

REPUBLIC OF CROATIA PASSENGER LINER COASTAL TRAFFIC

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Review

Abstract

The paper deals with the dynamics of passenger coastal traffic organized by the largest Croatian owned passenger shipping firm "Jadrolinija" between Croatia and foreign ports. The experience gained in more than 150 years is emphasized as well as the insufficient positioning of passenger coastal traffic in the strategic orientation of the national economy, partly as a public service and partly as an independent economic activity primarily in the international tourist market.

1. Introduction

The Republic of Croatia is characterized among other things by her littoral position that enables various sea-related economic activities. It is known that the basic maritime economy activities are shipping, ports and shipbuilding. All three activities have a prestigious character for every national economy. Their common characteristic is that the intensity of their profitability depends on the scope and structure of industrial supply and demand between overseas countries. In other words the markets of those activities are derived markets. It is an important observation since a successful business and growth of shipping, port and shipbuilding companies presupposes the knowledge on different data on past and future market dynamics and structure. One of the specific activities of shipping, ports and shipbuilding is passenger coastal traffic. In the Republic of Croatia passenger coastal traffic is carried out by "Jadrolinija" Rijeka, "Rapska plovidba" Rab and "Meditranska plovidba" Korčula. Passenger coastal traffic has by far more leverage on social and economic development than it was given significance in the past decades. This fact is even more surprising as the passenger coastal traffic in the area of east Adriatic, i.e. the territory that belongs to the Republic of Croatia, started to develop in 1838. It was precisely 31 years after its world promotion in 1807. That was the year when the first passenger line was established on the Hudson river between the cities of New York and Albany.

2. Historical Development

The year 1838 is considered the beginning of passenger coastal traffic on the east coast of Adriatic. That year the Department of steamship sailing of the insurance company "Austrian Lloyd" with headquarters in Trieste established a line along the coast from Trieste to Kotor calling at Croatian ports Mali Lošinj, Zadar, Šibenik, Split, Korčula and Dubrovnik. "Austrian Lloyd" was receiving the yearly government subsidy for maintaining that line.

The first two steamship companies on Croatian coast were founded in 1871. [1, p. 77]. By the merger of these two companies in 1891 the "Hungarian - Croatian Steamship Company" with the headquarters in Rijeka was established. That year in Dalmatia there were already 5 steamship companies that organized passenger shipping. Those companies had 17 ships with 2,450 GRT capacity. In 1877 the steamship line across the Adriatic between the ports of Ancona and Zadar was established. In 1913 the capacity of passenger line shipping companies with headquarters in Croatian ports increased considerably to 104 steamships with 35,308 GRT capacity.

When Austro-Hungarian Monarchy was dissolved in 1918 the passenger ships were allotted to the new constituted Kingdom of Serbs, Croats and Slovenians and to the Kingdom of Italy. Most of the passenger ship capacity went to the Kingdom of Serbs, Croats, and Slovenians. In 1922 following the initiative of the Ministry of traffic, and as a prerequisite of getting subsidy, the steamship companies "Hungarian-Croatian Company" for coastal shipping with 43 ships and 15,951 GRT capacity [2, p. 100] and "Dalmatia" with 33 ships and 9,910 GRT capacity merged into a new company "Jadranska plovidba" with headquarters in Susak.

In the period between two worlds wars the passenger fleet increased by 7 newly built ships. The average age of passenger ships in the Kingdom of Yugoslavia in 1938 was 10.6 years.

Before World War II "Jadranska plovidba" and "Dubrovačka plovidba" had 52 and 11 steamship respectively.

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At the end of World War II of 83 coastal passenger ships with 28,383 GRT for 30, 948 passengers, only 17 steamships with 5,445 GRT capacity survived.

After World War II, as a result of strategic decision made in former Kingdom of Yugoslavia, intending to link the islands with the mainland, the renewal of passenger fleet began. The period 1950-1958 was characterized by intensive building of new passenger motorships. The shipbuilding was enabled by a strong state interventionism. In 1958 "Jadrolinija" had 65 ships capacity 29,425 GRT for 30,185 passengers [2]. That year "Jadrolinija" had passenger traffic of 5,682,275 passengers.

In the years that followed the long accepted strategy of developing passenger coastal shipping, of which "Jadrolinija" continued to be the main protagonist, did not change much. At the same time new processes took place bringing considerable changes in market impacts. These influences are as follow.

1. Completion of the Adriatic Highway

2. Intensive growth of tourism in the world and also in the countries geographically close to the eastern part of the Adriatic.

By this are primarily meant the countries with which Croatia has traditionally had good economic relations: Austria, Germany and Italy. Also Hungary can be included in that group. In the course of the sixties and the years that followed the communication with Hungary was not at the traditional level due to the political situation in that country.

3. Intensive growth of motorization in the world

The completion of the Adriatic Highway had a negative impact on the development of "Jadrolinija". Longitudinal shipping lines lost their monopolistic position in passenger traffic along the coast, and by that also the state subsidy. So when the Adriatic Highway started to be used the fact that passenger shipping besides economic impact has general social development character for the country as a whole completely discarded.

Probably due to the opening of the Adriatic the passenger coastal traffic of "Jadrolinija" in 1967 diminished to 3,769,922 passengers.

The growth of tourism and motorization in the world ate two interrelated processes. In Scandinavian countries, for example, these processes contributed to the intensive increase in the traffic of passengers and vehicles, and in that way to the growth of passenger shipping and passenger ports. The concrete form of that influence was the appearance of ferry-boats. During the voyage passengers were offered various amusements. The influence of the innovations by Scandinavian shipping, port and tourist entrepreneurs and the readiness of government authorities to support the new trends by regulations, helped ferries to spread

all over the world. In the course of the time two different types of markets with a number of segments appeared: a) market for ferry transport services and b) market for cruised. Nowadays these markets are increasingly interwoven, particularly in the USA and some West European countries. As one observes the development of passenger coastal shipping in Croatia one has the feeling that the time started to roll more slowly.

5,790 km of well-intended coast, with 1,185 large and small islands and rocks of which 66 are inhabited, with pleasant Mediterranean climate, with a concentration of 6 major historically and economically developed towns and a number of small towns by the coast and on the islands were left to stagnation, with some exceptions. These six towns from north to south: Pula, Rijeka, Zadar, Šibenik, Split and Dubrovnik are characterized by great economic potentials, at least in tourism, sea-shipping, port activities, shipbuilding, fishing and of course various services as agencies, forwarders and the like. The links with the islands were maintained by classic ships with out-dated technical and technological characteristics. The voyage was slow and long, calling at many ports, with small concentration of passengers. The introduction of ferries in the early sixties as a mobile bridge between the mainland and the islands was done without previous building of suitable landing-places. The transformation of passenger fleet from classic ships of ferries was being done without state intervention. So the fundamental potentially interested subject - the state was not included in the development of passenger traffic by sea. The need for state intervention in coastal passenger shipping is necessity because of:

1. daily and seasonal oscillations which make the business unprofitable as the capacities ate on average insufficiently used,

2. the need to maintain that type of traffic communication to stimulate island and coastal population to go on living there

3. the need to maintain, not on all lines, low fares. In that way, at least partly, the difference of life and work on the islands and the mainland is diminished.

3. Review of Passenger Traffic Organized by Coastal Line Shipping Since 1928

The passenger traffic, as shown in Table 1, has been from the very beginning concentrated in five Croatian ports. In the year 1928 50%, and in the year 1992 42%.

The data shown in the column "Rijeka" for the year 1928 and 1937 refer to the port of Susak, that is the port "Baros", and that was the part of the port of Rijeka which according to the Treaty of Rome in 1924 belonged to the Kingdom of Serbs, Croats and Sloveni-

Table 1. Passenger traffic in 1928, 1937, 1948, 1958, 1967, 1978, 1988 and 1992 in the ports of Split, Rijeka, Šibenik and Dubrovnik

Godina	Split	Rijeka	Šibenik	Dubrovnik	Zadar	Croatian ports total
1928	363	256	170	143	-	1.908
1937	692	449	215	228	-	2.802
1948	1.252	916	483	231	753	6.270
1958	1.174	1.182	1.104	492	1.055	9.057
1967	940	387	621	277	905	6.975
1978	1.558	278	623	507	1.099	13.184
1988	2.173	158	635	408	2.000	15.418
1992	913	264	411	631	1.009	7.732

Source: For 1928 Marine Yearbook for 1930, Ministry of Traffic of Kingdom of Yugoslavia, Maritime Traffic Headquarters in Split, Split pp. 199 and 200
For 1937 Marine Yearbook 1937-1938, opt. cit. pp. 265 and 266

For 1948 Marine Yearbook, Ministry of Maritime Affairs of Yugoslavia, Belgrade 1952, pp. 516-533

For 1958 Yearbook of Maritime Affairs for 1958, Administration for Maritime and Inland Water Traffic of Yugoslavia, pp. 428-433

For 1967 Yearbook of Maritime Affairs 1964-1967, pp. 386-389

For 1978 and 1988 Traffic and Communications, Statistical Mulletin, Federal Statistics Institute, Belgrade

For the year 1992 Records of the Republic of Croatia Statistics Institute, Zagreb

ans. The data in the same column for other years refer to the port of Rijeka as a whole.

The total traffic refers to Croatian ports. In the year 1928 and in 1967 coastal passenger traffic took place in 68 ports. In the early eighties passenger traffic in Croatia was present in 58 ports. In 1993 the traffic takes place in 46 ports.

The passenger traffic in the port of Split is characterized by indentedness of the island archipelago, that is the result of the need for daily and seasonal migrations of the inhabitants and the tourists after World War II.

The passenger traffic in the port of Rijeka is the result of the geographic and traffic position of the port itself. By its position the port of Rijeka is the departure and arrival point of the passenger traffic along the coast, not only to and from national ports, but also to and from Greek and Turkish ports. Nowadays there are regular shipping lines from Koper and Venice to Greek and Turkish ports. The passenger traffic of the port of Šibenik caters only for the daily migrations of the domicile population at the tourist seasonal migrations.

Dubrovnik is the destination of stationary tourism mainly all year long. It is the only Croatian port that has for years been on the list of the world tour-operators and cruise organizers. Therefore it is not surprising that the passenger traffic in that port is more or less continually on the increase. So the passenger traffic of the port of Dubrovnik is first of all the result of its tourism. The port of Zadar has by far the largest passenger traffic in comparison with other Croatian ports. This traffic is realized mainly because it is the important local economic and social hub of the Zadar archipelago.

On the basis of the data in the column "Croatian ports total" it can be concluded that the passenger traffic would have been considerably larger if the

dynamics of growth realized until 1988 had continued. That year the passenger traffic amounted to 15 million.

The attractiveness of Croatian coast and islands could have been even better valorized had the development of coastal passenger shipping been approached in the way similar to almost all littoral European countries. That approach implies a parallel intensive development of coastal road and port infrastructure and various measures of supporting the building and maintenance of modern maritime transport capacities. The reason for such an approach is all the more significant when we know that there has been 1) a century long experience in organizing passenger coastal shipping and 2) the need to develop tourism as one of the most propulsive economic activities.

4. Review of Coastal Shipping Passenger Lines Since 1928

In the course of the twenties there were many steamship passenger lines between Croatian ports. They were either maintained on the basis of a contract with the state or as the result of entrepreneurial activity. So in the year 1928 [3, p 94-98] there were 10 majors lines between Croatian ports. Those lines called also at the ports outside the present territory of the Republic of Croatia. In the district of Susak there were 8 lines. Šibenik, Split and Dubrovnik had 12 lines each. The traffic between Croatian and foreign ports Venice, Trieste, Bar and Patras was maintained by 6 lines. All those lines were based on the state contract. There were also lines to the Mediterranean ports but not on a state contract. In the year 1939 and 1940 [4, p 106-111] on the basis of the contract with the state there were 9 major steamship passenger lines in the country from Croatian ports. There were also 6 lines in the maritime district of Susak, Šibenik and Split had 11 each, and the Dubrovnik district had 12 lines. In those years

passenger traffic developed in Croatian ports which was not based on a state contract. It was maintained by 9 lines. The traffic with foreign ports based on the state contract was run by 5 lines. Now the lines extended to the ports outside the Mediterranean to South America, namely the Argentine. There was a non-contracted line between Susak and North European ports.

In the period from 1981 onwards most of the passenger coastal traffic has been maintained by the ships of "Jadrolinija" Rijeka. The organization of the lines has been based on two characteristics: 1) type of the ship and 2) the distance between the ports of called.

According to the type of the ship there are car-ferryes, ferryboats and classic liners. In 1993 "Jadrolinija [5] had 45 ships of 42,096 GRT capacity for 17,318 passengers.

As regards the distance between the ports of call the lines are grouped as rapid and according to the district. Rapid lines in the year 1981 [6] realized the traffic of 232,191 passengers and 25,426 vehicles. International lines are mainly of seasonal character and represent the extension of national ports towards Greek ports and independent lines to Italian ports. The same year the traffic of international lines was 32,069 passengers and 8,235 vehicles. Until the year 1988 there were no significant changes in passenger traffic. Then in 1989 the rapid line passenger traffic fell considerably to 185,069 passengers, while international traffic rose suddenly to 57,554 passengers. Further on the scope of traffic has been irregular. In 1991 the passenger traffic between Croatian ports diminished considerably to 119,979, but in 1993 it already increased to 242,002 passengers, while in 1992 and 1993 the figure fell considerably to 16,171 and 19,383 passengers.

Local passenger traffic has been recorded since 1981. It has been organized in the district of Rijeka, Zadar and Split. The Rijeka district has the least traffic. In 1981 there were 798,042 passengers, and in 1993 1,152,857 passengers. The Zadar district had 1,719,337 and 1,191,218 passengers. The fall in 1991 was the result of the aggression on the Republic of Croatia. The Split district had in those year was 1989 with 2,544,823 passengers. The total for "Jadrolinija" was 4,5 million passengers in 1981, and 3,6 million in 1993. The company realized the peak traffic in 1986 and 1988 with 6,2 million passengers and 1,1 million vehicles.

5. Development Strategy

The goals to be achieved in the years to come are based on 1) the experience gained on organizing coastal passenger shipping in the last 150 years, 2) the existing network of national and international passenger lines and potential market demands.

To accomplish these goals it is necessary to renew the passenger fleet with the ships of modern technical and technological characteristics. It is possible only by various measures of state intervention. The intervention does not mean only financing the shipbuilding, but it also means making the building or purchasing secondhand ships easier by allowing customs, tax and accounting concessions. The communication with the market should be carried out also by various combinations with tour operators in the country and those from Austria, Germany, Italy and Hungary where most of the tourists come from. Furthermore the system of lines should be expanded by rapped international lines towards Turkey and other Mediterranean countries in combination with truck traffic.

In any case the passenger coastal shipping is in the future expected to have two segments: public and economic. The public segment must necessarily be in the function of general social development of littoral Croatia and therefore in the need of various state interventions. The other segment is based on the fore-caster tourist demand and technical progress in the field of passenger shipping, consequently on the principle of and independent profitable business. The tourist demand all over the world by the end of the century is forecasted very optimistically. The technical progress enables the growing use of fast ships but not their full domination. Therefore, besides the existing network of lines, direct shipping lines should be considered from Rijeka to distant Dalmatian ports as e. g. Korčula to Dubrovnik.

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