear of ships, vessels highlighted by low productivity, specific fuel consumption than the usual values in the world, lack of spare parts, low reliability of on-board.
- Economic and financial mechanism inadequate to the demands of the market and the rigors of international shipping, which resulted in the accumulation of large debts of shipping companies and blocking current intensive use due to lack of financial resources.
- Lack of a national strategy on maritime fleet.

Until 2001, in Romania there was no bank specialized shipping activity so that all the work was done by Romanian credit banks, which had no knowledge of naval needs and practices. Also no guarantee of loans for investment in foreign banks granted no coherent legislation.

To all this must be borne in mind that, in 1993, was adopted by the Paris Memorandum, a document which states the European Community have established some principles governing navigation in order to increase its safety, environmental protection and the existence of a certain standard working conditions on vessels under these provisions market

In these circumstances, given the poor technical condition of Romanian ships after 1993 only 10% of these ships, particularly those retrofitted in external cooperation, they could access the member countries of the European Community ports without being

arrested / detained by institutions ability, to troubleshooting or changing improper equipment.

On January 11, 1993, the shipping companies "Navrom", "Petromin" and "Romline" were removed from the control of the Ministry of Transport, by passing a 70% stake in FPS and 30%, the National Agency for Privatization. Moving fleet to F.P.S. and ANP had no other interest than to alienate ships. What happened then was promoted chaos logic FPS in the economy. Tragic fate of the national fleet was not different at all from the fate of most of the industrial and agricultural units in the portfolio mentioned institution.

From January 11, 1993 and until 2001, the Romanian State, through FPS, then AVAS endeavored to bankrupt companies' Navrom "and" Romline "and sell fleet of 82 vessels with a total capacity of 4,096,750 dwt. of the CNM "Petromin" without putting anything in place. Thus, Romania became the only country that managed to leave the maritime map of the world, destroying, in less than a decade (1993-2003), with enormous sacrifices fleet that financial, technical and human, has endeavored to a form within a century.

It is worth mentioning that according to records, in December 2010 were in operation over 110 ships - cargo, ore and petroleum built between 1971-1990 - the former Romanian maritime merchant fleet, all of which are under foreign flags and other property ship-owners.

Regarding Romanian river fleet, the situation is different from that recorded by maritime fleet, it cannot be resolved.

The change of political regimes, the implicit effect of transition from centralized economy to a market economy, falling industrial production and reducing investment program were reasons which caused drastic reduction of river traffic. Also embargo of Yugoslavia (1992-1995) and Novi Sad Danube blocking (since April 2000), were events whose effect had negative effects on river traffic, traffic that provides about 70% of revenues to shipping companies.

In these cases failure can add funds to the development and modernization of the ships and substandard technical condition of most of the vessels, which were built between 1970 - 1985, many of them presenting advanced disrepair.

In October 2001, over 80% of river fleet was managed by private companies. Regarding fleet ocean, does it not have anything left, if privatization of Romanian Oceanic Fisheries (CRPO), causing a real chain reaction. Following an investigation it was discovered a smuggling ship full of company assets. As with "Petromin" file "CRPO" hide beyond the obvious deviations from the law, committed by the manager of the company and the buyers 'strategic' corruption

unexplored until the end. Conclusions investigation led to peaks FPS and beyond.

The company was sold by FPS, which held 51% of shares by two Greek citizens (Dimakos and Theodoros Ioannis Lades), for the sum of one million dollars by the end of 1997. However, the Greeks were able to capitalize heritage CRPO following an agreement signed by them with leadership FPS, since the mid anului 1997. At that time, had been initiated bankruptcy proceedings society, because it could not honor a debt of \$ 8 million to an Austrian bank.

So, the entire fleet of ships of merchant fleet, which was a national pride before 1990, only six ships hoisted the tricolor flag in June 2010 and currently only two ships, which practically no longer a fleet.

According to statistics from 2006, Romania ranks second in Europe after Italy, shipbuilding for export, with a turnover of 648.5 million euros. In June 2007, the Romanian shipbuilding was based in 90%, and would increase the exports in the same year, with over 25% growths amid global commands river and sea vessels.

Romanian shipbuilding industry grew from year to year, with 20 to 30 percent. In 2007 it was estimated an increase in turnover of all sites in Romania 25%, while the demand was greater than supply. I Registry commands for the next three years, from vessels, container ships, and up to high capacity. Romanian market was so attractive due to a very competitive price-quality ratio profile in the international market. It was the most spectacular growth recorded in 1990. It was estimated that in the coming years, will replace a quarter of the world fleet, which was to bring a significant number of contracts.

These states of euphoria and hopes collapsed in late 2008 with the global economic crisis, when the Romanian shipyards recorded liabilities totaling 1.33 billion euros and claims recovered from only 280 million jobs for about 17,300 employees and 8,000 from all other related industry is threatened.

In 2009, shipbuilders have survived due to contracts signed before the global financial crisis. In the first half, Romanian shipyards have delivered about 29 ships, but it is estimated that throughout the year, the total number of completed orders will not exceed 40 units, of which about half were the medium and large tonnage ships.

Status of 2009 actually constituted a forecast for 2010, when, according to Romanian shipyards industry specialists, in Romania, in order to survive, would focus more on repair and conversion of vessels or expand its operations in civilian areas of metal construction or military segment specializes causes being mainly

prices, which benefits them shipbuilders, and lack of funding.

Ship owners Association members Romania states that merchant fleet was destroyed gradually being considered the year of grace 2003, when over 80 commercial vessels flying the Romanian flag, have been sold or removed from service because it did not correspond to international standards.

Accordingly, the Romanian universities navy arrived to prepare officers for other fleets of the world, Romania becoming an inexhaustible reservoir of manpower for the international shipping. This shows that the Romanian merchant navy in terms of labor is also in decline. Even if Romanian sailors representing 2% of the world total of 33,500 seafarers patent, only 11,250 of Romanian are active on the seas and oceans.

Now, a typical day working in the port of Constanta, everything seems frozen. Almost nothing reminiscent of what was until recently Constanta Port, the third largest in Europe. Romanian Pavilion is avoided because high taxes compared to deduct such tax havens Malta or Panama.

Given that sea trade registers to boom, and the new international provisions require the construction of new ships, safer and to protect the environment, the shipbuilding market seems virtually guaranteed Romanian shipyards can cover almost the entire shipbuilding river and maritime demanded worldwide.

Constanta Naval Shipyards and "Daewoo Mangalia Heavy Industries" on the one hand, specialize in the construction of ships, while, on the other hand, the shipyard in Galati, Tulcea, Braila, Turnu Severin and Orșova are built, mainly vessels, container ships, barges and coastal ships.

Conclusions

Trend Romanian shipyards to build an increasingly comprehensive and less ship hulls with different degrees of saturation can have a beneficial impact on manufacturers of naval equipment and accessories, as well as on start-ups, by outsourcing related activities shipyards. Compared with shipyards in Western European countries, the integration of Romanian shipyards is higher, even close to that of similar sites in Korea and Japan, most of Western Europe using intense subcontracting system.

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