

THE ANALYSIS OF THE ECONOMIC DEVELOPMENT OF SOUTH-MUNTENIA REGION

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Abstract

The organizational and economic characteristics of South-Muntenia Region are included in the general scope of the regional policies in Romania, highlighting the economic specific of the region due to the relief, region's economy, demographic problems and labor, economic development of industry, agriculture and services and tourism region. The general characteristics of the industry are: complexity and diversity of the region industry, covering all areas of components, relying on the richness and variety of the existing natural resources; the industrial areas are located and generally belong to large communities, such as municipalities and towns, which are concentrated in the three Northern counties: Prahova, Dâmbovița and Arges. The region industry is partly under the influence of the decline in the national economy.

Key words: agriculture, development, economy, industry, region, tourism

INTRODUCTION

South-Muntenia Region is situated in the South-East part of Romania, bordering to the North, Centre Region, to the east South-East Region, to the South, Bulgaria, the limit being given by the natural border – the Danube River. The presence in the South of the region of the Danube River provides it the opportunity to have communications with the eight countries that border the Danube, and through the Danube-the Black Sea channel it has access to Constanta Harbor – the main maritime gate of the country. [3]

The variety of the forms of relief and the geological complexity of the region makes its natural resources to be very varied. The mountain and hilly area in the North part of the region focus on the natural resources of the subsoil (petroleum, natural gases, coal, radioactive mining, salt, sulphur, accumulations of gypsum for the energy, chemical industry and construction materials.

Along the subsoil resources, a remarkable importance with direct influences in the development of certain economic sector, have the soil resources. Thus, the agricultural surface concentrated mainly in the South counties of the region has 71% of the total

surface of the region, of which 80.2% represents arable land.

The region has important and rich water resources (3.4% of the region surface), resources which by their use in various sectors, have a remarkable role in the economic development of the region.

The wildlife of a great variety provides another natural wealth of the region. The lands occupied with forests and wood vegetation have 19.3% of the region surface, representing an importance source of wood mass and an appropriate area for the hunting fauna.

The economic sectors with tradition in South Muntenia Region are: production of chemical and petroleum equipment, production of chemicals, production of Dacia vehicles, agricultural production and mountain tourism. [4]

MATERIALS AND METHODS

In this paper, the data provided by the National Institute of Statistics and Romania's Yearbook 2013 and Regional Statistics regarding South-Muntenia Region and its economic sector have been processed.

The data regarding the economic sector of the

region referred to the period 2004-2011.

The analysis was carried out both at the regional and national macro-economic level.

RESULTS AND DISCUSSIONS

The industry of the region, largely based on the traditional activities and spatially oriented according to the location of the natural resources, covering all component areas, from the extraction and processing of oil and gas to the construction materials.

The industrial activities were conducted in the region within 13,817 enterprises in 2010, their structure is presented based on the main industry sectors in table below.

Table 1. The structure of enterprises in the industrial sectors, year 2010

Type of activity	Total number of enterprises
Total of which:	13,817
Extraction industry	186
Processing industry	7,804
Electric power, heating, gas and water	126
Constructions	5,701

Processed based on: Romania's Statistical Yearbook, 2012, [5]

The Industry is the most important economic sector of the region, given that the industrial enterprises have achieved 46.62 % of total turnover in the region in 2010. In the region, there are 11 industrial, scientific and technological parks (one third of the total of parks in Romania), 5 of which are located in Prahova County.

Table 2. The evolution of the foreign direct investments in the development regions, in 2011 (Euro Million)

Reference area	2011	Share (%)
Romania	55,139	100
North -East	1,627	2.95
South -East	2,970	5.38
South Muntenia	4,059	7.36
South West Oltenia	1,806	3.27
West	3,987	7.23
North West	2,454	4.45
Center	4,215	7.64
București-Ilfov	34,021	61.72

Processed based on Direct foreign investments in Romania, INSSE, 2012, [5]

The data presented in the above table

highlighted the foreign direct investment in Romania in 2011, which were 266.62% more investments than in year 2004.

The development of the region in the recent years was due to the completion of major foreign direct investments, which led to a substantial increase in productivity, bringing both modern technology and best practices. The high level of investments in the region is due to the capital increases (from Dacia - Renault automobile industry, Petrotel- - Lukoil, Unilever), new green field investments such as those made by Saint Gobain (glass industry) to Tenaris Silcotub etc.

Services. The services sector showed a positive trend in the recent years in some areas. Currently, it covers a wide range of activities, oriented to areas such as banking, insurance, transport, real estate, post and telecommunications, tourism, education, health and social care, consultancy etc. At the regional level, in 2010, 9,287 active local units functioned, the labor being represented by 50,886 employees and the turnover was Lei thousands 4,785.

In the recent years, a positive trend represented the activities in banking and insurance sectors.

Private sector. Essential factor for the functioning of the market economy, the private sector in the regional economy has evolved relatively slowly being oriented primarily to the small units within the sectors of producing consumer goods, attractive in terms of speed of rotation of capital and access prospects on internal and foreign markets. The acceleration of the privatization process in the recent years had a significant impact on the development of the whole regional economy, favoring the creation of a healthy, competitive business sector.

The lack of an overall development strategy of SME sector, correlated with the needs for economic and social development of the region, led to the creation of SMEs generally in the urban area and less in the rural areas.

Tourism. The region has a growing local tourist potential, becoming one of the most important economic sectors, its contribution to the socio- economic revival of the region is

substantial. The main tourist attractions are represented by the resorts in the Prahova Valley, which posses a hospitality network largely able to cover the needs of accommodation and an adequate tourism infrastructure. The spa tourism in the region is provided by three spas (Slănic-Prahova, Pucioasa and Amara), the accommodation, the treatment facilities and the quality services largely satisfying the requirements of the tourists. The tourist attractiveness of the region is given by the existence of some values and cultural-historical monuments as well as natural parks located in the Bucegi and Piatra Craiului Mountains. The South of the region and especially Danube area has a tourism potential which was not used so far, but it represents an opportunity for the tourism development .

Environment. Environment issues and care for it requires taking concrete steps to protect and the need to preserve the biodiversity. The environment protection requires responsible management of pollution control measures. The environment quality, according to the assessment of the pollution level of the individual components (air, water, soil, forests, etc.) within the region differs from one area to another, being determined by their specific and particularities. The northern region due to the high degree of industrialization by polluting activities is characterized by problems in all environment components, with a negative impact on quality of life and living conditions. The poor technical condition of the treatment plants and industrial wastewater and the use of obsolete technologies determine the existence of advanced biological and microbiological pollution of the rivers collectors. The south area, due to the low level of industrialization, is less affected by pollution, but instead it supports the action of limiting environment factors, such as soil erosion, nutrient-depleted and chemical pollution, whose negative effects on agricultural productivity living standards and quality are obvious. The extensive use of chemicals for the soil and crops treatment in the context of practice over time of intensive agriculture negatively affected the groundwater quality, its pollution

level is quite high.

A particular problem was represented and it its represented now by the household and non-household waste storage, the region having a small number of proper storage facilities located mainly in the urban centers. A sensitive and ever-present aspect is the climate change, the resulting effects having implications on the lifestyle and on the development in general. Phenomena such as global warming, floods, involve the strategic planning of prevention and mitigation actions they produce. The environment and quality of life are key issues in the development of the region. Considering them, it involves directing the specific measures in order to improve the overall environment quality

The agricultural activities

The agriculture is present in all counties in the region, because there are favorable natural conditions and great potential for the development of agriculture [1]. The presentation of the elements of the agricultural structures in South-Muntenia Region, is based on statistical data for the period investigated, aiming the overall knowledge of the development of agriculture and influence factors in order to develop the strategy elements of the rural development, plus non-agricultural activities in the rural area.

Table 3.Agricultural branch production in South Muntenia region in 2011 (Lei Million current prices)

Total agricultural production	Crop production	Animal production	Agricultural services
14,604.8	10,973.5	3,516.8	114.5
Fixed base indices, 2010=100			
110.4	116.6	96.2	-

Source: Romania's Statistical Yearbook,2012, [5]

In 2011, the agricultural production achieved in South Muntenia region accounted for Lei Million 14,604.8, of which 75.13 % was carried out by crop sector and 20.07 % by animal sector.(Table 3)

In the same year, the cultivated area in this part of Romania was 1,877,798 ha, of which cereals 1,228,195 ha, representing 65.40 %.

Table 4. Crop production by main crops in 2011 (tonnes)

Crop	Production	Crop	Production
Cereals	5,188,962	Dried pulses	21,290
Wheat	5,166,432	Peas	20,538
Rye	2,293,514	Beans	732
Barley	408,810	Potatoes	344,624
Oats	39,389	Oilseed crops	983,353

Source: Romania's Statistical Yearbook, 2012, [5]

The economic efficiency of the agricultural activity is determined by the interdependent links established between land -ownership-use. The non-agricultural economic activities in the rural area have as specific obtaining crafts works: pottery, weaving, wood and metal etc. In some areas a range of crafts developed, by which building materials are produced: bricks, tiles, lime, boards, shingles, etc. In the mountain and pre-mountain areas, a number of specific occupations became over time, crafts, such as: grazing, apiculture, sericulture, hunting, fishing, and mining and crafts [1]

The enumeration of the non-agricultural activities carried out in the rural area of the region show their diversity as an expression of vocational occupations based on a long tradition of the domestic economy developed in the form of crafts, converted to complementary or alternative economic activities and specific agricultural activities of the respective areas (plains, hills, meadow, mountain).

The modernization of the agricultural production, but in particular, the financial support given for the activity diversification in the rural area contributed to the emergence of some new non-agricultural activities, such as production of construction materials specific to certain areas (shingles, tile, brick, wrought iron), by exploiting the local natural resources (wood, clay, sand, clay, reed, rush, wicker, straw, animal skins), the revitalization of some re-dimensioned domestic activities at economic level of profitability. These non-agricultural activities allow the expression in practice of the entrepreneurial spirit of the inhabitants in the rural area, the recovery and preservation of traditions (fabrics with floral, zoomorphic motifs, cookware, utensils, household goods ceramic, wood and basketry) and cultural and social values (recipes,

traditional food) of the local communities.

CONCLUSIONS

The agriculture has special natural conditions in order to become competitive and efficient, but it can not occur due to the inadequate technical equipment and the operating mode that is practiced.

A key element for the economy is the development of tourism and in order to increase the number of tourists, it is needed to improve the tourist services and the development of information centers and tourist promotion. Highlighting the Danube value, with its wild islands, the flora and fauna of the Delta lakes and ponds, full of fish, and hunting in hardwood forests, all would account for the development of sports tourism sector in an unique natural and ecologic environment.

The economic and human potential, the geographic position and the high degree of urbanization and industrialization, especially specific to the North area of the region, were factors which contributed to the attraction and appearance of the foreign investments. At the same time, the business opportunities offered by the region, determined the orientation and decision of some well known foreign companies to invest in it.

The economy of the Region can be developed by bringing together all these sectors in the current context.

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