

Implementing the Development Strategy of Galati Port

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Abstract: In the current context of competition, any port that does not improve its performance by risks falling behind. All ports that have achieved spectacular achievements have set their medium- and long-term development goals in advance. For the Port of Galați, the National Company Administration of the Danube Maritime Ports SA Galați has established an Action Plan that describes and substantiates the necessary steps for the implementation of the projects / measures proposed within the Strategic Development Plan, in order to meet the established objectives. The objectives of the port and of the port management, defined also according to the national and international competition, are oriented so as to satisfy the commercial and marketing service, being important ways to follow, in order to reach its targets.

Keywords: Development Strategy; Galati Port; development goals

1. Introduction

The recent economic boom in human society has led to an unprecedented increase in international trade. When achieving the circulation of the huge volume of goods, the river transport had a very important role, this representing the cheapest and safest way of transport, after the maritime one.

River transport is a national and international economic activity and therefore must be designed and organized in a mandatory manner, both in terms of necessity and to ensure profitability.

The river port represents the most important pillar in the development of the river transport activity, this being an economic-social node of great importance.

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2. Port Management

2.1. Strategic Objectives of Port Management

Management is “a system of concepts, methods and tools that guide and lead an economic entity to achieve proposed objectives, in order to achieve the highest possible performance.” The general management principles also apply to ports, port management being, in fact, the management of a service system. The objectives of the port and of the port management must be oriented so as to satisfy the commercial and marketing service, being important the ways to follow by each port, in order to reach its objectives.

Practice in this area shows that the objectives of port management are concrete in quantity and focused on the production of port services by the port authority and operators and are defined so as to facilitate the implementation of actions necessary to achieve these objectives and allow control and evaluation of the obtained results.

Goal setting should be a team effort, allowing everyone involved to participate in this action.

In defining the objectives of the port management by production norms, absolute figures can be used regarding the cargo area or the number of ships entering or leaving the port, being preferable comparative or relative figures.

The objectives can also be defined according to the national competition, but if it is not very strong, the port will have to be placed in the international context, setting its objectives in relation to the ports of other countries. For example: “exceeding the neighboring port in terms of coal traffic this year”.

Like all economic entities, and in the port field, the objectives can be grouped into general objectives and secondary objectives.

The general objectives apply to port communities and often in their definition, the role of the port in the development of the national economy and the region is taken into account.

In the macro-economic conception, the port defines its objectives facing the restrictions imposed by the public power. It can practice a control of tariffs or the quality of port services, and on the other hand it can benefit from assistance from the public power, in the form of financing its infrastructure, benefiting from favorable fiscal provisions, etc.

In the micro-economic conception, the port has the freedom to set its general management objectives, the public power not intervening in this case. The port managers will set the exploitation and development objectives, depending on the interests of the port, which must fulfill its social duties as an economic and commercial enterprise. In order to achieve the objectives, a certain period must be set, which can be shorter (usually 6 months or a year) or longer (5, 10 or more years) in accordance with the degree of complexity of achieving those objectives. Usually, it takes about 10 years for large projects to move from the preparatory phase, to maturation and execution.

In the current context of competition, any port that does not improve its performance risks falling behind. All the ports that have achieved spectacular achievements have established in advance their medium and long term development objectives (up to 20 years) applying them to physical installations and especially to the development of human resources.

With regard to secondary objectives, it should be noted that they must be precise and applied to all port operators, port services and undertakings.

2.2. Strategic Development Directions and Specific Objectives

In order to fulfill its mission, vision and general objectives, the strategic plan includes seven strategic directions of development at the level of the Port Community:

a) The management strategy relation with the relevant actors

Specific objective

- *Permanent consolidation of partnership relations in the port development process*

The role of this strategy is to ensure appropriate communication and cooperation between CN APDM and relevant internal and external stakeholders of the Port Community, in order to support the development of the port. Internal stakeholders were classified based on their role and the types of services provided: basic service providers, supervisory and control organizations, ancillary service providers, support community. External stakeholders should include the Ministry of Transport and other national road and rail infrastructure managers, the Ministry of European Funds and other national and international financiers, potential business partners in the

relevant transport corridors (railway operators, shipping lines, intermodal terminals, shipping companies, port administrations, etc.).

Marketing and Business Strategy

Specific Objectives

- *Increasing the competitiveness of the services offered by the port of Galati to its customers, in accordance with their needs and requirements;*
- *Improving the visibility and image of the port of Galati at international level by implementing a marketing strategy and promoting the services / facilities offered;*
- *Increasing the share of value-added services in the value of services offered by the Port Community, including by exploiting the advantages offered by the existence of the Free Zone and the Industrial Park;*
- *Development of naval passenger traffic Galați - Danube Delta.*

The role of this strategy is to support the increase of the market share of Galati Port on the maritime, river and intermodal transport segment. The strategy envisages the development of partnerships with the main actors in the transport chain on the corridors identified in the traffic study, the improvement of the tariff policy at the port of Galati (for all institutions involved), the development of the Industrial Park and the Free Zone as areas with potential for services, with added value but also the development of public passenger transport by inland waterways.

c) Investment strategy

Specific objectives

- *Improving access to / from the port of Galati by developing and modernizing connections with the hinterland and the urban mobility network, in accordance with the requirements of the TEN-T Regulation by 2030.*
- *Modernization of the port infrastructure to increase the attractiveness of the port of Galati and inland waterway transport.*
- *Increasing the technological level of port operations and facilities to ensure the efficiency of port activities.*
- *Increasing efficiency in ensuring airworthiness conditions in the port.*

- *Ensuring the implementation of the requirements of TEN-T Regulation 1315/2013 and the Rhine-Danube Corridor Study on fixed infrastructure for the supply of electricity to berthed ships and the provision of LNG bunkering services until 2025.*

The investment strategy ensures the technical and material configuration necessary for the implementation of the marketing and business strategy.

d) Financing strategy

Specific Objectives

- *Capitalizing the non-reimbursable external financing opportunities available through European funds allocated to port development*

The role of the financing strategy is to support the identification of the necessary funds for the implementation of the Investment Strategy and of the other proposed development measures. Mainly European funds will be considered, but also private sources, given that investment projects involve the private sector.

b) Organizational strategy and human resources development

Specific Objectives

- *Strengthening institutional capacity;*
- *Improving the regulatory framework for port labor;*
- *Creating the legal framework for the training of port staff and harmonizing it with requirements at European level.*

The organizational strategy and the development of human resources envisages strengthening the institutional capacity of the port administration, ensuring a legislative framework on the training of port staff and implementing IT systems to streamline port operations.

Environmental strategy

Specific Objectives

- *Permanent maintenance of compliance with the provisions of the legislation in force on environmental protection*

Will ensure the implementation of infrastructure projects in accordance with European and national legislation on environmental protection, contributing to the sustainable development of the port.

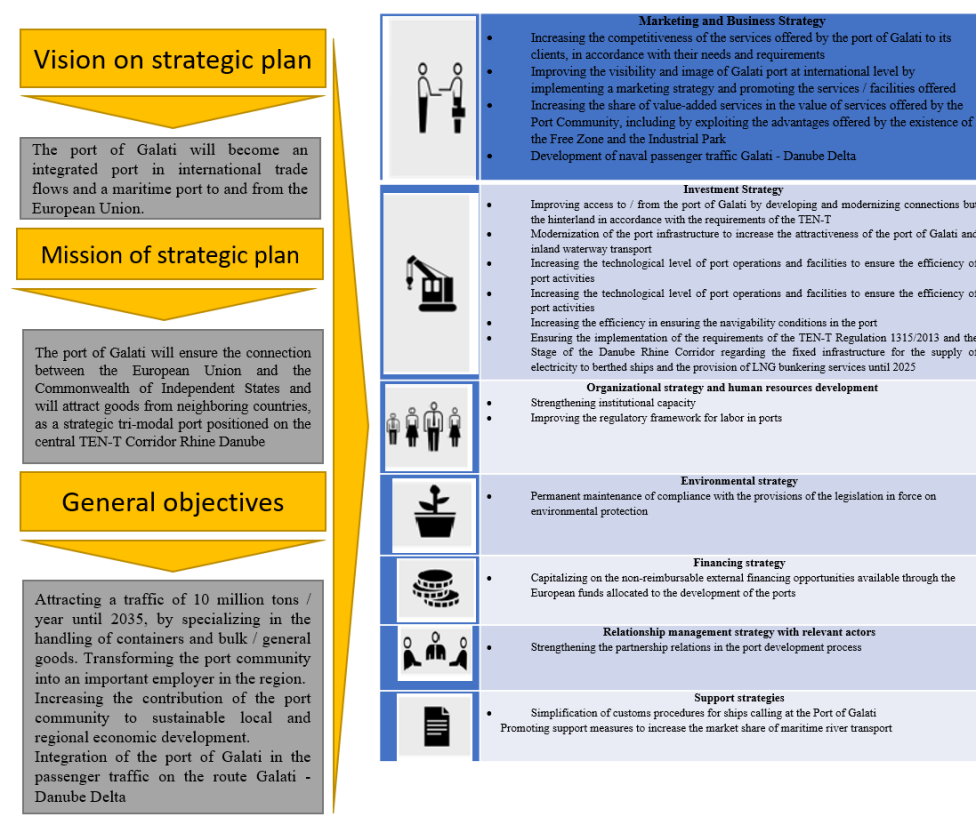
b) Support Strategy

Specific Objectives

- *Simplification of customs procedures and formalities for ships calling at the port of Galati;*
- *Promoting support measures to increase the market share of river and maritime transport.*

The role of the Support Strategies is to address the auxiliary issues that influence the port development process.

Strategic Program for the Development of the Port of Galati



List of infrastructure projects and measures proposed in strategic directions



Marketing and business strategy

- Development of a balanced pricing structure
- Plan for establishing partnerships for the development of transport corridors;
- Development of the Free Economic Zone and the Industrial Park as areas with potential for related services.



Investment strategy

- Galati multimodal platform - removal of major blockages by modernizing the existing infrastructure and ensuring missing connections for the central network Rhine-Danube / Alps
- Development of a solid bulk terminal and general goods in the port of Bazinul Nou
- Development of a terminal of cereals and general goods in the Mining Port, by converting some of the existing berths
- Development of a Liquefied Natural Gas terminal
- Development of a Ro-Ro terminal in the New Basin port
- Modernization of berth 33 in the port of docs
- Rehabilitation of the port infrastructure - berth 21 in the Commercial port
- Passenger terminal in the old commercial port - Historical quay - Tourism promotion and capitalization
- Determining the qualities of solid material deposited at the berths of the port of Galati, evaluating the solutions for removing deposits and possibilities to reduce the deposition phenomenon



Organizational strategy and human resources development

- Action plan for the development of academic programs and professional training centers for port activities
- Implementation of the Port Community System



Environmental strategy

- Measures to reduce risks, prevent and manage pollution problems
- The environmental strategy is also directly supported by some of the infrastructure projects proposed in the investment strategy (Development of an LNG terminal. Feasibility study to reduce infrastructure congestion in the Danube ports) and indirectly by each of the planning investments that will ensure compliance with European and national legislation on environmental protection.



Financing strategy

The implementation of the investment projects proposed in the Strategic Plan will be based in particular on the non-reimbursable financing sources made available for Romania through the Large Infrastructure Operational Program (POIM) 2014-2020 and Connecting Europe Facility (through non-reimbursable financing or financial instruments). Along with EU funding, CN APDM will also focus on attracting private funding, e.g. through public-private partnerships, which will contribute to the growth of innovation in the shipping sector.



Relationship management strategy with relevant actors

- Development of a collaboration plan with stakeholders



Support strategies

The measures included in the strategies support the simplification of customs procedures and formalities, with reference to the provisions of the new Customs Code of the European Union and the related requirements. At the same time, it is envisaged to promote some proposals for legislative amendments in order to increase the activity of the Galati port services.

Infrastructure Projects

1. Galați multimodal platform - Removing major blockages by modernizing existing infrastructure and ensuring missing connections for the Rhine-Danube / Alps core network;
2. Solid bulk terminal and general cargo in the New Basin Port;
3. Liquefied Natural Gas Terminal;
4. Determining the quantities of solid material deposited at the berths of the port of Galati, evaluating the solutions for removing deposits and possibilities to reduce the deposition phenomenon;
5. Ro-Ro terminal in the port of New Basin;
6. Modernization of berth 33 in the Port of Docs;
7. Port infrastructure rehabilitation - berth 21 in the Commercial port;
8. The old commercial port - the historical quay - Tourism promotion and capitalization;
9. Cereal and general cargo terminal in the port of Mineralier, by converting some of the existing berths.

Conclusions

Given the affiliation of the Port of Galati to the corridor of the central network TEN-T Rhine-Danube, efforts for its development and implementation of proposed infrastructure projects will aim at attracting non-reimbursable European funds provided by the European Union through nationally managed programs or European.

In the recent years, very few operators have been interested in participating with capital in order to make investments in the port. The Strategic Plan clearly defined the need to increase the participation of the private sector in the development of the port of Galati. Thus, although the projects will be promoted by CN APDM, the project sheets present information on the entire concept of the proposed investments, which includes both the technical and financial contribution of the port administration and that of private operators. Given the situation of port lands and the management model practiced by CN APDM, for most projects it will be necessary

to establish partnerships with private operators, which will contribute private capital to the proposed investments.

The port of Galati is differentiated by its strategic positioning at the eastern border of the EU, on the corridor of the Central Rhine-Danube TEN-T network. At the same time, it is both a sea and river port and has a railway with Russian gauge (1520 mm) and normal (1435 mm).

Belonging to the Rhine-Danube TEN-T corridor is one of the most important opportunities for the development of the port of Galati, positioning it among the priorities of the European Union in terms of the development of the European transport sector, which implies access to non-reimbursable European funds.

By positioning itself as a gateway to the EU in one of the most stable regions on its eastern border, the Port of Galati has the potential to attract additional flows and new types of goods transported on routes such as Western Europe - Eastern Europe, Europe - Caspian Sea and Black Sea - Baltic Sea.

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