

Brussels, 26 June 2008

## RESOLUTION ON THE FUEL PRICE CRISIS

*adopted unanimously by the IRU Members at an emergency meeting*

*held in Brussels on 26 June 2008*

### **Resolution on the Fuel Price Crisis.**

#### **Considering that:**

- Professional road transport of passengers and goods, in today's globalised economy, is no longer merely a mode of transport but a vital production tool, interconnecting people and every business to all world markets;
- the road transport industry has done all within its capacity to create better transport rather than more transport, by significantly reducing its environmental footprint and energy consumption through the latest innovative technologies, professional training, greatly improved productivity and logistics;
- professional road transport of passengers and goods is and will remain totally dependent on oil with no economically viable alternative for the foreseeable future, unlike the more solicited energy usage for other applications such as power stations;
- dramatic price hikes in fuel during the last two years, due to rising oil prices and burdensome taxation, accounting for up to 56% of the price at the pump, are having a devastating impact on road transport operators, as the road transport sector cannot always pass on fuel price increases immediately to its clients;
- taxation on commercial vehicles and in particular on diesel fuel is excessive in comparison to other industry sectors ignoring road transport's irreplaceable role as a production tool and in ensuring the sustainable mobility of people and goods;
- the IRU Resolution, adopted unanimously by the IRU General Assembly in Istanbul in May 2008, which called upon authorities to urgently enter into constructive dialogue with the IRU's Member Associations on severe problems such as excessive VAT and excise duties on fuel, has yet to be heeded by governments;
- the foreseen publication by the European commission of the Internalisation of external costs on the 8 July with the view to increase yet again the fiscal burden on the road transport industry is fully unjustified, inappropriate and can be only considered as an unacceptable provocation;
- the current inaction of governments and intergovernmental institutions to the current fuel crisis and the additional burdens continuously being placed on the road transport industry is acutely threatening the survival of many transport operators, exacerbating already unprecedented frustration and anger within the industry.

**The IRU President and IRU Members, participating in the emergency meeting to find solutions to the growing unrest in the road transport industry worldwide, resulting from the economic collapse of many road transport companies brought on by the current fuel price crisis, unanimously and most urgently call upon governments and intergovernmental institutions to:**

- recognise the irreplaceable role road transport plays in each country as a production tool, interconnecting all businesses and people and in driving the economic, social and environmental objectives of sustainable development, the UN's Millennium Goals and the EU's Lisbon Agenda and to restore the appropriate market conditions permitting the road transport operators to pass on costs to clients;
- stop penalising road transport, and economies as a whole, by withdrawing the current inappropriate and provocative proposal on the internalisation of external costs and reduce the overall fiscal and heavy tax burden on road transport operators;
- have intergovernmental institutions permit national governments the flexibility to introduce revision to taxation including the excise duty and VAT for professional road transport operators;
- in order to level the playing field between all transport modes, introduce a single professional fuel duty – significantly below the current minimum duty - applicable to all passenger and goods commercial transport industries that is, road, air, rail and maritime transport;
- implement these measures immediately to demonstrate to road transport operators that their severe concerns are finally being heard and to urgently enter into a constructive dialogue with the road transport industry.

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