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''FORMATION OF THE EFFECTIVENESS OF PUBLIC AND PERSONAL SECTOR COMPANIES OF THE MARITIME INDUSTRY SUPPORTED AN INTEGRATED ANALYSIS OF ECONOMIC RESULTS''

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ABSTRACT

The maritime industry in Lithuania is predicated on the general public, state, and personal sectors, and on the interests, activities and partnership of business companies operating within the aforementioned sectors. Despite the management of the general public sector in Lithuania being criticized for showing performance shortcomings, the state of Klaipeda's seaport management and performance results refutes this criticism. The general results of partnerships and co-operation is obtained – it reflects the port's competitiveness level within the region. Consistent with a report conducted by the International fund, the potential output growth in 2014–2015 has declined since the world financial crisis. Policy actions are required to spice up the productivity levels, and to foster capital growth. so as to attain these objectives, it's essential to grasp the company's financial situation better, because the higher the financial state of the corporate, the more new port service users, cargo owners, shipping lines, and investors it attracts. The quality analysis of economic indicators is insufficient. Hence the strategy of integrated analysis is applied. The results of it'd be considered as guidelines for both the state seaport authorities so as to boost the port's competitive position within the region, and for the private companies for his or her business development.

Keyword: personal sector companies, maritime industry .

1. Introduction

The effectiveness of activities within the maritime sector, which
are supported public and personal sector co-operation and partnership, generally strengthens the international and political positions of the country, because the activities and development within the sector have an instantaneous link with international eco-

nomic cooperation, attraction of foreign investments, membership in international organizations and other crucial factors.

The scientific relevance of the problem justifies the thought that by defining the issues of effectiveness from the purpose of view of globalization and integration, some problematic analogies could also be determined. It's essential to means these problematic analogies so as to extend the efficiency and effectiveness of the activities within the maritime industry. in line with the results of the general public administration research, certain weaknesses within the management of the general public sector is also found, also as in flexibility, entrepreneurship, performance and other shortcomings (Gudelis and Rozenbergaitė, 2004, Guogis and Gudelis, 2009, Patapas et al., 2014, Raipa, 2009, Raipa, 2014). There's an absence of economic and economic research of the Lithuanian maritime industry. The financial analysis of maritime companies, evaluation of efficiency and principles of economic behavior formation in line with economic cycles is an insufficiently analyzed area. The studies and research of foreign authors from different countries (Baird, 2002, Branch, 2009, Cariou et al., 2015, Cullinane, 2011, Harwood, 2009, Stopford, 2009, Talley, 2012, etc.) focus more on the economic impact instead of the efficiency of the maritime industry.

The object of research is that the economic effectiveness of maritime industry companies within the post-crisis period, within the years 2010–2014. It must be noted, that the effectiveness of those companies plays an important role in attracting foreign investments and within the development of the businesses operating within the industry.

The objective of the research is to work out problems related to the formation of effectiveness within the maritime industry within the post-crisis period, in line with the cyclic developmental trends within the maritime industry, supported an integrated analysis of the financial results of maritime industry companies.

The main tasks of the research are the following:

1. To theoretically support the utilization of an integrated analysis of monetary results as a way to gauge the performance of public and personal sector companies of the maritime industry in relevancy local and global economics.

2. To analyze the financial performance of public and personal sector companies within the maritime industry of Lithuania using an integrated analysis of economic results.

Research methods: analysis of the scientific literature, statistical analysis, integrated analysis of monetary results, ranking key economic performance indicators.

According to the authors of the research, it's necessary to judge the effectiveness of companies supported their financial indicators, because these indicators make an evaluation of a company's competitive position within the market more reliable, and supply a reputable basis for predicting future developmental trends and decision-making similarly. it's also necessary to require into consideration the mismatch between the economic cycles of the maritime sector and other business sectors, its scale of effect, and also the influence of macroeconomic indicators (Belova and Mickiene, 2008, Belova and Mickiene, 2010, Belova and Mickiene, 2011, Belova and Mickiene, 2012). it's been determined that within the general analytical activities of enterprises, standard methods of monetary indicator analysis prevail, yet in getting to reflect their state more accurately, it's crucial to use an integrated analysis of economic results and ranking key performance indicators (Mackevičius, 2008, Mackevičius and Valkauskas, 2010).

Empirical research was conducted on two different private stevedoring companies, significant for his or her Klaipeda port activity and therefore the Klaipeda State Sea Port Authority, a state enterprise. the chosen stevedoring companies, the Klaipeda Stevedoring Company, JSC (KLASCO) and Klaipedos Smelte, JSC are relatively similar in terms of the long duration of their activity within the port industry, further as their geographical location, sufficient space in their territories for handling and storage, and flexibility in

processing good freight traffic. However, the change within the nature of their activity differs – the activities and specialization of KLASCO have remained unchanged, although they still occupy the biggest share of the market and their development is consistent and oriented within the same direction, whereas Klaipedos Smelte has fundamentally changed its specialization since 2008 – from general cargo to containerized cargo. Also, the foundations for the Klaipedos Smelte container distribution centre (hub) have changed their status within the Klaipeda Sea Port – from being a feeder port (Short Sea Shipping, Port-to-Port) to a hub.

According to the integrated key performance analysis of a company's efficiency from the purpose of view of worldwide economics: in keeping with the evaluated status of a company's effectiveness, it's possible to define its economic behavior under the fluctuation of worldwide economic conditions by an assessment on two levels: internal management functions, and external, due to the difference of a corporation under changing market conditions.

2. Theoretical aspects within the analysis of effectiveness by applying the methodology of integrated key performance indicators

when analyzing the effectiveness of companies operating within the international market, it's impossible to avoid the influence of globalization and flexibility, which forms the effectiveness of the relevant companies. Consequently, this defines the need of assessing a company's integrated performance and effectiveness.

From the purpose of view of content and an axiomatic approach, the issues of world economics are examined and analyzed through two competing paradigms – methodological individualism and methodological holism, universality. The globalization process is sometimes reflected by the complicated regional, transnational and global network of relationships, and responds to the new knowledge-making paradigm and also the reasoning of collaborative and networking activities, including the mobility of the labor pool and capital (Bauman, 2002, Giddens, 2000, Held et al., 2002, Tomlinson,

2002). Nonetheless, under the context of globalization, next to universality, the importance of place must even be emphasized, i.e. locus, and when the financial and data activity flows reach the worldwide level, the other process of localization begins, which forms and restricts the space (Bauman, 2002).

Given the paradigm of universality and integration, effectiveness is treated in two ways: because the achievement of organizational goals (external effectiveness), and because the optimization of an organization's activity processes (internal efficiency). In both cases, it means efficiency and also the best results.

For the businesses to stay within the competitive market and to confirm the continuity of business, they need to analyze their performance and apply performance analysis methodologies, which describe their current situation more accurately. the right evaluation of a company's state allows it to foresee possible opportunities for expansion and other possibilities more objectively – this is often one in all the crucial conditions for any company's survival and development. An evaluation of a company's performance is one in all the key sources of its economic information because a comprehensive analysis of the economic behavior and phenomena of the corporate determines the underlying factors and causes of the phenomena or any change within the technical-economic indicators of the phenomena. It also allows the company's performance to be objectively assessed, about the organizational and technical levels and therefore the peculiarities of the activities. The aforementioned analysis also gradually reveals the company's internal and external reserves, identifies measures to enhance the performance and therefore the control of the implementation of those measures, and it also foresees the company's prospects (Mackevicius, 2008). The evaluation of the enterprise's performance allows envisaging the probabilities and advantages of the corporate within the competitive market, and in critical situations – to see the riskiest areas of business. The analysis of the company's activities is especially relevant for the investors and managers. From the investors' point of view, the analysis is very important for foreseeing future events, and for the managers, it's not only important for predicting the

near future, but also for planning activities and business models which might guarantee the continuity of labor.

It may be stated that an economic cycle changes the economic environment – from stable to developing and unstable. Usually, different indicators are wont to analyze the impact of the economic cycles, as they reflect national business or economic activities. those that mostly affect national economies are the pace of the whole gross product and also the internal national product growth (GDP), the rate, pct, money rate, currency fluctuations, resource cost (basic stores, energy, etc.), and also the investment climate. The maritime business indicators for cyclic development analytic thinking are ton-miles, benefit from activities, sales, capital profit, et al (Branch, 2009, Harwood, 2009, Stopford, 2009). Cyclic development affects all areas of port activities: freight (amount, type), ships (number, type, freight rates), capital (needs, price, financial efficiency of the owners), staff (number, salaries), and business efficiency (profitability of freight carriers and other transport companies).

According to theory (Ansoff & McDonnel, 1998), there are different approaches to the definition of effectiveness, which are connected with the look for different assessment criteria of the results of activities, additionally like several changes influencing the result, e.g., when assessing the financial efficiency, as a rule, one speaks about the amount of compliance of the indices given for assessment (the compliance of the particular indices showing the profitability of a company compared to the recommended level of the given indices).

The effectiveness of an organization could also be evaluated within the short-term and long-term considering the aims and prospects of activities. Profit and quality are important within the short term, whereas development and ensuring competitiveness within the long run. In analyzing effectiveness within the short term, the express methodology is applied, which is predicated on national accounting standards. The methodology of an analysis of effectiveness within the future is combined with an in-

side (increase in profit, improvement of services, etc.) and external (competitiveness, changes of market, environment, technologies, etc.) evaluation of effectiveness.

The assessment of the effectiveness, i.e. correspondence to the indicated criteria, of activities in any period of an economic cycle, turns to an assessment of the rationality of the assessment of optimality within the given constraints. the combination of various attitudes into the assessment of effectiveness is also considered to be the degree of feat of the given tasks.

The long-term performance assessment describes the quantitative and qualitative performance indicators and describes their influence on the integrating indicators (Gibson, 2012) (1).

$$E = \int (k_i \cdot (E_1;\ E_2;\ E_3;\ E_4))$$

In the formula:

E1 – marketing indicators: market share, business volume growth, quantitative and qualitative indicators of products and services, marketing expenses level, reputation, etc.; E2 – financial effectiveness indicators; E3 – internal business process performance indicators: resources, sales revenue, and therefore the ratio of resources, etc.; E4 – development indicators: investments, research expenses, etc.; ki – the importance rate of the indicator group.

The significance rate ki, the speed of influence, is decided by considering the group of indicators. Usually, the many rate of the marketing, finance, and development indicators is 22%, with an inside business process efficiency rate of 34% (Gibson, 2012).

The short-term financial performance could also be evaluated similarly. (Gibson, 2012).

$$e = \int (k_j \cdot (\lambda_1; \lambda_2;\ \lambda_3;\ \lambda_4))$$

In the formula:

λ1 – profitability ratio; λ 2 – turnover rates; λ 3 – solvency indicators; λ4 – input level indicators; KJ – the importance rate of the indicator group.

The significance rate KJ, the speed of influence, is set by considering the actual nature and definition of the activities of the corporate.

It was found that currently, the foremost commonly used methodology for assessing the company financial position and operating results, which analyses absolutely the financial and relative financial indicators, isn't sufficient (Mackevicius & Valkauskas, 2010). it's rational to use an integrated analysis of economic results and also the ranking key performance indicators,

which consists of the subsequent elements:

(1) Analysis of the change within the absolute financial indicators,

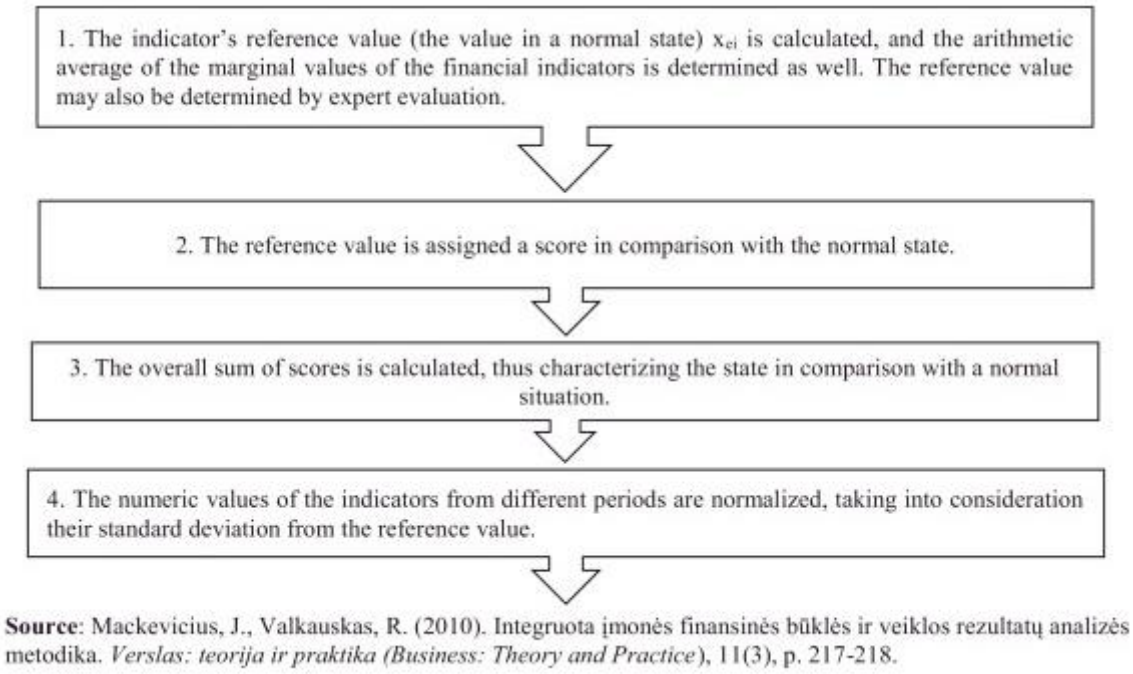
(2) Calculation and assessment of the relative financial indicators,

(3) Standardization and analysis of the relevant indicators.

For applying the methodology of an integrated analysis of economic results and also the ranking of key performance indicators, a system of relative financial indicators is ready and applied for a specific period of your time. this method summarizes and generalizes the indications that outline the financial state and performance ends up in consideration of changes within the indicator values.

One peculiarity of the integrated analysis methodology is that the standardization of the symptoms and therefore the analysis of standardized meanings (Fig. 1), i.e. calculation of the reference values of the indications and assigning them a score, relative to the conventional state of an enterprise, and also the calculation of the deviation of variant the factual state and also the reference state. The larger the negative devia-

tion is from the reference standard, the weaker the company's operating link is, and also the bigger the chance of its operating within the field. The dynamics of the sum of the indicator scores define the overall changes within the company's state. Fig 1



Source: Mackevicius, J., Valkauskas, R. (2010). Integruota įmonės finansinės būklės ir veiklos rezultatų analizės metodika. *Verslas: teorija ir praktika (Business: Theory and Practice)*, 11(3), p. 217-218.

Fig. 1. Stages of knowledge standardization.

The methodology for determining the reference value is very important (Fig. 1). In some cases, the reference value is also determined using the expert method. Summarizing the results of expert surveys, an organization can determine the optimal and most appropriate reference indicator values. Other sources of data can also be accustomed assess the reference value, e.g. the values of the indications at a specific period of your time. During this case, a statistic of indicator values is formed and summarized using statistical methods.

With the appliance of the methodology of integrated analysis of monetary results, a company's financial state and performance results could also be better assessed. Also, its operational decisions could also be rationally justified.

3. The cyclical nature of national economics and port activities in partnership with public and personal sector companies

the transport sector and its infrastructure are essential to the expansion and development of a nation or state. Seaports are usually a strategic area for state development and economics. in keeping with the planet Economic Forum estimations, in 2008 Lithuania was considered united of the countries where the economy is predicated on performance. Whereas since 2009 Lithuania (like Latvia and Estonia as well), is taken into account to be a rustic in its transition stage to an innovation-based (knowledge) economy. Governments, operating on razor-thin budgets, especially in countries of transition, must be equipped to form the mandatory investments in strategic areas. Per the port's importance for state development and economics, many government organizations are tapping into the private sector for capital, technology, and expertise to finance, develop and manage public sector infrastructure projects. State development policy is additionally oriented and matched with the proper sets of policies and institutional environments, and these public-private partnerships (PPPs) may become catalysts for economic process (Abouchakra, Hammami, Najjar, & Shediac, 2008).

As a decree public administration theory and research, critical observations are often seen regarding the management of the general public sector reflected in flexibility, entrepreneurship, performance, and other shortcomings (Gudelis and Rozenbergaitė, 2004, Guogis and Gudelis, 2009, Patapas et al., 2014, Raipa, 2009, Raipa, 2014). The analysis of the state seaport's management situations and performance results refutes this opinion – the management of the port supported its partnership with public and personal sector companies, and also the government investment within the development of the port infrastructure has extended the world of the private sector companies to work effectively. Thus, the results of the partnerships and co-operation are obtained - the port's competitiveness level.

In global trade and logistics, the maritime logistic chain takes a crucial role. within

the port infrastructure and superstructure, the logistic processes of cargo transportation by different modes of transport are combined into a united system. The partnership of the general public and personal sector companies is highlighted within the area of the state seaport's activities. supported a port activity management classifier, the activities of the state seaport belong to the owner group, i.e. the state and public sector, represented by the port authority, lease the territory on a long-term basis to port companies from the private sector. the most sources of the state seaport budget are the port dues (over 85%) and income from leases of the territory (15%). The private companies operating within the port provide and fund superstructure development projects. The port administration funds projects associated with infrastructure development with its own funds and people attracted by investors (Stopford, 2009). Concerning state port cargo, handling terminal operations depends on the results of the private sector stevedoring companies, which include state seaport effectiveness, productivity, and throughput. These factors characterize the competitive position of the port.

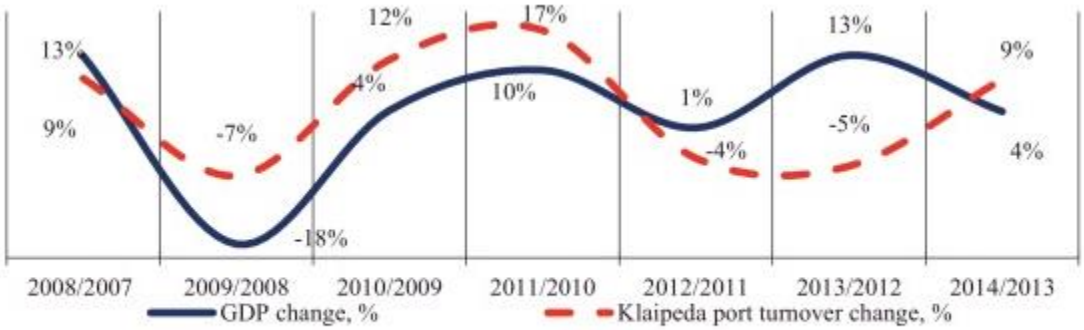
The role of the Port of Klaipeda is important within the Lithuanian economy – it accounts for 4.5% of the entire Lithuanian GDP. Taking under consideration all the related activities (motor transport, logistics, etc.) – it's associated with 18% of Lithuania's total GDP. Each euro of port income brings 78 cents to Lithuania's budget, and every ton of cargo handled by the port during 2013 caused €3.25 in taxes. over 800 differing kinds of companies are engaged in port-related activities. Approximately 185,000 jobs are created by the operations of the Port of Klaipeda, thus showing the importance of the port not only to the economy of the country but to society additionally.

It is necessary to show that the start of a crisis within the sea freight market usually falls behind the onset of a pan-economic crisis (normally it emerges a half year later). While the start of the 2008 crisis was in March and April, it only started influencing the maritime sector at the top of the year.

The total transfer volumes in European ports from 2002 until 2007 were steadily increasing until they reached 3.9 billion tons in 2007, but they failed to change in 2008. In

2009, after the impact of the crisis reached the freight markets, the ton-miles were 3.4 billion tons, a decrease of 12%. Although there was some increase in 2010, and in 2011 the ton-miles amounted to three.7 billion, it failed to reach the amount of 2008. the rise in ton-miles in 2011 compared to 2010 was 2%. The permanent growth of the cargo turnover of all 11 Eastern Coast Baltic Seaports up to 2008 began to decrease during the last half of 2008. The trend of this decrease continued in 2009.

Similar trends are characteristic of Lithuania moreover. In following the results of the statistical analysis of Klaipeda port freight and Lithuanian GDP changes, it will be seen as being of cyclical nature and also the similarity between the trends of national economics and also the indicators of port activities is clear (Fig. 2).



Source: Annual Klaipeda State Seaport Authority Cargo Handling Reports (2007-2014); Lithuanian Statistics Department (2015)

Fig. 2. The cyclical nature of Lithuanian economics and port of Klaipeda activities.

The dynamics of the event of the most economic indices of Lithuania were negative in January of 2008–2009 (Fig. 2).

The Lithuanian economy was at its worst in 2009 when the national product decreased by nearly 18%. From 2010 and onwards, true improved, and there was positive growth within the GDP about significant European loans. Cargo handling volumes within the Port of Klaipeda had decreased by 7%, but in 2010 the expansion increased by almost 12%. it's worth noting that the expansion within the volumes of handled cargo reflected the rise in consumption and economic process.

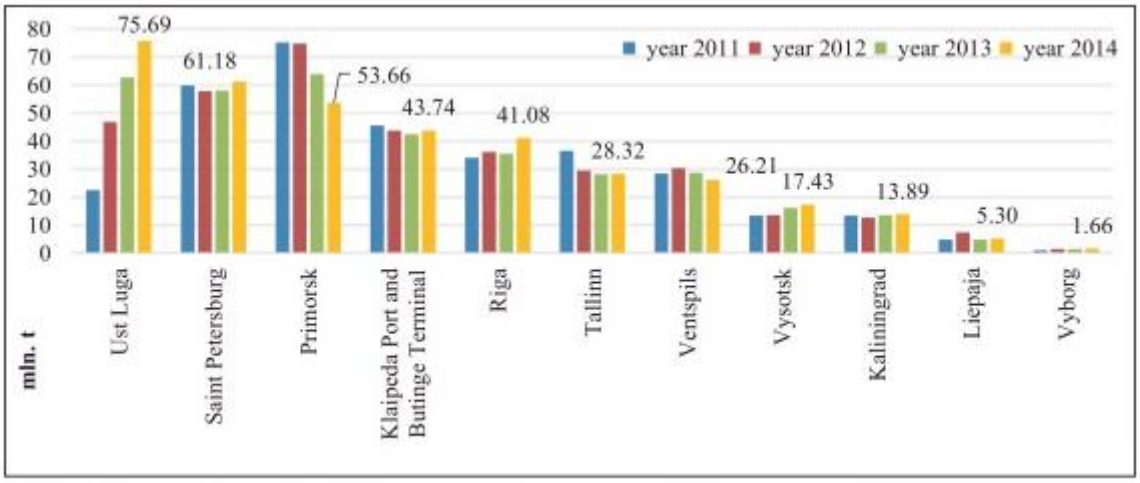
After their growth during 2010–2011, the indices of the cargo handling of the Port of Klaipeda decreased again in 2012, but in 2013, they increased again.

The cycle period of the fluctuations in cargo turnover within the Port of Klaipeda took approximately twice longer than the amount of GDP fluctuations, i.e. although the port experienced one cycle of cargo handling change; the GDP experienced a change of two cycles during the identical period of 2011–2014.

The analysis indicates that the crisis increased the competition within the market of port services. It determines the methods of competitive rivalry and positions within the market of port services. It should be noted that within the Lithuanian maritime sector, the impact of the crisis was felt later than within the whole country's economy; however, within the Lithuanian maritime sector, one peculiarity are often observed in this the “decline” is lower and also the “growth” is over the economic system (Fig. 2).

This can be explained by the actual fact that the port activity depends on both: the fluctuations within the economy of Lithuania, and also the fluctuations in-transit freight.

The post-crisis period, which began in 2010, started in several ways for the Eastern Coast Baltic Seaports (Fig. 3). After the restrictions of the Russian Federation on transport policy, the bulk of freight flows, which had moved through the ports of the eastern coasts of the sea, were directed through the ports of Russia.Fig 3



Source: Annual Klaipeda State Seaport Authority Cargo Handling Reports (2007-2014)

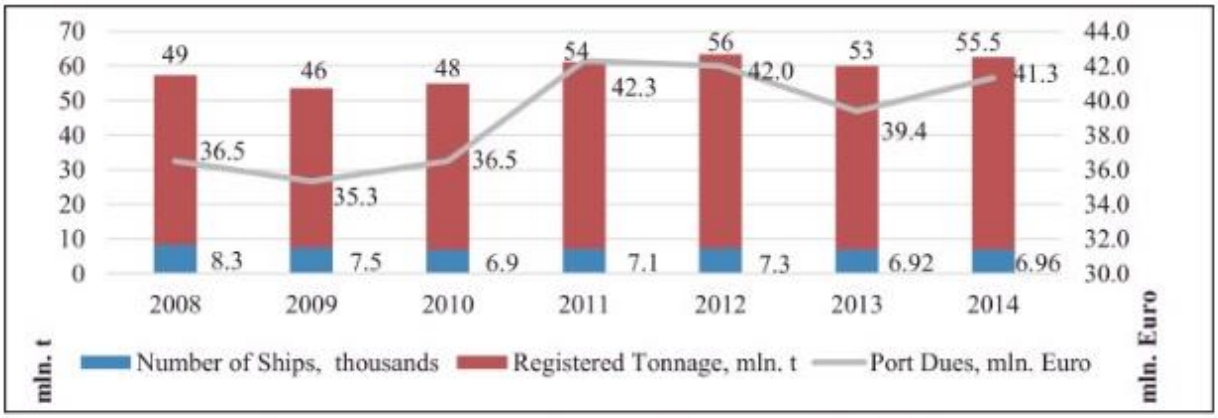
Fig. 3. Eastern Coast Baltic Seaports cargo turnover 2011–2014.

The activity of the newly built port of Ust-Luga dramatically changed things of cargo handling at the ports (Fig. 3). The cargo turnover of the port of Ust-Luga in 2012 increased by 108%, as compared to 2011, in 2013 by 34%, and in 2014 by 21%. The projected volume of cargo handling within the port of Ust-Luga is 180 million tons. At the identical time, the cargo handling of the opposite ports within the region decreased. The cargo volume in 2012 of Russian ports along the geographical area of the Baltic Sea region (Primorsk, Ust-Luga, Saint Petersburg, Vysotsky, Vyborg) increased as compared with the previous years by approximately 22%, while within the other ports (Klaipeda (Lithuania), Riga, Ventspils, Liepaja (Latvia) and Tallinn (Estonia)) it only increased by 8%, respectively in 2013, and within the Russian ports, it increased by 8%, while within the other ports of this region, a decrease of 10% was evident.

Cargo handling volumes within the Russian ports increased in 2014 likewise, however, to a lesser extent with a rise of only 5% observed, compared with 2013. it absolutely was likely influenced by a more extensive increase within the cargo handling of the opposite ports of the region, where cargo handling increased by approximately 14% as compared with 2013 (Fig. 3). However, this increase in cargo handling, meaning the recovery of the whole maritime sector, didn't reduce the negative impact of the increased

intensity of cargo handling within the Russian ports – the general average of the cargo handling change during the post-crisis period within the Russian ports was 12%, while within the other ports of the region, only 1%. Nevertheless, it's significant to not only assess the competitive environment of the port but to also take into consideration the geopolitical situation.

Cyclical fluctuations are typical of port profit, which relies on port income (mainly – port dues) indicators. Port dues, which rely on a vessel's type and size, are estimated for the gross tonnage of the vessel. The correlation between the amount of vessels, their tonnage, and also the income from the ship dues shows the impact of the cyclical fluctuations (Fig. 4).



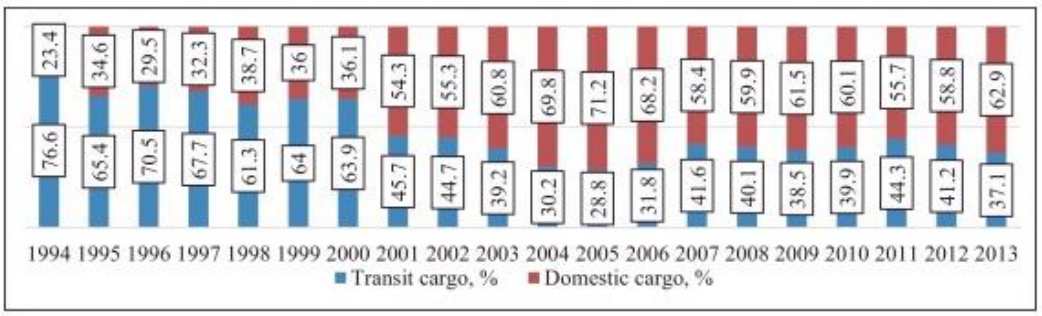
Source: Annual Klaipeda State Seaport Authority Cargo Handling Reports (2007-2013); Annual Klaipeda State Seaport Authority Reports (2008-2014) (Port Dues in 2014 – prognosis.)

Fig. 4. Cyclical fluctuations of shipping indicators 2008–2014.

It is characteristic of the crisis year 2009 that each one the indications decreased, and in 2011 they were more than the pre-crisis indicators. Throughout the crisis period, port dues only decreased in 2009, by 3%.

The port of Klaipeda is found at the crossing of two European transport corridors (first motor and ninth rail), and also the port of Klaipeda is multi-modal. Since 2001, signifi-

cant changes have occurred within the directions of cargo flow through the port of Klaipeda, and more particularly, within the direction of cargo dominated by the export of local goods (Fig. 5).

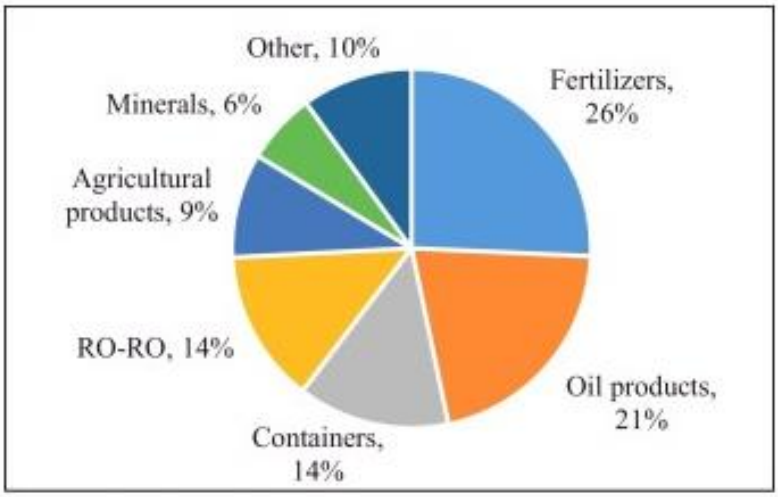


Source: Annual Klaipeda State Seaport Authority Cargo Handling Reports 2007-2013

Fig. 5. Freight direction in Port of Klaipeda 1994–2013.

Transit freight accounts for about 40% of the port ton-miles. it's a major impact on the port indicators (Fig. 4). The port could be a strategic objective for the country's economy also as for its neighbors and long-term business partnerships (Belarus, Germany, Russia, Kazakhstan, etc.). this is often reflected within the export, import, and transit port freight traffic indicators.

The main freight of the port of Klaipeda is fertilizers, oil products, containers, and ro-ro. they create up about 75% altogether (Fig. 6).



Source: Port Statistics (2015)

Fig. 6. Structure of freight within the Port of Klaipeda in 2014.

In analyzing the structure of freight (Fig. 6), it's necessary to entails that each one of the various varieties of freight are characterized by different influences and trends. Ro-ro and container transfers coincide with the economic cycle. the most content of ro-ro freight is trade goods, which is why the ro-ro market is usually suffering from consumer demand. Klaipeda is that the main port of the Eastern Baltics for ro-ro transfers. All ro-ro freight is transported via three ro-ro lines that connect Klaipeda with Sweden and Germany. About 55% of this freight is an import and 45% is export. Container freight has experienced one in every of the foremost positive trends within the Eastern Baltics, with a rise of 5.5% in 2013. a major increase in freight traffic is principally associated with the development and capturing of container terminals and therefore the new container distribution center, established by the Klaipedos Smelte Stevedoring Company. The transfer of fertilizers greatly depends on the agricultural market. The crisis of this market, which may be a characteristic of the sea region, also affected the transfer indicators. in line with the most recent information on the influence of the crisis, the 2009 crisis failed to significantly affect this sort of freight traffic, but in 2012 there was a dramatic decrease in it of 16%. Nevertheless, this cargo is that the main style of freight for the Port of Klaipeda and accounted for 26% of the full cargo handling of the port in

2014. Oil product transfers are considered to be stable, as they kept increasing during the crisis years, but in 2013 they decreased by 14%. this sort of freight traffic greatly depends on contracts with Russia and Belarus and not only on economic, but rather political factors. The Baltics are characterized by the active construction of oil terminals by Russia and its monopoly politics during this sphere. Likely, this flow of freight will additionally decrease because the new LNG terminal will start its activity, and it'll reorient the energy market by decreasing the handling from Russia and increasing the handling from other regions.

While overcoming the implications of the economic condition, the activity of the Port of Klaipeda was laid low with the port's universality. The Port of Klaipeda handles many alternative forms of cargo. there's no real dominating cargo type within the port. Therefore, when the business and economic conditions vary, there's the next probability of retaining its handling volume. It should be noted that although the Port of Klaipeda itself is universal, the cargo handling companies tend to concentrate on their activities.

4. Financial performance analysis of the Lithuanian maritime industry's companies

there are 14 stevedoring companies within the Port of Klaipeda. Most of the businesses focus on binthe varieties of handled cargo. The private business companies that have the dominant position within the dry cargo market and handle the most amount of this cargo within the Port of Klaipeda are analyzed within the research, the Klaipeda Stevedoring Company, JSC (KLASCO), and therefore the Klaipedos Smelte Stevedoring Company, JSC (KS).

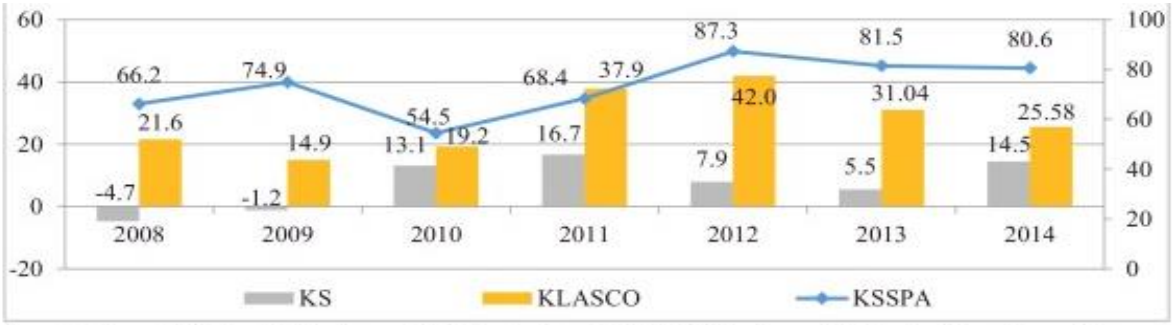
The Klaipeda Stevedoring Company, JSC (KLASCO) continues the traditions of the Klaipeda Sea Merchant Port that was established by the Lithuanian State 70 years ago. it's the most important, most versatile, and successful stevedoring company operating within the port of Klaipeda; its annual cargo turnover is over 13 million tons on the average, and it occupies 38% of the Klaipeda port services market. It provides activities

at five specialized terminals, designated for general cargo, dry and liquid fertilizers, grain, and Ro-Ro cargo, and therefore the company handles and provides for the storage of dry, liquid, and packed fertilizers, molasses, metal products, ferroalloys, foodstuff products, grain crops, and other dry bulk and bulk cargo. The International Ferry Terminal handles Ro-Ro cargo and renders services to passengers.
It makes a specialty of handling bulk cargoes. The Klaipedos Smelte Stevedoring Company, JSC (KS) was established in 1945 when the Klaipeda Fishing Port opened. Klaipedos Smelte provides storage and handling of containers, oversized and overweight machinery, frozen meat and fish products, and other styles of packed and bulk cargo. the corporate operates specialized warehouses (refrigerators) and open sites for cargo handling. Its annual throughput capability currently exceeds 3.5 million tons. the corporate has been changing its specialization since the crisis period (since 2008) from general cargo to containerized cargoes, and at the instant, it accounts for six of the handling market, however in 2015, when the newly built Mediterranean company (MSC) container distribution center starts, the corporate plans to increment the amount of handling by several times. The implementation of the company's development program would end in an annual throughput capacity of 900,000 TEU (the number of containers handled in 2014 was 175,658 TEU). The changes within the company's specialization and investment policy reflect the status of the Klaipeda port – it'll change from a feeder port to a hub port, which receives containers delivered from distant regions of the globe by ocean-going containerships and afterward loads these containers onto smaller-sized containerships for distribution among peripheral ports.

The stevedoring activities and cargo turnover of the private companies depend upon the port infrastructure, which isn't privatized. The State Enterprise Klaipeda State Seaport Authority (KSSPA) manages the land and water territory of the port, the quay-walls, hydro-technical equipment navigation routes, canals, and other objects of infrastructure and assures their activities. On the opposite hand, the most objective of the KSSPA is to permanently develop the port, maintain its competitiveness, and increase cargo handling volumes. The activity of the private companies is directly associated with the ac-

tivity of the state enterprise, KSSPA. Thus, the results of this organization and these companies are analyzed together.

One of the foremost significant financial indicators is profit. The earnings before interest, taxes, depreciation, and amortization (EBITDA) indicator characterize profit. per the changes during this indicator, it is observed that the profit of the stevedoring companies dramatically decreased during the financial recession period of 2008–2009, but attended increase within the post-crisis period (Fig. 7).



Source: Annual Klaipeda State Seaport Authority Reports 2008-2014; Annual Klaipeda Stevedoring Company (KLASCO) financial reports 2008-2014, Annual Klaipedos Smelte Stevedoring Company, JSC financial reports 2008-2014

Fig. 7. EBIT Indicator of Lithuanian Maritime Industry Companies 2008–2014.

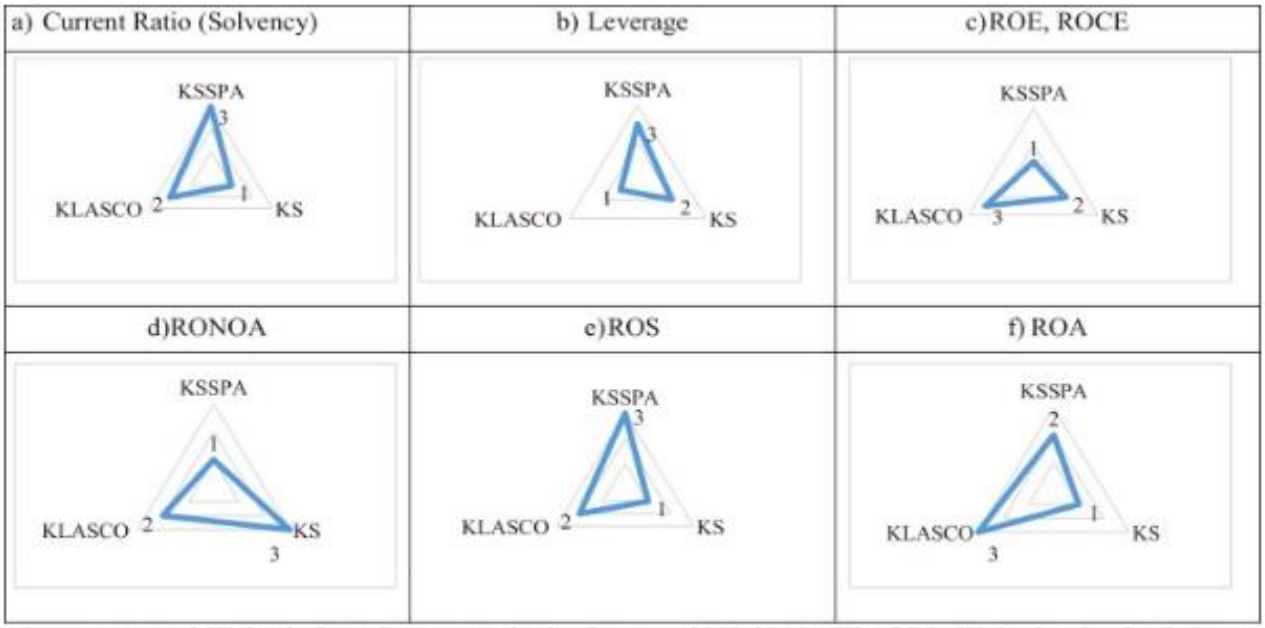
The loss of Klaipedos Smelte amounted to 4.7 mln. LTL (1.4 mln. EUR) in 2008, and also the same period the corporate started changing its specialization. The new container terminal was also being built and exploited for the MSC container line at that very same time. thanks to these factors, the company's profit increased by quite 10 times up to 2010. Since 2012, “Klaipedos Smelter” has started investing in container distribution center (hub) construction projects, therefore the flow of containers decreased and consequently, the final income also decreased by almost thrice. However, when the container hub went into service in 2014, the profit increased significantly.

The EBITDA indicator of KLASCO profit decreased by only 30% in 2009 and kept on consistently increasing anon (Fig. 7). The decrease within the company's profit in 2013–2014 was associated with a decrease within the freight traffic thanks to the reconstructions going down at that point and also the insufficiency of the port infrastructure (the insufficient depth of the berths, to be more precise). LASCO is providing 10–20 mln.

EUR for the event of latest terminals annually for the subsequent several years. The most important a part of the investment are used for the development of recent bulk cargo (agricultural and fertilizer) covered warehouses, and for reconstructing the cargo handling terminal territory. Hence, the changes within the companies' profit are closely associated with the changes within the companies' superstructure, which are a magnet for greater cargo flows. The cargo is transported by ships, so it automatically results in a rise within the number of those ships arriving and also the capacity of those vessels, thus promoting the necessity for improvement of the port's infrastructure, that the KSSPA is responsible. On the opposite hand, the greater the quantity of incoming ships and their tonnage, the more port charges must pay, therefore the KSSPA invests more into the port's infrastructure to form a greater profit.

The influence of cyclical fluctuations within the main port freight indicators will be summed up supported the most activities. The financial key performance indicators of the companies' profit and yield of 2014 were analyzed. Because the companies' activities and their indexes are different, the strategy of rating is going to be applied. The assessments of the symptoms that result are ranged from rock bottom (1) to the very best (3) (Table 1).

Table 1. The rank of key performance indicators of the port of Klaipeda companies in 2014.



Source: Annual Klaipeda State Seaport Authority Reports (2008-2014); KLASCO, Klaipedos Smelte Balance, Profit and Loss Accounts (2010-2014)

In analyzing the solvency of the businesses it had been found that in 2014, the solvency of Klaipedos Smelter was rated because the worst (Table 1, a), and also the current solvency ratio of Klaipedos Smelter failed to meet the recommended level in 2013–2014 (0.2 and 0.21 accordingly). This phenomenon is closely associated with the many increase in short-term liabilities.

The leverage indicator is taken into account because the financial risk indicator – the smaller the indicator's value is, the higher things of a corporation is (i.e. the lower the operational risk is). Compared to Klaipedos Smelter, the operations and activities of KLASCO include a greater risk, whereas the danger level of KSSPA is that the lowest (Table 1, b).

In analyzing the efficiency of capital usage, the financial indicator of owned and invested capital profitability (Table 1, c), the Return on Capital Employed (ROCE), and Return on Equity (ROE), it had been found that the values of the aforementioned indicators of KLASCO are more than those of Klaipedos Smelter. The investments of the stevedoring companies are directly linked to the development of the cargo handling superstructure

(cargo handling equipment, storage area) therefore the results become manifest immediately after the investment.

The profit and profitability of the chosen companies were assessed by applying the Return on Net Operating Assets (RONOA) indicator (Table 1, d). The research showed that the indications of Klaipeda Smelter were rated because the best; this demonstrates the suitable management of the company's activity and also the correct development of the chosen container handling course.

About the Return on Assets (ROA) indicator, the indicator of Klaipedos Smelter was rated because the worst, and KLASCO's financial indicator was rated because the best (Table 1, f). This occurrence is also explained by the very fact that while the development of the container distribution center was completed in 2014, the development required a big amount of investment, and also the center was only put into operation within the second quarter of 2015. The ROA indicator is directly linked to the indicator of Return On Sales (ROS), which reveals the effectiveness of the services provided by the stevedoring companies (e.g. cargo terminals, cargo types, handling equipment, process control, etc.), and it also characterizes the demand, quality, and standing within the market of the services of port and cargo treatment and processing (Table 1, e).

The analysis of the financial indicators positively describes the activities of the state enterprise, KSSPA. the symptoms of Current Ratio (Solvency), Leverage and return on sales, ROS are relatively better compared to the private stevedoring companies. While analyzing the companies' indicators of solvency and leverage (Table 1, a, b), such values of the indications raise a justified presumption that although money within the company is accumulating, the unoriginal capital isn't attractive, the policy of credits is inactive, and thus it's essential to reinforce the use of finances with the sale of stock. On the opposite hand, the buildup of finances was inevitable about the development of the most recent LNG terminal. rock bottom indicator of RONOA is within the KSSPA because the most capital of the corporate consists of leasehold property,

which constitutes only 15% of all the income. the very best values of indicators of the KSSPA are Current Ratio, Leverage and Return on Sales (Table 1, a, b, e), which justifies the direction of investment of the seaport authority, and also the appropriate policy of levies.

To comprehensively apply the methodology of an integrated key performance analysis of the private and state-owned companies, the changes within the companies' financial indicators from 2010–2014 were analyzed.

The reference values of the financial indicators were calculated using the common of the companies' financial indicators analysis and applying the conclusions of experts. Uniform reference values were set for the stevedoring companies. Forasmuch because the KSSPA controls the full infrastructure of the port, and also the stevedoring companies establish their loading terminals in this infrastructure, the reference value of the RONOA indicator of the KSSPA was set over the worth of the stevedoring companies (Table 2).

Table 2. Reference standard

Indicator	Reference standard of state enterprise	Reference standard of private stevedoring companies
ROS	7.5	7.5
ROA	11.5	11.5
ROE	15	15
RONOA	*11.75*	*10.9*
ROCE	10	10
Leverage	0.25	0.25
Solvency	1.35	1.35
Total score (*100)	5735	5650

When analyzing the financial deviations from the reference value of the company activities of the chosen companies from 2010 through 2014 (Fig. 8), it's evident that these deviations are uneven. The greater the negative deviation of the financial indicator is, the greater the operational risk of the corporate is.

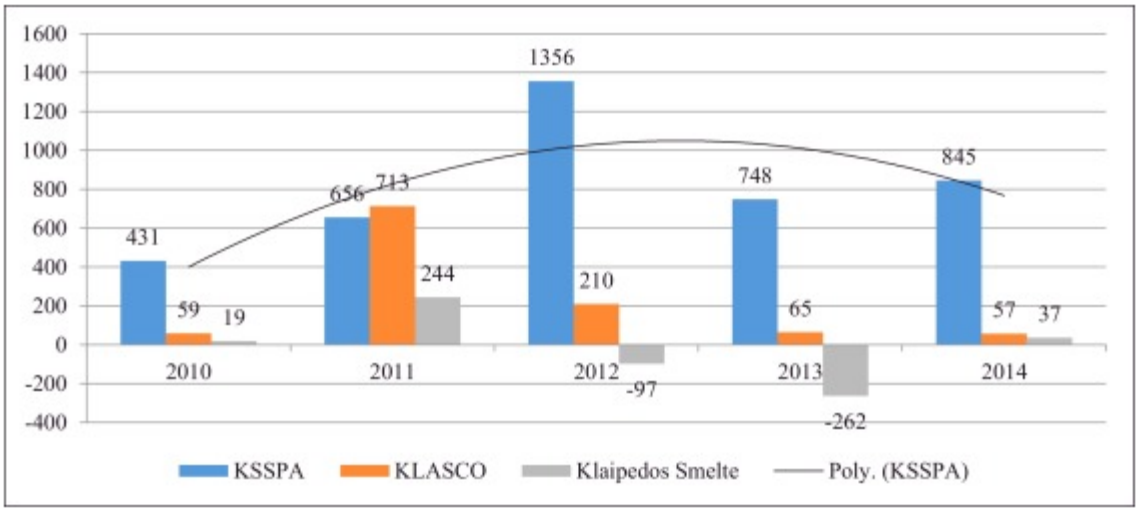


Fig. 8. Financial deviations of the indicator of maritime industry companies 2010–2014.

The largest deviations are observed within the KSSPA, yet the deviation tends to indicate a decline. The year 2012 is distinguished as when the deviation was the best. In analyzing the symptoms, it absolutely was found that the leverage indicators had the best influence (reference value 0.25, deviation 8.3), which exceeded the following period's values. This trend reflects the KSSPA's position of accumulating funds and funding for the LNG terminal. Within the described case, it's considered to be a positive deviation. After commencing to invest within the construction of the LNG terminal in 2013–2014, the KSSPA's indicators of current solvency and return on equity ROE became worse.

The deviations from the reference values of the financial indicators of KLASCO (which could be a consistently operating company that has not altered its main specialization and operating concepts) tend to consistently decrease, and therefore the largest deviation was in 2011 during the post-crisis period. During that period, the consequences of the crisis were manifested as an insertion effect within the maritime sector (the direct effects of the crisis, i.e. the decrease in sea-transported freight flows, came after the crisis itself), thus the deviation of the Return On Sales ROS indicator was thrice bigger in 2011 compared to the prior period. Later on, the company's operations stabilized and also the deviation significantly decreased (Fig. 8).

The application of the integrated financial indicator analysis created preconditions to positively evaluate the operational indicators of Klaipedos Smelter, which assessed separately, were one among the worst (Table 1) and had negative deviation in step with the integrated analysis (Fig. 8). After the corporate started radically changing its specialization (oriented to container handling) and investing within the constructions of the hub center, the company's leverage indicator exceeded the reference value by thrice in 2012–2013 (negative deviation), plus the Return on Operating Assets and Equity indicators significantly decreased. Once the development of the container hub center was completed in 2014–2015, the full deviation became very small (Fig. 8). The company's activities have stabilized.

Accordingly, the system of integrated indicators defines the activities of the businesses and their financial state more accurately and allows identification of the weak areas of the businesses.

5. Conclusions

1.The theoretical basis for applying the methodology of an integrated analysis of economic indicators for the evaluation of the performance of public and personal sector companies operating within the maritime industry about local and global economics will be described by the subsequent factors:

•The maritime industry will be characterized as a world global economic activity. It's reasonable to guage the impact of the worldwide economic cycle because it changes the economic environment – from stable to developing and unstable. The results of the economic analysis of the business companies' activities are particularly relevant to the investors and companies' managers. From the investors' point of view, the analysis is very important for foreseeing future events, and for the managers, it's important for predicting the near future and for planning business continuity.

•The analysis of the influence that the business cycles wear port activities allows making assumptions and planning the activities, also as increased stability and effectiveness. Because the seaport operates globally, its activities reflect the trends of economic development of the countries the port cooperates with. that's why the port activities reflect the economic process or national economic crises to a good extent, while their operational activities also depend upon regional and world economic processes. The analysis of the state seaport's management and performance results refutes the critical opinions regarding public sector management performance – the port's management is predicated on the partnership of public and personal sector companies, with the govt also investing within the development of the port infrastructure, thus expanding the world of the private sector companies to work effectively.

•The effectiveness of an organization could also be evaluated within the short-term and long-term considering the aims and prospects of activities.

•For the businesses to stay within the competitive market and to make sure the continuity of business, they have to analyze their performance and apply performance analysis methodologies, which describe the present situation more accurately and permit forecasting the event possibilities more objectively. the mixing of various attitudes into the assessment of effectiveness is also considered to be the degree of accomplishment of the given tasks. it absolutely was found that currently, the foremost commonly used methodology of assessing the company financial position and operating results, which analyses absolutely the financial and relative financial indicators, isn't sufficient. it's more rational to use an integrated analysis of the financial results. The peculiarity of the integrated analysis methodology is that the standardization of the symptoms and therefore the analysis of their deviation from standardized meanings.

2.The analysis of the financial performance of public and personal sector companies within the maritime industry of Lithuania using an integrated analysis of the financial results shows the subsequent results:

•The analysis of the state-owned Klaipeda seaport's performance results proved the requirement of applying the methodology of an integrated key performance indicator analysis – the management of the port is predicated on partnerships with public and personal sector companies, with the govt investing within the development of the port infrastructure, thus expanding the realm of the private sector companies to work effectively. the general results obtained from the partnerships and cooperation within the port defines the port's competitiveness level. it's significant when attracting foreign investment, promoting the event and growth of the country's transport sector and therefore the whole economy.

•The success of the Port of Klaipeda activities was full of the port's universality. When

the business and economic conditions vary, there's a better probability of retaining the handling volume. It must be noted that while the port of Klaipeda is universal, the cargo handling companies tend to specialise in their particular activities and narrow down their scope of services. The variation of the key performance indicators of companies doesn't always match the variation of the indications of the GDP as a consequence of the influence of the world maritime business market and will exhibit different trends.

•According to the analysis of the profit indicator changes, it's going to be stated, that the profit of the chosen stevedoring companies decreased during the financial recession period, but cared-for increase within the post-crisis period. The trends exhibited within the losses and profits of the private stevedoring business companies are associated with the event of the port infrastructure and also the cargo handling terminals, the superstructure.

•The Klaipedos Smelter, JSC stevedoring company started changing its specialization in 2008 and began building a replacement container distribution center in 2012, which changed the status of the full Klaipeda port from a feeder to a hub port, and within the aforementioned periods of your time, all its financial performance indicators were at their worst levels. After the restructuring and regeneration of the corporate, things was stabilized. Despite the low rank of key performance indicators, the results of the integrated analysis of economic indicators show a positive trend, because the deviation from the reference standard value is incredibly small, almost the identical as KLASCO, and the most important Klaipeda port stevedoring company.

•The largest financial deviations are observed within the state enterprise, the Klaipeda State Seaport Authority, yet the deviations tend to indicate a decline. This trend is in line with the KSSPA's position of accumulating funds and funding for the LNG terminal. After commencing to invest within the construction of the LNG terminal in 2013–2014, the KSSPA's indicators of current solvency and return on equity became worse.

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