

A changing world presents challenges and opportunities for road transport

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The 28th IRU World Congress in Bucharest was the highlight of 2002 for the road transport industry. The location helped to underline the challenges and opportunities faced by emerging markets in the face of European Union (EU) enlargement and the lowering of barriers to trade by the World Trade Organisation (WTO) and regional groupings, such as

NAFTA and Mercosur, all of which are generating greater volumes of international road transport. Attended by 1,400 participants, including heads of road transport companies and associations as well as ministers and senior officials, from nearly 60 countries, the Congress followed immediately after the meeting of the European Conference of Ministers of Transport (ECMT). Summing up the economic importance of the road transport sector in developing and developed countries, Romania's Minister of Public Works, Transport and Housing Miron Tudor Mitrea said: "An efficient road transport sector is a sine qua non prerequisite for economic development".

Another important event in road transport, announced at Bucharest, was the admission of the China Road Transport Association as a Member of the IRU. Following China's entry into the WTO, this development is a major step towards realisation of the IRU's vision of a revived Silk Road, a modern land bridge linking Europe and Asia. A reminder of the practical difficulties that can arise in the process of opening up markets was the dispute earlier this year about admission of Mexican trucks into the USA as a consequence of NAFTA. Thankfully, that issue has been resolved between the two parties concerned. The most important thing is that the political will to open up exists, as it now does in China and in other countries that have been relatively closed, such as Iran. It is no coincidence that the IRU will be holding its next Euro-Asian Road Transport Conference in Tehran in September 2003. The 7th IRU East-West Road Transport Conference, to be held in Budapest in May 2003, will focus on EU enlargement and related issues.

Road Transport, driving towards Sustainable Development

The IRU's top priorities are sustainable development and facilitation of trade, tourism and transport. This year's "Rio +10" summit afforded an opportunity to make known road transport's genuine commitment to sustainable development. In a report entitled *Industry as a partner for sustainable development: Road Transport* which the United Nations Environment Programme (UNEP) published and endorsed, the IRU set out its 3 "i" strategy: innovation, incentives and infrastructure. The UNEP report is particularly credible because

it incorporates independent reviews by the World Health Organisation, the International Labour Organisation, the European Commission, environmental groups and scientists. The publication of the *IRU Road Transport Best Industry Practice* report, which documents implementation of innovative sustainable development practices in the day-to-day operations of 20 transport

companies, shows that the road transport sector follows up talk with action.

Not all governments share the sector's vision of what will make for sustainable transport. A case in point is the European Commission's *White Paper on Transport Policy*, which believes that prescribing a shift from road to rail and other modes is the answer, rather than providing incentives for transport operators to continue improving their environmental performance. The IRU agrees with the *White Paper's* forecast that demand for goods transport within the EU will increase by 38% by 2010, but points out that, even if the volume of goods transported by rail could be doubled in this period, road transport would still have to grow by one third. Actually, IRU Members would like to see rail exploited more effectively for goods transport, if only for capacity reasons, but economic demand is growing so fast that rail will be hard pressed to maintain even its current tiny market share. The road sector will continue to predominate for the foreseeable future, which is why it has to be a major part of the sustainable transport solution.

Operators are concerned about current and future schemes to levy infrastructure charges on trucks, which might actually hamper their ability to deliver further improvements in environmental performance. Unfortunately, the Commission failed to take a clear EU position early enough, with the result that incompatible national charging systems are now being implemented. The Swiss and Germans have already chosen different technical platforms and a third system, incompatible with the other two, is being prepared in Austria. Imagine the cost and nuisance of having to fit a separate electronic device for each EU Member State! These systems are also discriminatory, in that they only charge a very small proportion of all road users. For example, the German system will apply only to heavy trucks, which represent roughly 1% of all vehicles. Only part of the resulting revenue will be spent on maintaining and improving roads, so operators risk paying more for poorer roads. The toll provides an undesirable incentive, as it encourages a switch to smaller, less efficient trucks. It also imposes the same toll rate on both EURO 2 and 3 vehicles. This discourages