The Activity in the Constructions and Transportation Fields

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Abstract

In the Romanian economy, the constructions sector occupies an important and significant place. As our economy is on a developing path, it is expected and normal that the results and weight of this activity is focused on the private sector and on the individual population. The state diminished its interest in this sector, so that the contribution to GDP formation is subsequently reduced.

Also, the authors analyse the evolution of the transport sector in Romania during the recent period. It can be observed that all indicators had an oscillatory evolution, both for passenger transportation and merchandise transport. The evolutions are very different when comparisons with the reference year 2008 are attempted. The transports activity in Romania kept on being carried on by the specialized institutions in the field of the rail, road, river and air transports.

Key words: construction, structure, investments, transportation, passengers
1. General aspects

A negative element as to the activities run in the constructions and transports sectors is given by the fact that the investments in these domains diminished, from one year to another, till 2000 while during the period 2001-June 2013 they kept on maintaining at an insufficient level.

During the period 2010-June 2013 the decrease of investments has been extremely well-marked, for the quarters II (70.3%), III (69.4%), IV (60.1%) of 2010 as against the corresponding quarters of 2009. The reductions as against the comparable quarters of the previous years have been confirmed as well for the years 2011 and 2012.

As far as the constructions activity is concerned, it is to underline the fact that the investments started before the year 1990 were neither finalized nor integrally valorised by means of privatization. That’s why, in many cases, the practical value of the already executed works diminished while the process of continuing them involved, most of the times, additional works leading to increases of the production costs. The construction works taken over by the private capital commercial companies were put under conservation while the rhythm was slow in the case of those where the activity continued.

All these happened on the ground of a critical shortage of dwellings for the population. The most part of these buildings achieved before 1990, have been privatized under strange conditions as a clearer policy did not exist in the field. We keep on hoping that the government is going to do something real so that this sector of activity gets the significance it deserves.

Certainly, these last years (2001-2013), the programme for building up dwellings for the population has been launched but, achieved through mortgaging credits, they are not available exactly with those who are in the keener need (young couples, employees with low incomes etc.).

If the year 2008 counted as a “boom” of the investments, mainly of the private ones, in the constructions sector, the brutally launched crisis stroke this sector to the worse. The mortgaging credits, the main financing source, led to the increase of the price for constructions (dwellings) and as a paradox, to the impossibility to sell at the costs level.

2. Outcomes in the constructions field

Over the period after the year 1990, this activity has been achieved by the private capital commercial companies, in a gradual process.

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All over that period, from 1990 up to date, the diminishing of the volume of works made by the state has been compensated by the sustained rhythm of the constructions achieved by the population.

Indices of the achieved investments and constructions works
The corresponding quarter of the previous year = 100

Data source: The National Institute of Statistics, monthly Statistical Bulletin

Out of the data published by the National Institute of Statistics, we can state out that in 2013 the value of the constructions works increased, in real terms, as comparatively with the corresponding period of the previous year.

Investments achieved in the national economy by structural elements in 2013

[Graph showing investments by structural elements]
**Data source:** The National Institute of Statistics, monthly Statistical Bulletin

In 2011, the achieved investment works showed decreases as comparatively with 2010. The decreases counted for -6.5% for the I quarter and -3.7% for the II quarter.

In 2012-2013, a tendency of reducing all the expenses has to be underlined.

**Indices of the investments achieved at the level of the national economy, by structural elements**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Years</th>
<th>In % as against the corresponding period of the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Quarter I</td>
</tr>
<tr>
<td>Investments - total</td>
<td>2008</td>
<td>134,3</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>107,7</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>72,0</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>96,3</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>119,3</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>100,3</td>
</tr>
<tr>
<td>Out of total, by elements of structure:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- new constructions</td>
<td>2008</td>
<td>132,5</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>106,6</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>70,6</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>93,4</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>119,5</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>85,3</td>
</tr>
<tr>
<td>- equipment (total)</td>
<td>2008</td>
<td>134,7</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>95,0</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>96,2</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>96,2</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>118,7</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>115,7</td>
</tr>
<tr>
<td>- other expenses <em>p</em></td>
<td>2008</td>
<td>146,7</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>121,6</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>82,2</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>103,9</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>107,5</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>103,7</td>
</tr>
</tbody>
</table>

* Including expenses made for geological and drilling works, vine, trees plantations, afforestation, livestock acquisitions, acquisitions of households inventory of fix means nature etc., by the end of each reported quarter

1) Rectified data, 2) Provisional data
Data source: The National Institute of Statistics, monthly Statistical Bulletin

During the analysed period, the investments on equipment and constructions were higher. In 2013, the investments done by the economic agents with private capital and by the population represented 69.8% of total (see the following graph)

Investments achieved in the frame of the national economy by ownership forms and structure elements in 2013

![Investments graph]

Data source: The National Institute of Statistics, monthly Statistical Bulletin

The total construction works by structure elements and constructions types showed a fluctuating dynamics. Accelerated rhythms of increase have been recorded by the new constructions, capital repairs works and current and maintenance works. The relative data are submitted by the following table:

Indices of the constructions works by structure elements and constructions types

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2012</th>
<th>2013</th>
<th>Corresponding month of the previous year = 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>New constructions works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>97.3</td>
<td>107.2</td>
<td>94.0</td>
</tr>
<tr>
<td>Capital repairs works</td>
<td>95.9</td>
<td>96.4</td>
<td>58.0</td>
</tr>
<tr>
<td>Current repairs</td>
<td>90.1</td>
<td>89.8</td>
<td>81.4</td>
</tr>
</tbody>
</table>

-Brut series –
Indicator | 2012 | 2013 | Corresponding month of the previous year = 100
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>Aug</td>
<td>Sept</td>
<td>Oct</td>
</tr>
<tr>
<td>83,9</td>
<td>83,8</td>
<td>97,6</td>
<td>119,2</td>
</tr>
</tbody>
</table>

Out of total, by types of constructions:
- buildings:
  - residential buildings: 76,5 | 77,5 | 101,0 | 120,6 | 79,3 | 70,5 | 108,4 | 180,8 | 79,3 | 70,5 | 108,4 | 180,8 |
  - non-residential buildings: 86,9 | 85,6 | 95,9 | 118,6 | 119,1 | 131,3 | 99,5 | 110,0 | 95,5 | 93,8 | 87,1 | 101,8 |
- engineering constructions:
  - rectified data: 107,1 | 124,5 | 92,8 | 85,8 | 101,6 | 77,9 | 85,5 | 80,0 | 103,4 | 86,8 | 92,8 | 100,7 |

1) Rectified data
2) Provisional data

**Data source:** The National Institute of Statistics, monthly Statistical Bulletin

All over the period 2010-June 2012 a negative rhythm of achievement for investments and constructions works has been recorded.

**Evolution of the indices of the constructions works by types of constructions, during the period September 2010 – June 2013**

- brut series -

- rectified data
- provisional data

**Data source:** The National Institute of Statistics, monthly Statistical Bulletin
The dwellings achieved out of budgetary subsidies kept on counting for a tiny weight and recorded a diminishing comparatively with the same previous periods.

**Evolution of the constructions works 2001-2013**

![Graph showing the evolution of constructions works 2001-2013](image)

**Data source:** The National Institute of Statistics, monthly Statistical Bulletin

The investment effort in the sector of dwellings construction out of private funds has been highly sustained by the private agents and the population, by constructions on cost. Most of the dwellings built up and finalized by the population on an on cost basis are located in the rural environment.

**Indices of the achieved investments and constructions works**

The corresponding quarter of the previous year = 100

![Graph showing indices of achieved investments and constructions works](image)

*Invest = investments, Const = Constructions*

1) Rectified data  
2) Provisional data

**Data source:** The National Institute of Statistics, monthly Statistical Bulletin
Some districts – Bacău, Cluj, Suceava, Iaşi, Vrancea – and the municipality Bucureşti recorded better results. However, there are other districts (Caraş-Severin, Giurgiu or Alba) with more modest outcomes.

Out of the submitted data, it is resulting that in 2012, as a result of the crisis, the number of constructions achieved by the private sector as well as by the population kept on decreasing. The structure of the constructions by branches of the national economy is submitted by the following graphs:

**Structure of investments by branches of the national economy (%) in 2011 and 2012**

![Graph 1](image1.png)

![Graph 2](image2.png)

**Data source:** The National Institute of Statistics

To the extent the privatization process gets intensifies, it is to be expected that the constructions activity would be mostly achieved in the frame of the private sector and by the population, through self-possibilities.

It is necessary to substantiate and reinforce a programme meant to support the investment in the constructions field, mainly as regards the achievement of dwellings. In this respect, granting credits at low interest, improving the conditions of the mortgaging credit, consolidating the building companies as well as other supporting forms are steps to be considered in the frame of a programme of perspective, aiming the quick settlement of the population’s requirements for dwellings. Unfortunately, the programme called “First house” is not supporting the interested people
since the social and mainly economic development seems to be a negative one and represents a real risk for the population in need.

3. Evolution in transportations

The passengers and goods transport has been carried on by its two components, respectively the internal and the international transport. Out of the data published by the end of the year 2012, by the National Institute of Statistics, it clearly outcomes that during the period 2000-2012, all the transport types, both for goods and passengers, have recorded a fluctuating process, with very big decreases. As against the year 2008, (as a reference year for the crisis launching in Romania as well), for the analysed year (2012) the results have been different both on total and on types of transport traffic.

The fluctuations are based, first and foremost, on the decrease of the goods production, of the imports and exports, both is considering the diminishing in the transport and the lost interest of the population for travelling, internally and internationally. These facts occurred in the context of constant increases of the transport costs for all types of transportation while the population’s incomes kept on remaining modest.

In 2012, the passengers district, inter-district and international road transports counted for 67,840,000 persons/quarter. I.

The indicator „passengers-kilometres” in 2012 lined up to 4,078 million passengers-kilometres. The rail and road transports kept on holding the weight for the transportation of passengers in our country.

The river transport as well shows a downward tendency for these indicators. As to the air transport, the data showed a fluctuating tendency, with periods of decreasing as well as periods of increasing for this indicator.

The same situation has to be noticed in respect of the goods transport, where the weight has been held by the rail transport. All the indicators showed a downward tendency from one period to another, this being due to the fact the economic activity kept on remaining at a low level. The goods transport followed the same path in 2009, with serious marks of decrease in 2010 and 2011. The harbour transport of goods followed also a downward tendency, the synthetic data emphasizing a fluctuating evolution in 2010 and 2011. In 2012 there is a slight recovery to mark but without conclusive results.

As far as the transport of passengers and goods from the Romanian airports is concerned, there are slight increases to notice for most of the indicators in 2010 as against 2009 and in 2011 as against 2011. The situation in 2012 was not conclusive.
Another aspect to be pointed out refers to the fact that the road transport of goods developed in the private sector, simultaneously with the diminishing of this activity previously run in the frame by the units with state capital.

The degree of renewal of the transportation park, for all the categories, was generally slower because of funds shortage and as a consequence of the gradual diminishing of the activity of goods and passengers transport.

On this ground, the activity of the industrial units producing conveyance means for the Romanian economy has been also jeopardized. Therefore, certain specific steps meant to stabilize the endowment of the transport activity become imperative, in a more extended context of the self or drawn investments, namely the autochthonous or foreign capital, in the frame of the national economy.

References
