

AN ANALYSIS ON FREIGHT ROAD TRANSPORTATION DURING 2010-2018

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Abstract:

Since ancient times, transportation has been present in people's day to day activities, and as our society has evolved its importance in the complex system that human civilization is, has grown steadily.

The economic development of our society as well as the unprecedented explosive growth of trade in the conditions of globalization (which determined that "the world economic space became the field of action for companies") led to a development of transports both quantitatively, through the increase of transport capacity, and in quality, through maximizing the degree of use for vehicles, through integrated transportation system planning and rethinking of operational models, which involved the use of several modes of transport.

Through the data presented, this paper aims to carry out an analysis on transportation and logistics, which through their mobility and freedom of movement experienced an extraordinary evolution.

For a better understanding of this information, both theoretically and practically, we used qualitative and quantitative research methods

Keywords: *transport, road freight, legislation. companies, carriers,*

JEL Classification: *I15*

1. Introduction

One of the most important branches in the economy of a state is transportation. Through transportation, the movement of people and goods is realized in order to satisfy the material and spiritual needs of a community, as well as of each citizen.

The transportation industry made many advances over time, its existence generating other related fields of activity such as road freight. Through the services of road freight transportation, the delivery of heavy or dangerous goods in optimal conditions was made possible anywhere in the world.

Freight road transport means the movement of goods with the help of specialized vehicles.

2. Research methodology

Considering has been presented up this point, the main objective of this paper is an analysis on road freight transport through specific terms.

This work is based on different types of data provided by the transportation market, through different sources of information, which gives it a qualitative and qualitative character.

3. Presentation and analysis of data

Freight road transport has always been a dynamic and competitive segment of the business world, with its many players. It has always been strongly linked to the international market, a fact confirmed in the following part of the paper.

It can be stated that during 2010 most modes of transport have seen a decrease in activity. Specifically, road transportation registered a decrease in terms of its delivery and movement of goods, by 40.3% compared to 2009, as shown in the following table:

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Table no. 1

The situation of road transportation during 2009-2010

| Freight Transportation | Measuring Units | 2009 | 2010 |
|------------------------|-----------------|------|------|
| Transported Goods | Mil. tones | 293 | 175 |
| Freight Route | Bil. tones/km | 34 | 26 |

Source: <http://www.insse.ro>

The economic recession affected the transport industry thus, in 2011 the road freight market decreased by 48.5% compared to 2007, being strongly influenced by the reduction of goods transported both internationally (their volume being reduced by 18.1%), as well as nationally, the quantity of goods transported decreasing with an average annual rate of 15.6%.

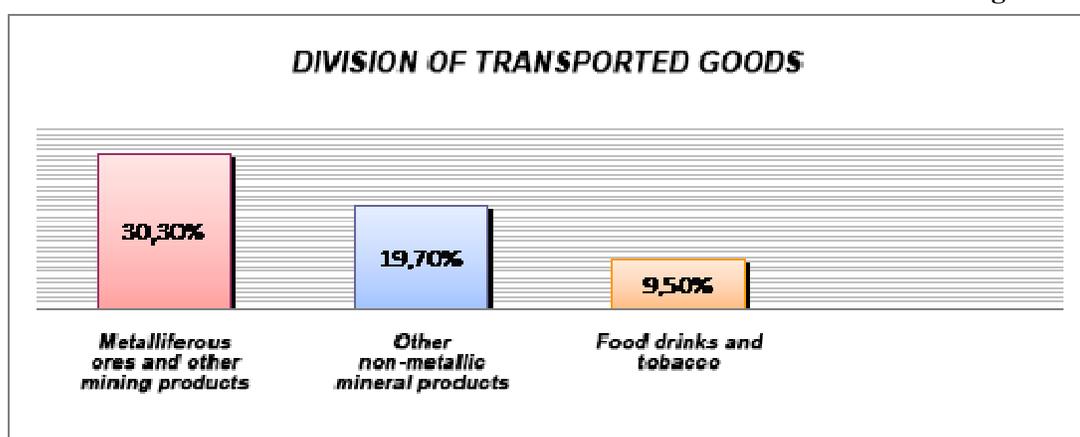
The first 10 companies on the freight transport market in 2011 totaled a turnover of 556 million euros. The market segment of each player in the aggregate market was as follows:

- *Aquila Part Prod Com* – 21%;
- *Schenker România* – 13% ;
- *Trans Bitum* – 13%;
- *Waberer's România* – 9%;
- *Dumagas Transport* – 9%;
- *Havi Logistics* – 8%;
- *Gefco România* – 8%;
- *Transcondor* – 7%;
- *International Lazăr Company* – 7%;
- *Dunca Expediții* – 6%;

Therefore, we can appreciate that for the companies in the road freight sector the year 2011 was marked by a slightly negative trend, but the competition was very strong. If we talk about 2012, the road freight transport performed by operators who have a transport license decreased by 12.0% in terms of volume of goods transported. Out of the total 28763 thousand tons of goods transported, 25854 thousand tons were operated by the national transport method. The volume of goods transported by the national transport method decreased by 12.6% compared to the first quarter of 2011.

In the first quarter of 2012, in the national road transport, 62.5% of the volume of goods were transported on small distances, (between 1-49 km), while 17.1% on distances between 50-149 km. For distances of at least 150 km, the number was 20.4% of the total goods operated by the carrier.

Figure no. 1



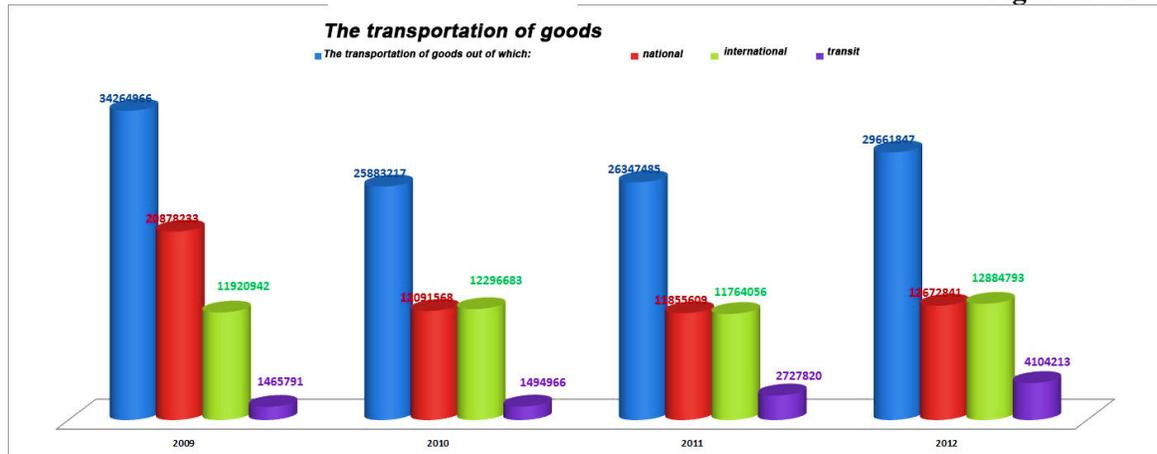
Source: hotnews.ro

In terms of freight, the divisions of food, beverages and tobacco and group goods transported together accounted for 13.5% of the total.

These variations between the main products and the total of goods transported appear as a result of the different distances on which the goods are transported, thus: the building materials are transported over short distances and have the highest weight from the total goods transported. Same goes for products from the manufacturing industry. In the road freight transport, the goods transported alone represent 65.0% of the total. Regarding the transport of goods by destination, 89.9% of the total was registered in national transport and only 10.1% in international transport (including transit).

For the international road haulage of goods, 95.1% of all goods unloaded came from EU Member States, while 95.1% of all goods loaded were destined for EU Member States. The largest quantities of goods came from Germany (26.6%), Italy (21.7%) and Hungary (11.7%), and in terms of volume of goods loaded, 28.7% had as destination Germany, 21.9% Italy and 10.1% Hungary. Of the total freight transported on international routes, which represents 2909 thousand tons, the transit accounted for was 35.6%, freight loaded 33.8% and freight unloaded 30.6%.

Figure no. 2



Source: hotnews.ro

The year 2013 was marked by more moderate dynamics concerning higher profitability, compared to 2012 when the accelerated increase of the revenues of companies was accompanied by losses. Investments increased, similar to the evolution of 2012, but were financed in a bad way, respectively by a very low degree of capitalization. More than half of the companies registered a negative working capital during 2013, not respecting the principle of maturity regarding the allocation of long-term contracted resources to investments.

According to the financial statements published by the Ministry of Finance, 27,252 companies whose main activity area was "Road freight transport" generated during 2013 a total turnover of 26.6 billion lei, increasing by 8% compared to the previous year.

If we analyze the distribution of these companies by their turnover, it can be seen that a quarter of those who submitted declarations for 2013 did not actually carry out any activity, and 1,010 companies in this sector record an annual turnover below one million euros, being the ones that generate about 64% of the revenues recorded in the whole sector.

Following the structure of profit and loss for the companies within the sector, as well as its impact on the balances recorded in the consolidated balance sheets, it can be noted that, unlike 2012, which registered at the sectoral level a total advance of the turnover of 15 %. About 70% of companies obtained increasing revenues, although in 2013 a certain decrease

was observed. Thus, the advance of the consolidated turnover at the sectoral level in 2013 was 8%, compared to the previous year, given that only 57% of the companies reported increasing revenues. Despite this, the net result evolved, both from the perspective of absolute values as well as its dynamics.

From the perspective of attracting financing resources and allocating resources for long-term investments, Coface appreciates that during 2013, the companies in the analyzed sector allocated significant investments for the expansion of fixed assets, yet slightly lower, compared to the previous year.

The analysis of the sectoral risk shows that 4,295 companies in the road freight transport sector ceased their activity during 2013, and out of these, 41 companies registered a turnover of over one million euros.

However, the sector remains a competitive one, the volume and size of the companies that ceased their activity during 2013 being relatively equal to that of the companies established in the sector, in 2011 and 2012 altogether.

According to the financial data available in 2014, companies in the road freight transport sector have registered increasing incomes which have resulted in insufficient profits. Investments in refurbishment represent 32% of total assets, significantly above the dynamics of their wear and tear for the third consecutive year. However, the impact is not very visible, given the insufficient increase in profits.

According to the financial statements published by the Ministry of Finance, the companies that have the main activity area "Road freight transport" generated in 2014 a total turnover of RON 30.33 bn, up 14% compared to the previous year. Much of the revenue advance is generated by companies already on the market. In this context, 41% of companies operating in this sector reported declining revenues in 2014. Analyzing the distribution of these companies by turnover, it can be seen that:

About 20% of the companies that submitted the declarations for 2014 did not actually carry out any activity.

- Over half of the active companies have a turnover of less than 100 EUR / year (2014), yet the value in the total turnover of this segment is only 7%;
- 157 companies in this sector registered an annual turnover of more than EUR 1 mil in 2014, 15% more than in 2013, respectively 1,010 companies. This segment represents about 4% of the total active companies, but generates about 64% of the revenues registered at the level of the entire sector.
- The consolidated net result at the sector level for 2014 was 1.8%, registering a slightly increasing dynamic compared to the previous level, respectively 1.2% for 2013 and -1.2% in 2012;
- 47% of companies operating in this sector reported a deterioration of the net result in 2014 compared to the previous year, about 16% passing from profit to loss;

In 2015, the financial balances of the most powerful companies that have as their area of activity the road freight transport have been positive in most cases, but in many cases there has been a slowdown in growth rate. Specifically, there was an increase of 4% in terms of volume of goods transported, compared to the previous year.

Aquila Part Prod Company from Prahova, the strongest road freight transport company after the turnover of 2015 had a 13% increase in this indicator, and its profit increased by no less than 31% to 5.5 million lei. However, in the profit ranking, Aquila ranks only eighth. The second largest Romanian road transport operator, Carrion Expedition from Cluj, in 2015, registered a turnover of over 550 million lei, increasing by less than 45% compared to the previous year. And in the field of net profit, the Cluj-based company specialized in refrigerated transport had a surprisingly good result, reporting an increase of this indicator from 8.7 million lei in 2014 to 28 million lei in 2015.

Table no. 2

| The largest freight companies by turnover | | | | |
|--|--|---------------|-------------|-------------|
| Place | Company | County | 2014 | 2015 |
| 1 | Aquila Part Prod Com | Prahova | 596,63 | 673,69 |
| 2 | Carrion Expedition | Cluj | 378,60 | 550,16 |
| 3 | XPO Transport Solutions Romania (Transcondor) | Arad | 321,91 | 315,02 |
| 4 | Transmec Ro | Cluj | 235,60 | 289,24 |
| 5 | Duvenbeck Logistik | Braşov | 251,88 | 275,08 |
| 6 | Total N S A | Sibiu | 197,48 | 235,63 |
| 7 | Internațional Lazăr Company | Argeş | 188,36 | 187,68 |
| 8 | Gopet Romania | Bucureşti | 142,16 | 173,01 |
| 9 | Dunca Expediții | Timiș | 182,45 | 167,96 |
| 10 | Arcese Transport | Cluj | 149,79 | 163,00 |

Source: www.capital.ro

In the ranking of profits, the first place is occupied by Transpeco Logistic & Distribution in Bucharest, a company formed from Petrom in 2007 which has as object of activity the transport of petroleum products. Transpeco obtained a net profit of 33.3 million lei, almost identical to that of 2014. At the same time of the total of 198.6 million tonnes of goods transported, 84.3% were operated in national transport.

Table no. 3

| The largest freight companies by profit | | | | |
|--|--|---------------|-------------|-------------|
| Place | Company | County | 2014 | 2015 |
| 1 | Transpeco Logistic&Distribution | Bucureşti | 33,33 | 33,31 |
| 2 | edy International Spedition | Hunedoara | -42,72 | 31,95 |
| 3 | Carrion Expedition | Cluj | 8,684 | 28,04 |
| 4 | Dianthus Company | Argeş | 13,89 | 27,23 |
| 5 | Internațional Lazăr Company | Argeş | 3,153 | 25,54 |
| 6 | Duvenbeck Logistik | Braşov | 9,475 | 13,83 |
| 7 | Total N S A | Sibiu | 2,226 | 9,493 |
| 8 | Aquila Part Prod Com | Prahova | 4,231 | 5,525 |
| 9 | Transmec Ro | Cluj | 5,291 | 5,016 |
| 10 | Dunca Expediții | Timiș | 9,523 | 4,381 |

Sursa: Ministerul Finanțelor Publice

Source: www.capital.ro

Overall in road transport, the freight traffic increased by 11.1% compared to 2014.

Regarding 2016, in the first quarter of that year the total volume of goods transported by road was 42.4 million tonnes. The most intense exchanges of goods by road take place on small distances (less than 150 kilometers), usually within their neighboring regions, the volume of traffic depending on the state of the infrastructure, according to the data of the study "Passenger and freight transport, on modules, in the first quarter of 2016".

In the Center, South-East and West regions, the highest values of local freight traffic were recorded, with 4.4 million and 3.3 million tons respectively in the first quarter of that year.

According to the same source, the total freight traffic registered an increase of 32.9% in terms of volume of goods transported, compared to the first quarter of 2015. Of the total 42.4 million tonnes of goods transported, 77.7% were operated in national transport. In the road transport division, the divisions of goods with the highest weight in the total goods transported were metalliferous ores and the other mining and quarrying products, peat, uranium and thorium (24.9%) and non-metallic mineral products (18.7%). In terms of freight, food, beverages and tobacco held the highest weights - 30%.

In the first quarter of 2016, in the road freight transport, the goods transported in their own account represented 52.4% of the total. Regarding the destination, 22.3% of the total goods were registered in international transport (including transport between third countries and cabotage).

In the international road haulage of goods, 92.5% of all unloaded goods came from EU Member States, while 90.7% of all freight was destined for EU member states. The largest quantities of goods came from Germany (20.5%), Italy (15.3%) and Hungary (7.6%), while 18.8% of the volume of goods loaded was destined for Germany, then 11.3% Italy and 9.2% Hungary.

It is noticeable that incomes have grown, under higher profits, but they are insufficient, compared to the level of investments made on the suppliers' money. According to the NBR data, in 2017, road freight contributed 4.58 billion euros to the export of services in Romania, up 12% compared to 2016. In the ranking of turnover reported to MFP by companies whose activity is the road freight, the leader of 2017 is - as in 2015 and 2016 - Aquila Part Prod Com, a company based in Prahova established in 1994. The company has developed the activity in the fields of transport, logistics and distribution, being the one that laid the foundations of the whole Aquila group. Having as main customers strong brands such as Unilever, Lavazza or Philips, last year Aquila Part Prod Com achieved a turnover of 906.7 million lei, increasing from 797.9 million in 2016.

Table no. 4

| Companies with the highest turnover | | | |
|--|------------------------------------|----------------------------|----------------------------|
| PLACE | COMPANY | 2017 (mil. lei) | 2016 (mil. lei) |
| 1 | Aquila Prod Com | 906,72 | 797,94 |
| 2 | Carrion Expedition | 823,45 | 646,70 |
| 3 | Transmec Ro | 355,83 | 304,34 |
| 4 | Duvenbek Logistik | 335,39 | 303,59 |
| 5 | XPO Transport Solutions | 276 | 287,28 |
| 6 | International Alexander | 254 | 207,19 |
| 7 | Arcese Transport | 220,44 | 192,89 |
| 8 | Total N S A | 194,68 | 205,40 |
| 9 | International Lazar Company | 190,30 | 165,89 |
| 10 | Ravitex | 182,80 | 181,75 |

Source: www.capital.ro

Second place in the ranking is Carrion Expedition, a company whose full balance sheet has not yet been registered with the MFP. According to Capital information, the Romanian company, part of the J. Carrion group, registered total business in 2017 of 823.45 million

euros, increasing from 646.70 million in the previous year. In the following positions are Transmec Ro, Duvenbek Logistik and XPO Transport Solutions.

Table no. 5

| The companies with the highest profits | | | |
|---|------------------------------------|----------------------------|----------------------------|
| Place | Company | 2017 (mil. lei) | 2016 (mil. lei) |
| 1 | Transpeco Logistisc & Distribution | 32,67 | 32,40 |
| 2 | Dianthus Company | 19,80 | 17,59 |
| 3 | International Alexander | 14,26 | 10,12 |
| 4 | Fartud | 13,94 | 15,78 |
| 5 | Logistik E Van Wijk | 11,22 | 12,47 |
| 6 | Trans Euro Express 94 | 10,64 | 10,76 |
| 7 | Aquila Prod Com | 10,13 | 13,70 |
| 8 | Duvenbek Logistik | 9,24 | 15,30 |
| 9 | Romstyl Impex | 8,41 | 15,17 |
| 10 | Transmec Ro | 8,37 | 4,77 |

Source: www.capital.ro

And in the top 10 of profits, in 2017 the same leader maintains its position. With a rich history, which begins more than 30 years ago when the company bore the name ITAPP PECO and belonged to the Ministry of Chemical Industry and with a passage through the portfolios of SNP Petrom and OMV, the current Transpeco Logistics & Distribution is a company with 100% Romanian capital, which carries in particular fuels. The company reported a net profit of 32.6 million lei in 2017, up from 32.4 million a year ago.

On the second position should have been Carrion Expedition, but at the time of this article's completion the complete financial data of this company was not yet available. Therefore, until the Carrion balance sheet is registered with the MFP, the second place in the profit ranking goes to Dianthus Company, followed by International Alexander.

Most employees in the field belong to Aquila Part Prod Com, 2,251, rising from 2,183 in 2016. The following places are followed by - in the absence of Carrion - Duvenbek Logistik (832 employees) and International Alexander (791). In the fleet classification, the first position is occupied, according to UNTRR, by Carrion Expedition (1,334 units), followed by Arabesque SRL (594 units) and XPO Transport Solutions (526 units).

Table no. 6

| Companies with the most employees | | | |
|--|-----------------------------|-------------|-------------|
| Place | Company | 2017 | 2016 |
| 1 | Aquila Prod Com | 2.251 | 2.183 |
| 2 | Duvenbek Logistik | 832 | 788 |
| 3 | International Alexander | 791 | 724 |
| 4 | XPO Transport Solutions | 699 | 789 |
| 5 | International Lazar Company | 473 | 473 |
| 6 | Arcese Transport | 461 | 459 |
| 7 | Ravitex | 461 | NA |
| 8 | Total N S A | 455 | 407 |
| 9 | Transmec Ro | 406 | 446 |
| 10 | Romstyl Impex | 400 | 402 |

Source: www.capital.ro

On the other hand, Romania has a small volume of road freight, but achieved the fifth increase in the European Union in 2017.

In the first 9 months of 2018 compared to 2017, road freight increased by 5.9% in terms of volume of goods transported. Of the total of 178 million tonnes of goods transported, 76.4% were registered in national transport. The volume of goods in national road transport increased by 5.2%. The most transported goods by road were the following: metalliferous ores and other mining and quarrying products; peat; uranium and thorium (26.4%) and other non-metallic mineral products (18.2%). Food, drinks and tobacco were also transported.

Therefore, we can say that in principle the road freight transport recorded a positive result in 2018, which makes us confident in the future prospects.

4. Conclusions

Therefore, it can be concluded that road freight has been through and through an uncertain and difficult period, with fluctuations in its market situation. At the same time, it remained an essential element in the economic, and social development, contributing fully to the evolution of the national economy and international relations.

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