

THE INFLUENCE OF THE ROMANIAN-GERMAN ECONOMIC RELATIONS ON A SPECIFIC MARKET IN ROMANIA

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Abstract

Considering the evolution of the Romanian-German economic relations, with their two major components (the direct foreign investments and trade), we analyzed their influence on a specific market in Romania, in this case the logistics market in Romania.

After the analysis, we can conclude that the Romanian-German economic relations influenced in a positive way the development of the logistics market in Romania, both in terms of quantity but also in terms of quality, and, in addition to this, it has a significant contribution in terms of stability for the logistics market in Romania.

Keywords: *economic relations, economy, logistics market*

JEL classification: *F19, F43, F63*

1. Introduction

The objective of this article is to analyse the Romanian-German economic relations and the impact of this relation to the logistics market in Romania. For this, we have analyzed the dynamics of trade exchanges

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between Romania and the Federal Republic of Germany in the last 5 years and the situation of the investors in companies with foreign participation and social capital from 31.12.2014, with accent on the German investments.

2. Analysis of the dynamics of the trade exchanges between Romania and the Federal Republic of Germany between 2010-2014

Table 1: Dynamics of the trade exchanges between Romania and Germany between 2010 and 2014 (values expressed in millions of euros)

Year	2010	2011	2012	2013	2014
Total	14553 (100.0%)	17761 (100.0%)	17880 (100.0%)	19506 (100.0%)	21313 (100.0%)
Export	6735 (46.3%)	8390 (47.2%)	8369 (46.8%)	9200 (47.2%)	10109 (47.4%)
Import	7818 (53.7%)	9371 (52.8%)	9511 (53.2%)	10306 (52.8%)	11204 (52.6%)
Balance	- 1083 (7.4%)	- 981 (5.5%)	- 1142 (6.4%)	- 1105 (5.7%)	- 1095 (5.1%)

Source: INS, 2010; INS, 2011; INS, 2012; INS, 2013; INS 2014

From Table 1 we find that:

- Between 2010-2014 the volume of the trade between Romania and Germany increased from 14,553 million EUR to 21,313 million, representing an increase of 46.4 %;
- Romania's exports to Germany increased during the 2010-2014 period from 6,735 million in the year 2010 to 10,109 million euro in 2014, representing an increase of 50.1 %. The increase of the exports from Romania to Germany surpassed the increase in the trade exchanges between the two countries, while the share of Romania's export in the trade volume between the two countries increased from 46.3 % in 2010 to 47.4 % in 2014. The significant increase in Romania's exports to Germany is good news and gives hopes for the future. It was progressive between 2010 and 2014. From this point of view, the membership to the community market of the European Union has had a positive effect on the trade relations of Romania's with Germany, and the perspectives of these relations are favorable;
- Romania's imports from Germany increased between 2010 and 2014, from 7,818 million euro in 2010 to 11,204 million euro in 2014, representing an increase of 43.3%. The increase in Romania's imports

from Germany are below the volume of the trade between the two countries, and the share of the import decreased from 53.7 % in 2010 to 52.6 % in 2014;

- The balance of the trade exchanges between the two countries is negative, but Romania's perspective has improved significantly because the negative balance decreased from 7.4 % in 2010 to 5.1 % in 2014. This favorable evolution of the balance is due to the increase in the volume of exports and the decrease in the share of imports between 2010 and 2014.

3. Analysis of the situation of the investors in companies with foreign participation and social capital from 31.12.2014

Table 2: Ranking per country of residence of the investors in companies with foreign participation and social capital from 31.12.2014

No.	Countries	Companies with foreign participation		Value of the subscribed social capital			
				Total expressed in national currency		Total expressed in equivalent foreign currency	
		No.	%	Thousand of RON	%	Thousand of EURO	%
0	1	2		3		4	
	Total ROMANIA	198635	50.80	146726815.0	53.12	41569584.5	52.45
1	HOLLAND	4615	2,37	31746968.4	21.79	8220885.8	21.86
2	AUSTRIA	6865	3,53	18199036.1	12.49	5260462.0	13.99
3	GERMANIA	20642	10,60	14477470.1	9.93	4522400.7	12.02
4	CYPRUS	5597	2,87	13869008.3	9.52	3433908.3	9.13
5	FRANCE	8007	4,11	9587127.5	6.58	2425123.0	6.45
6	GREECE	6002	3,09	6186061.8	4.72	1711759.9	4.55
7	ITALY	39556	20,32	6701227.0	4.60	1711759.9	4.55
8	SPAIN	5282	2,71	5287486.2	3.63	1351939.0	3.59
9	LUXEMBURG	807	0,41	4893745.7	3.36	1221788.9	3.25
10	GREAT BRITAIN	5002	2,57	3759290.9	2.58	986829.2	2.62
11	U.S.A.	6940	3,56	3531982.9	2.42	969628.3	2.58
12	SWITZERLAND	2564	1,32	3108940.0	2.13	939019.4	2.50
13	HUNGARY	12652	6,50	2554298.5	1.75	735902.5	1.96
14	TURKEY	13929	7,15	1892846.7	1.30	525791.7	1.40
15	THE DUTCH ANTILLES	15	<0,01	2048521.0	1.41	504817.1	1.34

Source: ONRC, 2014, p. 8.

From Table 2 we find out the following:

- From the point of view of the number of the companies with foreign participation that exist in Romania, Germany is, from 31.12.2014, on the second place, after Italy, with 20,642 companies with participation of German capital, corresponding to a share of 10.60 % of the total number of companies with foreign participation that exist in Romania;
- Regarding at the value of the subscribed social capital, Germany was, on 31.12.2014, on the third place after Holland and Austria, with a value of approximately 4.5 billion euro, representing 12.02% of the foreign participation in the capital of the companies in Romania.

From the analysis of these data, one can see that Germany is, together with Italy, Austria and Holland, one of the most important economic partners of Romania. The Romanian-German economic relations experienced during the last decades a dynamic development and Germany represents, at present, without doubts, a factor of stability and progress for the Romanian economy, through the investments made by the German entrepreneurs in Romania as well as through the imports of modern technology from Germany made by the Romania. The impact of the Romanian-German economic relations on the process of development of the Romanian economy is positive and the German direct investments also had a beneficial impact on the development process of the Romanian economy.

Table 3: Top 5 companies: turnover, profit and number of employees (figures in euro)

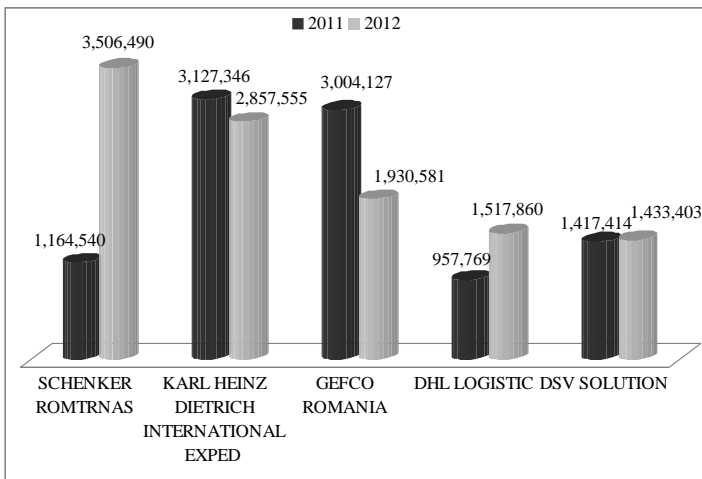
Companies	Turnover		Profit		Nr. of employees	
	2011	2012	2011	2012	2011	2012
Schenker Romtrans	74.492.389	81.736.984	1.164.540	3.560.490	1.059	1.115
GEFCO Romania	43.558.528	42.329.269	3.003.127	1.930.581	76	82
Kuehne&Nagel	36.328.844	37.044.786	762.362	658.964	160	186
Gebrüder Weiss	33.755.059	34.753.417	1.343.302	909.936	232	276
Transmec RO	33.505.211	40.444.084	188.692	1.235.806	210	287

Source: Top Romanian Logistics Operators 2012, pp. 6-18.

The economic relations between the two countries are mutually beneficial. Through the German direct investments and imports of modern

technology, Romania can modernize its industry, which will lead to an increased competitiveness of Romania. On the other hand, the economic relations with Romania are important for Germany, particularly as a significant market outlet in southeastern Europe under the conditions of trade without customs restrictions. Moreover, Romania represents, due to the competitive advantages (mainly due to the skilled staff, their availability to work overtime and the low personnel costs), an attractive location for the relocation of certain German production facilities.

Figure 1: The most 5 profitable logistics companies in Romania (2011-2012)



Because of the growth of trade exchanges between Romania and Germany, but also with other countries, and the foreign direct investments in Romania, the logistics market in Romania has developed very well (Tab. 3, Fig. 1; data from Top Romanian Logistics Operators 2012). Relating different indicators, there are many companies with German capital in the top companies in the Romanian logistic market: Schenker Romtrnas, Kuehne&Nagel (Tab. 3), Karl-Heinz Dietrich International Exped, DHL Logistic (Fig. 1). The logistic market in Romania is very dynamic and instable; the frequent alterations are influencing all service suppliers. Therefore we recommend:

- A prospective attitude of the logistic organization in Romania;
- Adapting the organization to environmental modifications;

- Where it is possible, influencing the environment so it becomes compatible to the needs of the organization;
- A greater openness of the logistic organization to partnerships with universities (Popescu, 2015 a) and to modern strategic analysis methods (Popescu, 2015 b);
- Better recovery of the competitive advantages of the companies in Romania with most of the competitive countries. (Fleischer, 2013)

The analysis of the logistic market of a country is of wide interest because, along with the useful results for the players of this market, it is also considered to be a barometer of economic performance in that country. If the transport volume is rising, the country's economy has a favourable evolution, and if the transport volume is in decrease, the country's economy is in decline (Dumitrascu, Fleischer, Moser, 2014).

4. Conclusions

Currently, Germany is the most important commercial partner of Romania and is on the 3rd place in the top of direct foreign investments. This positive evolution of the Romanian-German economic relations has a positive impact, both in terms of quantity, having a significant share of Romania's foreign trade, but also in terms of quality, through industrial investments with German capital, which provides hundreds of thousands jobs in Romania, creates added value and is a factor of stability for the Romanian economy. All these investments and trade exchanges have led to substantial investments and to the rapid development of the logistics market in Romania. The level of development of the logistics market in Romania, as well as the evolution of the volume of transports in our country can be used as indicators to measure the evolution of the Romanian economy. There is a close connection between the economic level of a country and the degree of development of the logistics market of the respective country.

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