



Volume XXI 2018

ISSUE no.2

MBNA Publishing House Constanta 2018



## Scientific Bulletin of Naval Academy

SBNA PAPER • **OPEN ACCESS**

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To cite this article: D. Corduneanu and C. Popa , Scientific Bulletin of Naval Academy, Vol. XXI 2018, pg. 118-121.

Available online at [www.anmb.ro](http://www.anmb.ro)

ISSN: 2392-8956; ISSN-L: 1454-864X

doi: 10.21279/1454-864X-18-I2-013

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# The Economy of Romanian Naval Transports in the period 1950 – 1990

Dumitru CORDUNEANU<sup>1</sup>, Catalin POPA<sup>2</sup>

1 Captain - PhD. Eng., dimitrucorduneanu@yahoo.com,  
corduneanudtru@gmail.com

2 Navigation and Naval Management Interdisciplinary Research Center, “Mircea cel  
Batran” Naval Academy, Romania, [catalin.popa@anmb.ro](mailto:catalin.popa@anmb.ro)

**Abstract.** *This article analyses, the development and evolution of the most important elements of naval infrastructure which laid the base of The Economy of the Romanian Naval Transports, during the period: 1950 – 1990.*

*Also, this article attempts to determine the total value of assets on the main components of the system infrastructure, following the next issues:*

- *Ways of Communication on the Water;*
- *River and Sea Ports;*
- *Naval Industry;*
- *National Merchant Fleet- river, maritime and oceanic fishing fleet.*

*We mention that our analysis base on statistical data that was published in different sources, archives data and own calculation for the main economic and technical indicators.*

**Keywords:** Harbors and inland waterways, naval transport, riverine fleet, maritime fleet, naval industry.

## Introduction

For the *Romanian Naval Transports*, the period 1950-1990 is the richest in the point of impact of the investments made and the accumulation of capital and relates to the second half of the 20th century until the beginning of the process of transition toward the capitalist economy and it present in detail the development and the evolution of the major components of infrastructure of the System: ways of communication on the water, ports on rivers and at sea, the maritime industry, the National Civilian Fleet- river, maritime and oceanic fishing fleet.

## 1. Romanian Naval Transports in the period 1950-1990

**Table 1.** The Naval Transportation System in Romania,  
its components during 1950-1990

No.	Components	Millions of dollars
		1950-1990
1	Harbors and inland waterways including navigation channels	2.022,40
2	Harbors and sea lines of communication	1.484,23
3	Naval industry	1.180,49

4	Riverine fleet	562,20
5	Maritime fleet	2.780,15
6	Fishing fleet	239,89
7	Naval radio-communication system	-
<b>ACTIVES</b>		<b>8.269,34</b>

*Source:* PhD. eng. Dumitru Corduneanu, *The System of the Naval Transport from Romania in the XX century*, CTEA Publishing House, Bucharest 2010, p. 343

*Based on Balance Sheet concluded on June 30th, 1990*

*Note: For Galati Shipyard and IPO Tulcea, the data correspond to the Accounting Balance Sheets concluded on December 31st, 1990*

Between 1950-1990, the Naval Transportation System in Romania evolved under very different determinations, much more complex than those of the previous stages, of which we note: the great destructions and the consequences of the Second World War, the payment of war damages and the seizure of the National Fleet by the Soviets, the entry of Romania into the sphere of influence of the USSR and the change of the economic, social and political system that will lead to the nationalization of the main means of production, circulation and exchange and the establishment of the unique property form, centralized management of the economy, followed by the economic crisis of the nineteenth decade of the twentieth century, doubled externally by the intensification of the Cold War between the two super powers and the economic isolation of most of the socialist countries in Central and Eastern Europe by the increasing internal tensions in these states eventually ending with the collapse of communist regimes and the dissolution of the USSR.

Despite all the shortcomings and dysfunctions of the old economic system, the analyzed period is the richest in economic achievements not only for the Naval Transportation System in Romania but for the entire Romanian economy.

By the end of 1989, industrial production has increased by approx. 44 times, the production of energy and electricity resources, ferrous metallurgy, the chemical industry, the production of installations and technological equipment, which in the past were procured from the developed countries, the agricultural production increased by approx. 3.5 times, the fixed funds in the economy have increased 16 times, the foreign exchange reserve has reached \$ 1,900 million and significant external debts, a modern education system has been created and the research activity has developed, the occupied population in industry has increased from 14 % in 1950 to 41.1 in 1989, the country changes its economic profile from a predominantly agrarian to industrial-agrarian one. [1]

In this context, the State, through its economic policy in the naval field based on the premise of ensuring the full transport of goods by water - by its own fleet, will lead to important capital investments within the Romanian Naval Transportation System, which will determine an unprecedented development, its patrimony increasing over the interwar period over 168 times.

Thus, during the period **1950-1990**, the capital accumulated in the **Harbors and the Navigation Lines** infrastructure amounted to approx. \$ 3,506.63 million, out of which in **Harbors and Navigation Riverine Lines** approx. \$ 424.26 million, and \$ 1,484.23 million in **Harbors and Maritime Navigation Lines**.

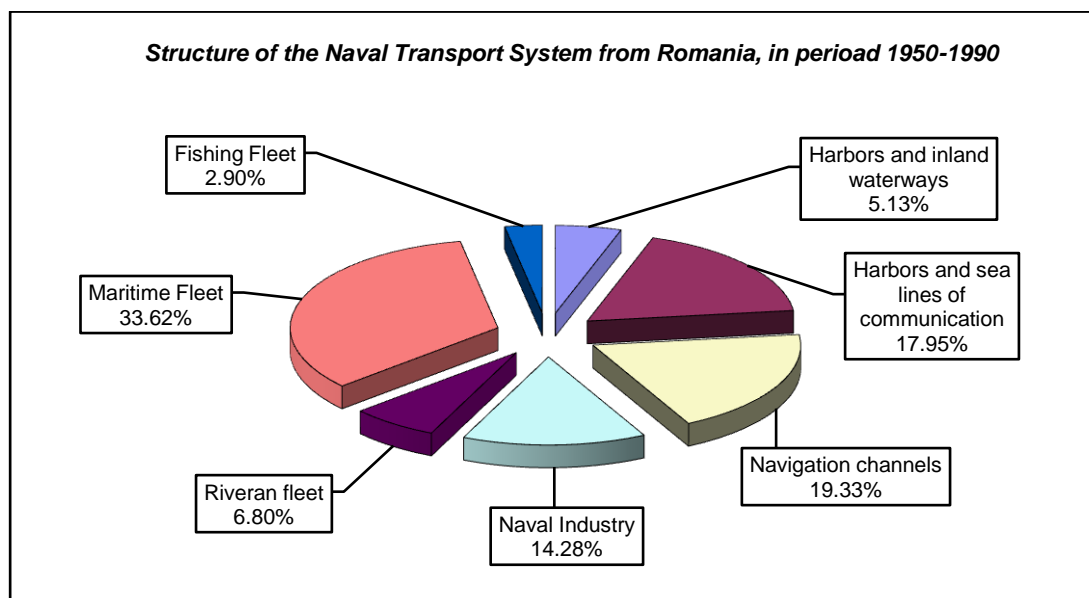
For the construction of the **waterway Danube - Black Sea Channel**, the state invests approx. \$ 2,200 million, and since its 1990 revaluation, its Total Asset was estimated at about \$ 1,598.14 million.[2]

In the **Naval Industry**, the accumulated capital amounted to \$ 1,180.49 million, the state developing a network of 12 shipyards, whose assets amounted to \$ 819.53 million; 4 shipbuilding factories that have invested approx. \$ 350.57 million, an engineering research institute in the field of shipbuilding, (ICEPRONAV-Galati) with a total asset of approx. \$ 10.08 million, and a Technical Surveillance and Shipbuilding Classification (RNR) with a real estate value of approx. \$ 0.30 million.

In the field of the National Merchant Fleet, the invested capital reaches approx. \$ 3,582.24 million, of which: [3]

- The **Riverine Fleet** had an asset of approx. \$ 562.20 million, of which \$ 318.18 million was fixed assets and \$ 10.06 million of current assets;
- The value of fixed assets belonging to the **Maritime Fleet** on 31st December 1989 was estimated at approx. \$ 3,049 billion, and as a result of the revaluation of June 30, 1990, the total assets of the Maritime Fleet were estimated at approx. \$ 2,780.15 million, broken down into two components, represented \$ 1,358.44 million invested in fixed assets and 49.77 in current assets;
- The **Oceanic Fleet** on 31st December 1990 was rated at approx. \$ 239.89 million, of which fixed assets accounted for \$ 163.13 million, and current assets amounted to \$ 76.72 million.

Cumulating the data presented above, we find that at the end of the analyzed period, the value of the real capital accumulated within the **Romanian Naval Transportation System** amounts to approx. \$ **8,269.31**, of which the fixed capital stock represented \$ **4,166.17 million**, and the circulating capital of approx. \$ **689.69 million**, the system being structured as follows:



*Figure 1. Drawn based on data in Table 1.*

Compared to the interwar period, structural changes occurring within the System are major since, on the one hand, the System is enriched with two new investment objectives, the Oceanic Fleet and the Danube-Black Sea Channel, and on the other hand, direct investment capital in the means of sea transport are notable, the Maritime Fleet, changing the hierarchy in the system, passes first with a weight of 33.62%, followed by the investments made for the construction of the Canal which holds a share of about 19.33%. Overall, investments in the **Harbors and Waterways** Infrastructure will accumulate 42.41%, in the **Naval Industry** 14.28%, and in the **National Merchant Fleet** approx. 43.32%. [4]

At the external level, in the post-war period, a factor with long-term influence on international trade and thus on the development of the World Fleet constituted the collapse of the colonial system of imperialism and the appearance on the world map of the pl. 100 new national states

that have conquered political and economic independence during this period. After nearly three and a half centuries in which England held the monopoly in the World Fleet, but remained one of the world's great maritime powers, in the second half century, in terms of tonnage, it was dethroned from the position the leader, this place coming back to Japan with approx. 32 million trb, followed by Greece with 21.98 million barrels, England holding about this date. 8.3 mil. International trade is developing considerably, only commodity exports register a 56-fold increase in value, and in the physical plan of approx. 11 times [5]. This led to an increase in the volume of cargo carried by the World Fleet of approx. 7.2 times, the total world tonnage reaching approx. 423.627 million dollars.[6]

## 2. Conclusions

With all the efforts made by the state, in the interwar period, Romania set up a small *Merchant Fleet* in the Black Sea, due mainly to the lack of internal capital, the industrial backwardness of our country that could not provide the technical possibilities to achieve a country of seagoing ships, all of which are duplicated by the competition of foreign companies that have largely settled in shipping agreements.

Despite these difficulties, the concerns of the previous generations have resulted in the creation of a Maritime Transport Fleet which registered Romania in the International Freight and Passenger Transport, laid the foundations for specialized labor force training, deepened Romania's foreign and shipping economic relations and opened new perspectives that will materialize in the second half of the century when, with the general economic development of the country, shipyards and the horizontal industry, the Maritime Merchant Fleet benefited from the state's major development funds, *reaching the end of the nineteenth century* of the last century to reach the maximum point on the evolution curve for more than a century, placing Romania among the major states of Europe holding maritime transport fleets.

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