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Developing the road transport industry in China, in public-private partnership by “Working together for a better future”



The Roman philosopher Seneca said, “There is no delight in owning anything unshared”. For more than 60 years, the IRU has gained invaluable experience in identifying barriers to trade and international road transport, and has developed a strategic vision, based on sound knowledge and empirical evidence on how to best remove obstacles to progress, prosperity and ultimately peace. The IRU’s capacity to “think globally and act locally” is possible through its constant cooperation with its unique global network of national member associations and concerted action at national, regional and international level.

Through this effective, tried and tested approach, the IRU has strengthened its cooperation with a number of Eurasian countries, including Azerbaijan, Georgia, Kazakhstan Kyrgyzstan, Ukraine, Uzbekistan and by signing Memoranda of Understanding, which identify strategic priorities and areas of cooperation between the IRU and relevant national authorities. This mutually beneficial cooperation has resulted in the facilitation of trade and road transport in and between these countries.

China’s soaring economic and trade growth has generated an ever increasing demand for high quality, reliable road transport services. The IRU is thus working closely with the competent Chinese authorities on China’s accession to key UN trade and road transport facilitation instruments, including the TIR Convention, which would dramatically contribute to greatly facilitating China’s export as well as increasing trade and road transport in Asia and the Pacific region.

In 2010, the IRU published an analytical report on road transport in the People’s Republic of China (PRC) which was distributed to all the competent CIS road transport authorities which was received with great interest. The IRU has also been sharing its know how and experience on the use of information technologies to improve the border crossing procedures by facilitating the customs control processes with the representatives of Customs Administration of the People’s Republic of China. This fruitful collaboration has furthered mutual understanding, in-line with the Chinese saying: “Do not be afraid of moving slowly, but rather be afraid of standing still.”

This brochure reflects the IRU’s understanding of today’s situation of the road transport industry in China, which has made tremendous progress in recent years, and identifies the aspects in which the IRU’s experience could contribute to promoting and further facilitating trade and road transport in China. Although, this brief brochure could not cover all issues pertaining to the Chinese road transport industry, it highlights, in a concise way, the issues in which the IRU is recognised as an international expert.

It is precisely on all these issues that the IRU is committed to reinforce its cooperation with all the Chinese stakeholders to offer its vast experience in assisting China to achieve its economic, social, and environmental objectives for both passenger and goods road transport and to strengthen the efficiency of the road transport industry in China for it to continue to drive progress, prosperity and peace by uniting mankind, improving wealth distribution and creating jobs.

You can count on the IRU!

Janusz Lacny
IRU President

IRU mission

Founded in Geneva on 23 March 1948, the International Road Transport Union (IRU) is the international organisation which upholds the interests of the road transport industry worldwide.

Via its global network of national Member Associations, in 74 countries across 5 continents, including the China Road Transport Association (CRTA), it represents buses, coaches, taxis and trucks operators, from large fleets to individual owner-operators.

The IRU's Active Members are the most representative road transport associations at national level. The IRU's Associate Members are drawn from industries that are closely linked to road transport, including the manufacturers of vehicles, fuels, tyres and information systems, as well as road transport related services providers. They contribute know-how, experience and political weight to the organisation's global network.

The twin goals of **Sustainable Development** and **Facilitation** of road transport in the IRU's Constitution, are the two core priority issues which form the basic components of all its activities.

The IRU's mission is therefore to facilitate commercial road transport worldwide and ensure its sustainable development, notably by using vocational training through the IRU Academy to promote professional competence in the sector and improve the quality of services it offers.

The IRU is engaged in activities which include, but are not limited to:

- **partnership** among all its active and associate members and with related organisations and industries to define, develop and promote policies of common interest;
- **monitoring** of all activities, legislation, policies and events that impact the road transport industry, responding to and cooperating with all actors involved;
- **strategic reflection** on global challenges of energy, competition and social responsibility, drawing on the strengths and expertise of its members channeled through the IRU Commissions and Working Parties;
- **dialogue** with intergovernmental bodies, international organisations and all other stakeholders concerned by the road transport industry, including the public at large;
- **cooperation** with policy makers, legislators and opinion-makers, in order to contribute to informed and effective legislation, striking the right balance between the needs and interests of all;
- **public-private partnerships** with relevant authorities to implement legal instruments, such as the TIR Convention under UN mandate or concrete transnational projects such as the re-opening of the Silk Road;
- **communication** of the role and importance of the road transport industry, of its position on various issues and of reliable data and information;

- **provision of practical services and information** to road transport operators, such as latest fuel prices, waiting times at borders, secure parking areas, vocational training, legislative developments, legal assistance, etc.
- **training** to promote professional competence in the sector, improve the quality of services it offers and ensure compliance of road transport training standards with international legislation, through the IRU Academy.

The IRU Permanent Delegation to Eurasia was established in Moscow to promote the IRU activities and the IRU Academy, support the sustainable development of road freight transport in the Eurasian region and expedite the integration of road transport through the harmonisation of legislation in Eurasian countries.

To achieve its objectives, the IRU works closely with relevant intergovernmental bodies, including EurAsEC, the Georgia-Ukraine-Azerbaijan-Moldova Association (GUAM), the Shanghai Cooperation Organisation (SCO), the Black Sea Economic Cooperation (BSEC), the Economic Cooperation Organisation (ECO), the Central Asia Regional Economic Cooperation (CAREC), the Organisation for Security and Cooperation in Europe (OSCE), the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the United Nations Economic Commission for Europe (UNECE).

1. Adapting China's legal framework to the UN trade and transport facilitation Conventions to integrate China's road transport industry into global trade and transport systems

Following China's accession to the World Trade Organisation (WTO), the world experienced a steep rise in the export of Chinese goods. One of the reasons for this dynamic expansion was China's harmonisation of its national legislation with the standards and provisions of WTO agreements (GATT, GATS, TRIPS, etc.).

The development of international passenger and freight road transport between China and its neighbours as well as European countries also depends on the implementation of the key UN trade and road transport facilitation instruments.

China's accession to these multilateral UN agreements would be the most effective means to integrate its national and regional transport industry into the world transport system, and expand the geographic scope and structure of its foreign trade and the development of the Chinese tourism industry. This is proven by the experience of China's neighbouring countries.

Today, China has only implemented the following UN instruments:

- 1949 Convention on Road Traffic;
- 1972 Customs Convention on Containers;
- 1998 Agreement Concerning the Establishing of Global Technical Regulations for Wheeled Vehicles, Equipment and Parts which can be fitted and / or used on Wheeled Vehicles.

China has signed but has yet to ratify the 1968 Convention on Road Traffic and the 1968 Convention on Road Signs and Signals.

While it would not be feasible to implement all the UN instruments, China should focus on the key instruments with the highest political and economic significance, beginning with the ones that govern the systematic facilitation and development of international trade and road transport and enhance its safety, security and efficiency. The key priority instruments include:

1. The 1982 International Convention on the Harmonization of Frontier Controls of Goods;
2. The 1975 Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention);
3. The 1956 Convention on the Contract for the International Carriage of Goods by Road (CMR) and the protocols supplementing it;
4. The 1957 European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR);
5. The 1970 Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage (ATP).

The 1968 Convention on Road Traffic and the 1968 Convention on Road Signs and Signals, already signed by China, should be ratified and implemented.

2. Further developing China's road and terminal network for freight and passenger transport to support the lifelines of the Chinese economy and its travel and logistics industries

All substantive economic and social transformations in China are in one way or another associated with road transport. For example, the rapid economic development of the country's central and western regions, migration of the population, urbanisation and big city challenges, the leveling out of the standards of living among the various regions and population groups, development of domestic and international tourism – are all related to road transport.

Road transport has become an irreplaceable, essential element in the production and distribution of goods and services. Without road transport, small and medium-size businesses that play an increasingly greater role in China's economy from year to year, cannot grow or trade.

Road transport in China in facts and figures

- As of the beginning of 2009, it carried for more than 93% of all passenger and 74% of all freight transported in the country.
- The contribution of the road transport industry to China's GDP is more than 2%.
- The length of motor roads in China currently totals 3.7 million km.
- In the recent decade, the length of new motor roads grew by approximately 40,000 – 50,000 km annually.
- The length of high-speed motorways currently totals around 60,000 km.
- Up to 2007 the number of freight terminals grew to 2600, including 224 first class major terminals.
- Up to 2007, there were altogether more than 156 thousand road passenger transport terminals, including 521 first class terminals.
- China has more than 7.6 million commercial freight vehicles with a total carrying capacity of 37 million tonnes.
- More than 5 million enterprises are active in the road transport freight haulage sector.
- The labour force employed in road transport companies grew from 14.2 million persons in 2001 to 21.2 million in 2008, including 14 million professional drivers.

Road transport in China is one of the most market oriented sectors where small and medium-size businesses play an essential role. Therefore, it is clear that further success in the development of China's road transport will, to a great extent, depend on the implementation of public-private partnership (PPP) models. Within PPP, the government will create institutional conditions ensuring the functioning of the road transport industry, while private business will create new jobs and new demand.

In light of the above, China's transport policy should give priority to the promotion, the facilitation, and the development of road transport and its contribution to the country's overall economic development by:

- giving transport access to China's deep inland areas, starting with central and western China, by providing modern high-quality roads and developing efficient logistics centres;
- creating and improving the regulatory and legislative framework for road transport and terminals infrastructure (closing the numerous legislative gaps that impede the development of road transport);
- planning rational distribution of haulage operations among the various transport modes, and gradually lifting the limitations on long distance road transport carriages, including those in international traffic;
- increasing safety of road transport haulage operations and reducing their environmental impact;
- creating new jobs in the road transport industry and upgrading the qualification of both drivers and managers of road transport companies;
- establishing ties with neighbouring countries in the area of road transport and providing access for Chinese carriers to foreign markets.

Through more than 60 years of its experience, the IRU has witnessed and, in a number of cases, actively participated in the rise, development and improvement of national markets of road transport services in many countries. The IRU is prepared to share the best practices garnered through these practical experiences so that they can be best put to use in China's transport policies. This would be helpful in avoiding the mistakes made by other countries, and maximising the benefits thanks to lessons learnt from successful reforms.



TIR

3. Increasing China's exports by road through the implementation of the TIR Convention

Advantages of TIR Convention for China

Traffic in major ports in South East China, as well as along the West coast of the United States, has reached a saturation point. This particularly affects the export of Chinese goods. The use of the TIR System by Chinese traders and transport operators for land or multimodal transport from China to the final points of destination would open up additional, viable alternatives and less congested routes. The transport and delivery of goods to final destinations would be carried out far quicker, cheaper and more efficiently than is the case today.

Moreover, 6 of China's neighbouring countries have already implemented the TIR System, including Russia and Kazakhstan which are high users of the system. Pakistan, another major neighboring country is currently seriously considering joining the TIR Convention as early as 2011. The implementation of the TIR Convention in China would therefore clearly facilitate bilateral transport by road between China and most of its immediate neighbours, allowing all customs formalities to be made at the initial points of departure and final points of destination of each transport, instead of performing such controls at border crossings.

For China, joining the TIR Convention would also provide high security for international trade and road transport, notably due to the strict access and admission procedures for each transport company wishing to join. Indeed, each new transport company must fulfill stringent conditions and be accepted by both the national association and the national customs authorities.

Security would also be guaranteed throughout the transport operation thanks to the various electronic risk management tools developed by the IRU which enable the monitoring, by customs authorities, of all relevant data regarding each and every TIR operation in real-time.

Moreover, through the TIR Convention, Chinese customs would benefit from a financial guarantee for customs taxes and duties provided by the international TIR guarantee chain, organised by the IRU and backed by major international financial institutions.

Status of implementation of the TIR Convention in China

Authorities from the People's Republic of China have been in regular contact for many years with the CRTA and the IRU to analyse in detail the functioning of the TIR System and the major advantages that its implementation in China would bring to the Chinese economy.

The IRU has also organised various major events including a *Seminar on International Transport Facilitation Conventions and Agreements* in Beijing in 2008, held under the auspices of the Ministry of Transport of China, where various representatives from the Chinese public and private sector actively participated, thus confirming their interest in implementing TIR in the near future.

Moreover, various field trips and visits to several areas in China have been organised over the past years, e.g. to the Urumqi region, including visits to borders which confirmed that the required infrastructure for TIR is already in place.

Further to all these initiatives, IRU received information from the Chinese authorities in the beginning of 2010, that after a detailed analysis of the TIR Convention, the Minister of the Customs Administration of China has confirmed his support to sign and ratify the TIR Convention and that this matter was now under final consultation by the Chinese Government for final approval. Depending on these internal consultations, China could be in a position to formally accede to the TIR Convention in the course of 2011.

In order to facilitate this final consultation process and to bring further understanding for Chinese Customs Authorities, the IRU was most honoured to welcome Mr. Hongbo Liu, the Director of Customs Control Department from the Customs Administration of China, to the IRU in Geneva, for a three month internship and training by the managers of the IRU's TIR Department on the main principles of the TIR Convention. During this very successful visit, Mr. Hongbo Liu was able to see how the TIR System works successfully in reality in a major TIR country thanks to a field visit to Poland organised jointly by the Ministry of Finance of Poland and IRU's Polish Member association ZMPD.

4. Implementation of cutting edge IT solutions – an essential framework for innovative road transport operations in China

Innovative and efficient road transport operations require proven IT systems coupled with reliable and secure communications capabilities.

The IRU is proposing state of the art IT solutions and connectivity that fully support TIR contracting parties' operations (Customs and Associations), which include fast, reliable, secure and controlled information exchanges between all parties involved reducing risk and increas-

ing efficiency. They also allow for full compliance with the TIR Convention, WCO SAFE Framework of Standards and EU regulations.

Computerised solutions proposed by the IRU encompass notably the following applications:

1. **TIR-EPD** – This IRU flagship application, TIR Electronic Pre-Declarations (TIR EPD) has been IRU's response to the EU's introduction of new regulations and to other foreseen similar regulations all over the world, requiring that advance cargo information and TIR information is sent electronically to customs in advance of the transport operation. This application enables TIR Carnet Holders to electronically pre-declare free of charge their TIR transport to Customs. It greatly facilitates and accelerates border-crossing procedures, thus reducing border crossing time dramatically. It also allows thorough risk management by Customs Authorities. Since its launch, TIR-EPD has been operational in many European countries covering notably the complete Eastern EU border. The IRU is now in the process of establishing TIR-EPD in other countries, including countries forming the new Customs Union: Russia, Belarus and Kazakhstan.
 
2. **RTS** – RealTimeSafeTIR is another key component completing IRU's TIR computerised procedures. RTS allows for real-time secure and encrypted data exchange with Customs. It enables Customs to fully comply with the Annex 10 of the TIR Convention regarding the transmission of TIR transport termination data to the IRU. RTS can be easily deployed (i.e. in a matter of weeks) and allows for smooth, up to date & secure data exchange. It is a great additional risk management instrument at the disposal of Customs.
3. **CUTE-Wise** – Customs Utility for TIR Transaction Entry – World-wide Information System for Enquiry is an internet based application that allows TIR termination data (SafeTIR data) to be queried. Information on invalid TIR Carnets is also made available. The application is available both for Customs and for IRU Associations and is yet another instrument to efficiently manage risk for Contracting Parties.
4. **AskTIR** – is a state-of-the-art TIR Carnet Management Application allowing IRU Associations to efficiently manage TIR Carnets operations throughout the entire TIR Carnet lifecycle: managing Carnets orders, issuances, returns and controls. It also allows the management of partners' information (insurers, customs offices, banks, lawyers, etc) and the management of authorised transport operators including all holders' information (personnel, vehicles, guarantees, quotas, etc) and the management of claims. Lastly, AskTIR ensures the encrypted transmission of SafeTIR information to the IRU, and therefore complying with required regulations. Continuously improving its IT solutions, the IRU has now started designing a new web-based version of AskTIR that will offer additional capabilities with the latest technology and advanced graphical user interface.

The IRU is committed to providing advanced, flexible, scalable and secure IT solutions to its partners (Customs and Associations) to enable them to implement efficient and innovative road transport operations. IRU's international & multi-cultural IT team is dedicated and motivated to provide full support to its partners not only during the implementation but most importantly, during operations.

5. Conditions and incentives for developing international road haulage to foster regional cooperation between the Central Asian countries and the Western regions of China. Case study: the benefits of multilateral frameworks

The development of mutually advantageous Chinese trade, in particular between its western regions and Central Asian countries, is an element of paramount importance to China's foreign economic strategy. Furthermore, road transport operations can develop through Central Asian countries from China to Europe by the shortest routes, which will to an even greater extent be instrumental in creating a "western export gateway" for goods manufactured in China. For this very purpose, new highways were built in recent years in frontier areas, and the traffic capacity was increased at the frontier crossing points at Khorgos, Kashgar, etc. Work is underway to develop new multilateral mechanisms to implement a legal framework for international road transport. All these current developments combined will enable the introduction, in the nearest future, of mass-scale international freight haulage by road between industrial and agricultural centres in the Xinjiang-Uighur Autonomous Region (XUAR) and the countries in an extensive region west of China. Road transport will be instrumental in meeting the interests of small and medium-sized businesses in connecting them to all the major world markets and providing reliable logistic chains for deliveries.

At present, international road transport operations between China and neighbouring countries are carried out in accordance with bilateral agreements on international road transport traffic. However, these agreements are often quite restrictive and their provisions do not always meet the needs for the future development of China's economic cooperation with neighbouring states.

An important step in the right direction is the work within the framework of the Shanghai Cooperation Organisation (SCO) on a multilateral inter-governmental agreement on facilitation of development of international road transport haulage between China, Kazakhstan, the Kyrgyz Republic, Russia, Tajikistan and Uzbekistan. This agreement will make it possible not only to identify the main road transport border crossing points and freight transportation routes between China and the SCO member countries, but also to start using multilateral permits (quotas) for haulage operations, which is a great interest for the road transport business.

The IRU's experience and its involvement in the creation of the multilateral European Conference of Ministers of Transport (ECMT) quota system in Europe in the 1970s and the multilateral quota system in the Black Sea region at the beginning of the 21st century, shows the high efficiency of multilateral mechanisms in regulating international road transport. If used in the SCO, this experience would bring advantages to all parties involved, particularly China, since Chinese road transport companies would be able to launch haulage across many countries in the SCO covered by one permit, valid for several journeys. The implementation of two trilateral agreements on inter-

national road transport haulage will be of great importance for regional trade, including the 1998 Trilateral Agreement between China, the Kyrgyz Republic and Uzbekistan, which was signed, but has not been so far realised in practice. Meanwhile, its implementation will make it possible to create a busy transit corridor for freight deliveries to Central Asia, Caucasian countries, Turkey and the European Union through the border crossing at Kashgar in the future.

The other is the Trilateral Agreement between China, the Kyrgyz Republic and Tajikistan, which is now at the stage of preparation and should serve as the basis for implementation of the potential of transport and economic ties between China, Tajikistan and Afghanistan.

Evidently, developing large-scale regional freight haulage would require an additional multilateral facilitation instrument to streamline and secure customs procedures and other formalities in border crossing, which is exactly what the TIR Convention offers.

6. Promoting sustainable road freight transport to expand China's domestic market while addressing environmental concerns

Since the 1st Earth Summit, held in Rio de Janeiro in 1992, where 182 countries adopted Agenda 21, the most often quoted definition of sustainable development is a development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”. Pursuant to the adoption of Agenda 21, the road transport industry proactively committed to achieving sustainable development. The promotion of sustainable development has even become a constitutional obligation for the road transport industry, as per Article 2 of the IRU's statutory objectives.

Sustainable development is about striking the right balance between economic development, social equity and environmental protection. For the road transport industry, achieving sustainable development means satisfying market demands with the lowest environmental, social and economic costs possible, notably by achieving better rather than more road transport.

In this regard, the IRU has developed the IRU 3 “i” strategy, based on Innovation, Incentives and Infrastructure, as the most cost-effective way to achieve sustainable development. In detail, the 3 “i” strategy means:

- **Innovation:** to develop and implement ever more effective “at-source” technical measures and operating practices to reduce road transport's environmental impact.
 - Innovative longer and heavier vehicles, such as the Modular Concept, offer the possibility to carry the same volume with fewer vehicles and, as such, considerably improve road transport's environmental performance. Therefore, these vehicles provide sustainable and better rather than more transport.

- Innovative driver training, as provided by the IRU Academy, can substantially help reduce the environmental footprint of road transport. The trained staff responsible for transport scheduling, supported by information and communication systems, can help increase truck usage rate and avoid unnecessary trips. At the same time, fuel efficient trained drivers contribute to a company's fuel savings and thus to greater profitability and lower CO₂ emissions in a win-win formula. Indeed, practical examples show that fuel efficiency can be increased by up to 10% through driver training and the decrease in fuel costs versus the investments for training costs have a cost benefit ratio of roughly 1 to 2.5.
- Innovative new vehicle technology has helped to reduce the fuel consumption, and thus CO₂ emissions, of commercial vehicles by 36% since 1970.



- Incentives: to encourage a more rapid introduction by transport operators of the best available technology and practices.
 - In order to be effective, real business incentives need to outweigh the cost of the necessary investments by transport operators and they need to be in place long enough to have a significant effect on reducing emissions. Good examples are fleet renewal and driver training incentive schemes.
- Infrastructure: to ensure free-flowing traffic and efficiency of the above measures. Full use of existing infrastructure, combined with adequate investment in new infrastructure to remove bottlenecks and missing links, are essential.
 - Without adequate road infrastructure, fuel consumption, and thus CO₂ emissions, will increase considerably. If a 40 tonne truck is driving at 50 km/h, it will use around 28 litres/100km. If it has to stop once, over a distance of 1 km it will consume 52 litres and if it stops a second time in the same km, the fuel consumption will increase to 84 litres, in other words: fuel consumption and CO₂ emissions will increase by 300%.
 - In addition to this environmental concern, traffic congestion significantly lowers the level of productivity. Economic studies have shown that for every 1 dollar lost due to penalties on road transport, such as road congestion or waiting times at borders, at least 2 dollars are lost for the national economy. In other words, any penalty on road transport is an even bigger penalty on the economy as a whole.
 - An analysis of the economic return from different types of infrastructure of World Bank supported projects has proven that the best return on infrastructure investment is an investment in road infrastructure, which is, for example, 2.5 times more profitable than investments in railways.

In fact, the IRU 3 “i” strategy for achieving sustainable development was endorsed and recommended by the United Nations Environment Programme (UNEP) in 2002 for emulation by other industry groups and is equally useful to develop the Chinese domestic road transport market, while addressing environmental concerns.

7. Promoting sustainable and high quality public transport by buses, coaches and taxis to achieve green, safe and affordable mobility and travel for all

Buses, coaches and taxis are key elements of the sustainable mobility and travel chain. Together, buses, coaches and taxis are the second largest passenger transport after private cars.



Taxis and hire cars with driver, in particular, offer a comfortable, safe and easy to access door-to-door service in both urban and rural areas. Thanks to their unmatched flexibility, which equals the flexibility of the private car, taxis contribute to empowering other public transport modes, since they complement them with a round-the-clock 24-hour/365-day availability, coupled with a unique customised service offered to the individual passenger.

Buses and coaches are the backbone of public transport. They are the safest, most environmentally-friendly, affordable, user-friendly and efficient means of collective passenger transport. As such, they offer an optimal solution to a range of current mobility challenges facing modern societies, including climate change, road safety, connectivity, social inclusion and congestion.



Regrettably, these realities are not always acknowledged by policy decision makers. On the contrary, buses, coaches and taxis are often erroneously associated with problems, such as pollution and congestion. This misperception has led to a situation where buses, coaches and taxis are not only underutilised by citizens and authorities in terms of their contribution to mobility and public welfare, but they are also the victim of political negligence and often improper, non-adapted and even restrictive legislation.



To address this situation, the industry has come with an ambitious political and business proposal, namely, to double the use of buses, coaches and taxis in the next 10 to 15 years. Doubling their use will bring substantial benefits to society and communities in terms of:



- significant reduction of CO₂ emissions in the mobility and travel chain;
- considerable improvement in road safety and reduction of road fatalities;
- substantial reduction of congestion in cities at zero cost for society;
- creation of millions of new “green” jobs.



Doubling the use of buses, coaches and taxis is not only a realistic policy and business objective, but it is also a most commendable approach from a public interest point of view, since buses and coaches, together with taxis, are the only transport mode, which, when combined can equal, complement and compete with private cars.

Among the priority measures to achieve this objective are:

- the provision of a bus, coach and taxi-friendly legislation and administrative provisions at national and local levels;
- the full integration of buses, coaches and taxis into the public transport chain;
- giving priority to incentives, including fiscal incentives and public subsidies, leading to increasing the use of bus, coach and taxi services;
- giving priority to buses, coaches and taxis in traffic via the creation of special lanes and priority at traffic lights;
- facilitating the provision and investing in infrastructure, such as terminals and stops, as well as providing coach parking areas near tourist locations and in city centres;
- supporting best industry practices and innovative solutions, such as Bus Rapid Transit (BRT);
- promoting and supporting high quality vocational training.

8. Promoting safety in the road transport sector

Road safety has always been and remains a top priority issue for the road transport industry. For true professionals every accident is one accident too many. In this context, the sector is equally committed to avoiding human suffering caused by accidents and, therefore, considers accident prevention as a key priority.

In recent years, the road safety record of commercial vehicles has significantly improved, both in accident rates and severity. However, the involvement of a commercial vehicle in an accident does not mean that the accident was caused by the commercial vehicle and there are only limited, dedicated statistics available regarding accidents involving commercial vehicles and even less is known about the cause of these accidents.

Identifying the main cause of accidents involving commercial vehicles by supporting accident causation studies is therefore the first step in improving road safety within the commercial road transport sector. The second step is to set road safety targets for commercial road transport and the third step to develop a strategy which improves road safety by effectively targeting the main accident causes. The results of this strategy will certainly be tangible as not only human lives will be saved, but also the economic costs of traffic accidents will be considerably reduced in a cost effective way. Indeed, improving road safety will reduce cost for the economy as a whole, such as medical and



hospital costs and additional welfare costs for families who have lost a source of income due to an accident. The profitability and productivity of transport operators will also improve through reduced repair costs, less vehicle down-time, lower insurance premiums and higher driver productivity.

Bearing this in mind, road safety is not only a top priority for today, but also remains a top priority for the future. The IRU has therefore welcomed the UN General Assembly Resolution of 3 March 2010, in which governments declared the decade 2011-2020 as the “Decade of Action for Road Safety” with the goal to stabilise and then reduce traffic fatalities around the world by increasing activities conducted at national, regional and global levels.

Taking into account the above and considering the fact that the IRU Presidential Executive has committed USD 2 million to implement appropriate projects to effectively improve commercial road transport safety, provided that this important commitment by the profession is matched by credible partners involved in the promotion of road safety or by the international donor community, the road transport industry works with all its partners in the future to:

- Introduce on a voluntary basis, and before they become mandatory, proven effective active and passive safety systems;
- Identify the main cause of accidents involving commercial vehicles by supporting accident causation studies which apply well established methodologies, such as the one developed in the European Truck Accident Causation Study;
- Support and promote effective, harmonised and internationally recognised standards for vocational training of road transport professionals which have been developed by the IRU Academy and endorsed by the World Bank, the International Transport Forum, the United Nation Economic Commission for Europe and which are supported by the International Labor Organization.

9. Ensuring security in road transport

The problem

Since the tragic event on the 11th September 2001 in the United States, it has been increasingly recognised that all transport modes are at risk from terrorism and crime.

Those involved in road freight transport also face a number of specific challenges, which include theft of goods and vehicles, attacks on truck drivers, special risks related to the movement of dangerous goods by road, etc. In addition to these often crime-related challenges, authorities and operators must remain vigilant to possible terrorist use or targeting of vehicles and infrastructure. Similar phenomena and requirements may possibly be valid for China.

According to a recent IRU driver survey, 1 in 6 (or 17%) of all interviewed drivers had suffered an attack during the past 5 years, 30% of them were attacked more than once. The vehicle and its

load were targeted in 63% of the attacks. 42% of the attacks were reported to have occurred in truck parks and a further 19% of the attacks were at motorway service stations. The total extrapolated direct financial loss caused by attacks on international HGV drivers in 36 investigated countries over the five-year period of the survey was estimated to be Euro 7.217 billion.

IRU targets crime and demands more secure parking areas

The IRU General Assembly adopted a Resolution aimed at protecting drivers, passengers, loads and vehicles from the dramatic increase in pirate and international organised crime attacks.

The lack of adequately secure parking facilities makes it easier for pirates and international organised crime gangs to attack drivers, their vehicles and loads. The IRU Resolution calls upon national authorities to take all necessary measures to secure parking areas and provide the IRU with information on existing facilities for publication on its TRANSPark internet application, in order to meet their primary responsibility of ensuring the security of people and goods on their territories. This IRU application could be extended to China.

TRANSPark: the trucking industry's online information platform

The IRU, together with the International Transport Forum (ITF), has launched TRANSPark, an inclusive, free-of-charge, web-based platform providing a full range of services for truck drivers, transport managers and logistics planners that enables them to search, locate, select, contact, update, and complete over 3,000 truck parking areas spanning more than 40 countries from Portugal to Kazakhstan.

Users can search for truck parking areas by country, within a certain radius around a target location, or along planned routes. All facilities available at the selected parking area (security features, truck repair, vehicle wash, hotel, restaurant, medical service, etc.) are listed and can be used as advanced search criteria. Full contact details and location maps are also provided.

TRANSPark and other related IRU e-applications enhancing transport security, such as Border Waiting Times Observatory (BWTO), offer significant competitive advantages to all users. They could be introduced in China to meet the information requirements of growing domestic and, at a later stage, increasing border crossing road freight transport.



<http://www.iru.org/index/transpark-app>

Security guidelines

The IRU Members have adopted road passenger and freight transport security guidelines based on best industry practices. These may be applied by transport operators in all countries, including China, on a voluntary basis, thus enhancing security standards of their operation as well as demonstrating to commercial partners and clients their engagement in diminishing risks related to their activities.

10. IRU Academy – the efficient way to harmonise training quality standards in China's road transport

Road transport is the backbone of economies and societies, on both local and global levels. With today's increasing awareness of security and environmental challenges, road transport professionals must comply with existing and anticipated regulations, and be familiar with the latest technologies that address these key issues. Faced by these challenges, the road transport training industry needs an exemplary framework for capacity-building to enhance its professionalism, efficiency, effectiveness and accountability.

The IRU Academy is the training arm of the IRU, acting as a global body that works with its partners and panels of experts to provide this framework to the benefit of the road transport industry and society as a whole. The IRU Academy offers its portfolio of training programs to road transport professionals through its global network of Accredited Training Institutes (ATIs), guaranteeing them the highest training standards. The IRU Academy's structure makes it uniquely capable of ensuring quality training and international recognition of professional qualifications. The IRU Academy is in tune with and responds to global challenges through the development of issue-related training initiatives, including HIV/AIDS and Eco-Driving.

Professional competence today is a prerequisite for ensuring a competitive advantage to companies active in local and international markets. Establishing and managing a successful road transport company is becoming increasingly difficult in light of the multitude of complex International and National goods and passenger transport legislation currently in place.

The IRU Academy thus help to build this competence by harmonising training standards, incorporating international best practices and verifying, in an independent capacity, that these standards are in full compliance with international legal instruments and regulations governing road transport.

True to its objectives, the IRU Academy offers training programs, focusing on developing the skills of road transport professionals and enhancing their knowledge of and ability to deal with key aspects of road transport operations. All IRU Academy training programs integrate best practices and guarantee compliance with applicable legislations, to harmonise training standards at the global level.

The objectives of the IRU Academy are fully in tune with some of China's key road transport priorities, such as increasing the general qualification of drivers and managers and as well as addressing road safety and pollution levels. More specifically, the IRU is developing key programs with a continual focus on the human factor and its incidence on aspects such as road safety and the impact on the environment.

Through a partnership with the IRU Academy, China's road transport professionals would benefit from the experience and know-how of the world's largest road transport professional training network. Be Ready! Stay safe, competitive and compliant! Join the leading network of training institutes worldwide!



11. Conclusion

Globalisation of the world economy sets global challenges and opportunities that can only be met and achieved by collective effort. Accumulating more than 60 years of experience, the IRU, together with its 180 members in 74 countries, has been at the service of society as a whole to ensure that road transport continues to drive the economic, social and environmental objectives of sustainable development.

In this brochure, the IRU raises the issues of critical importance for trade and the road transport industry in China in particular, and suggests tailor made solutions on the basis of the IRU's experience and international best practices. Goods transport by road plays a pivotal role in driving socio-economic progress in Europe and Asia as a vital element in all production processes and global logistics and supply chains. It has proved to be a powerful tool for cost efficiently moving foreign trade of goods and ensuring a better distribution of wealth on both continents. Today, only road transport can interconnect every business along the ancient Silk Road to every major world market.

It is the IRU's intent and hope that the solutions proposed in this publication will serve the sustainable development of Chinese trade and road transport in China, it is meant to facilitate trade between Asia and Europe to meet the global challenge of revitalising the ancient Silk Road and achieve one of the key UN Millennium Development Goals by turning land locked Central Asian countries into a land bridge between Asia and Europe.

The IRU stands ready to share its knowledge, experience and friendship to drive further growth in China's trade and road transport by "Working together for a better future."