

Evolution and historical development

Establishment of Resita Works

The Resita industrial complex is located in South - West of Romania, in a picturesque valley of Banat mountainous region, west of Semenic Mountains. It was established on July 3, 1771 by commissioning the first furnaces and forges, being known as the oldest industrial facility in Romania and one of the oldest in the whole Europe.

One should underline that, in terms of history, once established (on the 3rd of July 1771) Resita Works falls ahead of that of many well known European factories as Krupp Germany (1811), Vitkovice (1829), Donavitz (1829), MAN (1834), Sulzer (1834) and Burmeister & Wain (1843), Skoda (1851).

As the beginning was devoted to metallurgy, the machine building sector has appeared and developed gradually, such that in the last quarter of 19-th century machine construction prevails. The two sectors have coexisted for a long time, being complementary and supporting each other within the same completely integrated company.

U.C.M. Resita, continuer of machine building sector in Resita industrial complex, as known today, is the result of many years of experience in machine building, transport, power generation, metallurgical and chemical industry. The works has built a distinct technical culture and has acquired a reputable status based on tradition, proficiency, and quality.



Periods and steps in evolution

The historical evolution of Resita Works may be divided in several periods based on ownership:

I. Austrian Fisc period (1771-1854), when the works were the property of Austrian Revenue Service, that was controlling the works by means of Banat Mining Directorate quartered in Oravita. The scope of activity in 1815 was as follows: parts of cast iron from furnaces, iron forged bars, cartwheel rims, tools, nails, agricultural and home use tools.

II. St.E.G. period (1855-1920). The Resita Works were in the property of the international consortium St.E.G. "K.u.K Oberprivilegierte Staatseisenbahn Gesellschaft", an Imperial railway and mining company that owned, besides Resita works, other mining, metallurgical and railway capacities in Banat and Bohemia, a locomotive factory in Vienna, and was operating a 5,000 km railway network (building and exploiting). St.E.G. was an international consortium on French and Austrian capital of three banks: Société général du crédit mobilier de Paris, Georg Sina (Vienna) and Arnstein & Eskeles (Vienna). The entire land area was of about 130,083 ha. (out of which 42,578 ha. agricultural and 87,505 ha. forests).



III. The UDR period (1920-1948). At the end of the first world war as the Romanian National Unite State is established, the Royal Decree no. 2455 on June 8, 1920 is issued stating that all assets of St E.G. on Romanian territory are transferred to the newly established "Uzinele de Fier si Domeniile Resita" (Resita Iron Works and Fields). Within UDR there was established the "Workshop Sector" located on the left bank of Bârzava River, comprising the machine building workshops (the "old"

industrial area within the present U.C.M. Resita organization) where the first shops were built during the St.E.G. period, between 1886 and 1891. The land owned by the company had an area of 95.863 ha, out of which 88.248 ha forests, and also included mines: (iron, coal, copper) vineyards, roads, lime quarries. In the UDR period the works had the following structure:

- Furnaces
- Coke-oven plant
- Steel mills
- Rolling mills
- Foundries
- Forge
- Bridges and metal structures factory
- Assembled wheels factory
- Old machine factory
- Drilling equipment factory
- Armament factory
- Electric machines factory
- Locomotive factory, with a capacity of 100 units per year

The production fields were mainly as follows: steam locomotives and repair, assembled wheels (including axles and spokes), wheel rims, steel bridges and railway crossings, other railway equipment, metallic structures for civil and industrial buildings, gantry cranes, electric machines (motors, generators) electric transformers and equipment, drilling equipment (pump rods, connections, bit collars, pump units, hooks Rotary tables, crown blocks and gear reducers), armament (cannons, carriages, 75 mm anti-tank and anti-aircraft cannons under Vickers license, coastal batteries cannons, underwater mines, 60 and 120 mm Brandt launchers), etc. The company was the biggest in Romanian economy as concerns the turnover, the registered capital and the number of employees. The total number of employees in 1948 was 22,892.



IV. Nationalization of UDR. Post-nationalization period. UDR nationalization was accomplished by Law 111/June 11, 1948, published in Official Journal no. 133 bis/1948. The post-nationalization period, (after 1948) can be further divided in several stages:

U.D.R.I.N. stage (1948-1949), when the works was known as "Uzinele de Fier si Domeniile Resita - Întreprindere Nationalizata" (Resita Iron Works and Fields - Nationalized Enterprise). Following the political regime change in Romania, on July 11, 1948 was enacted the Decree-Law no. 119/1948, stating that a number of 351 companies in various fields are taken over by the State, and "Uzinele de Fier si Domeniile Resita" were on the top of the list. Within the following period of almost one year, until August 1948, all those companies, including UDR have been integrated into the newly created State structures.

The SOVROM stage (1949-1954). Following the clauses in the Armistice Agreement with USSR, in Romania have been established the joint companies called SOVROM that lasted until September 30, 1954. The documents that constitute the basis of this stage are the Cooperation Agreement Soviet-Romanian on May 8, 1945, and the Decree no. 334/August 10, 1949. During this stage, until the end of 1949, the former UDR has been dissolved, as the Resita works becoming component part of the newly established joint companies SOVROMMETAL (in the metallurgical field) and SOVROMUTILAJPETROLIFER (in the machine building field). Thus ended, first time in almost 180



years, the unique and indivisible character of an integrated patrimony, and the consequences of that brutal rupture are still visible today.

"Combinatul Metalurgic Resita" (The Metallurgical Plant Resita) stage, (1954-1962), when SOVROMMETAL and SOVROMUTILAJPETROLIFER merged into a new administrative entity called "Combinatul Metalurgic Resita" within the Heavy Industry Ministry (later Metallurgy and Machine Building Industry Ministry), as per Government Decision 864/July 10, 1954.

"Uzina Constructoare de Masini Resita" (The Machine Building Factory) (after April 1, 1962), when the company was subordinated successively to several Ministries and Industrial Head Offices, and was given after the Decree 162/1973 another name: "Întreprinderea de Constructii de Masini Resita". One must mention that between October 1969 and March 1973, Resita Works have been the nucleus within "Grupul de Uzine Resita" (Resita Works Group) established in 1969. In that groups, were also part: Steel Structures Works in Bocsa, Machine Building Works in Caransebes, Mechanical Works in Timisoara and the Research and Design Institute for Hydro Power Equipment in Resita.

Uzina Constructoare de Masini Resita stage (after February 1991). After issuing and applying the provisions of Law 15/1990 and 31/1990, Government Decision no. 1296/1990, and the subsequent additional Decision no. 334/1991, U.C.M. Resita was restructured and transformed into a joint-stock company - Romanian Law entity, registered under no.J.11/ 4, on February 12, 1991 at the Registry of Commerce of Caras-Severin county. After the Privatization Law (no. 58/1991), was applied, on June 10, 1993, the ownership on U.C.M. Resita is transferred 70% to the State Property Fund and 30% to the Private Property Fund I Banat - Crisana.

As concerns the post-nationalization period, it can be noticed that after the nationalization in 1948, in the history of Resita Works there was a turning point. On one hand, Resita was still the most important Romanian heavy machinery unit, on the other hand there was a visible cut back of its importance and scope of production, and this phenomenon has shown almost continuously for the next four decades. Thus, Resita Works were deprived, at different moments and under several reasons, of some of its products assimilated and produced with good results, such as:

- steel structures and bridges, 1953-1958
- assembled wheels, in 1959
- oil drilling equipment, in 1954-1955
- transformers, electrical devices and middle size electric motors, in 1957
- gantry cranes and cranes, (after 1973)
- rail switches, (1955)
- heat power equipment (steam turbines, turbo generators and auxiliaries), in 1977
- railway bogies, in 1981

This stage comprises severe transformations correlated with the evolution of technological processes. Thus, the following have been assimilated and launched into production: steam turbines and power turbo-generators, new air compressors, Diesel engines and locomotive bogies, metallic bearings, hydro power equipment (hydraulic turbines, electrical generators, speed governors), Diesel engines for marine propulsion, chemical and metallurgical industry equipment, hydro-mechanical equipment (hydraulic gates, large hydraulic servomotors), and the steam locomotive production was abandoned.

The four decades history (1948-1989) of planned economy is extremely dense in facts. We can declare that no important national development program in Romania has been carried out, without U.C.M. Resita be involved, such as the national power development program (heat and hydro power equipment), the nuclear power program, railway transport and sea fleet programs, chemical, metallurgical and mining industry development programs. Also, the U.C.M. Resita trade mark has been exported in over 40 countries, including some with an old industrial tradition.

V. Post-privatization period. With the sale by APAPS (Authority for Privatization and State Shareholding Administration) on December 23, 2003 of the entire package of shares held by the State (60.7908 %) to the consortium consisting of the Swiss Company INET A.G. and the Association of Employees with U.C.M. Resita, the Works entered the post-privatization period.



Production figures

Resita Works have succeeded to maintain their continuous industrial activity of over 233 years by permanently adapting their products to the market requirements. Along its history here were made a large diversity of goods, some of them prestigious national premieres or in the lead of European technical progress. Production volume in several important fields is of significance:

- 1,461 steam locomotives, out of which:
 - 311 on narrow gauge track of 948 mm and 760 mm
 - 924 on normal gauge track of 1,435 mm
 - 224 on special gauge track of 1,524 mm for USSR
 - 2 on special gauge track of 1,000 mm for Vietnam
- over 180 large railway and road steel bridges
- over 6,000 industrial air compressors
- over 1.5 million kW electric motors
- over 1 million kW heat power equipment (steam turbines/generators)
- 4,008 pair of bogies for locomotives
- over 1.3 million HP Diesel engines for marine propulsion
- over 200 large hydraulic servomotors
- over 9.5 million HP Diesel engines for locomotives, Diesel Gen sets, river propulsion
- over 6.2 million kW hydro power units (hydraulic turbines/ generators)