

Geneva, 4 November 2005

TRADE IMPOSSIBLE WITHOUT ROAD TRANSPORT

Resolution on the WTO Development Agenda adopted by the IRU General Assembly in Geneva on 4 November 2005

Transport is a key-driver for economic and social progress by moving goods and people as well as supporting the performance of services around the world.

The logistic sector contributes around 6% to the world's GDP while the total logistic operations' value largely exceeds 10% of global trade. Consequently, the contribution of national and international logistic activities to maintaining mobility of goods around the globe is worth more than 2'000 billion USD (2004).

Road goods transport represents the lion's share of the output of the logistic chain whether on its own or in multimodal operations. Trucks carry some 80% of all cargo on land routes in the world.

Thus, any road transport facilitation measure has a beneficial and sustainable impact on economic-social progress and the welfare of all nations.

Therefore, the road transport industry calls on the forthcoming WTO Ministerial Conference in Hong Kong, in December 2005, to

1. improve and clarify GATT Articles VIII & X aimed at the facilitation of export and import transactions, which, without doubt, will have a beneficial impact also on international goods transport by road.
2. acknowledge that GATT Article V on the freedom of transit does not require any significant alteration as its content is adequate thanks to its drafters' clarity in defining the notion of freedom of transit more completely than any other international instrument currently in force on the freedom of international transit.

Furthermore, Governments should introduce, in the form of a Memorandum of Understanding to GATT Article V, the following clarifications:

- i. For road transport, the expression "means of transport" should cover all commercial road motor vehicles joining road traffic as a unit for the transport of goods and containers including *inter alia*, trailers, semi-trailers, road trains and articulated vehicles.
- ii. It should be precised that "freedom of transit" prohibits, subject to other GATT provisions, any total or partial prohibition on transit or any quantitative restrictions to transit in any form.

- iii. The wording “routes most convenient for international transit” implies that those routes must be permanently the best routes for transit transport from the point of view of itinerary and smoothness of transit.
- iv. The provision “No distinction between means of transport ...” should be interpreted as one generally prohibiting any sort of discrimination.
- v. The provisions “shall not be subject to any unnecessary delays or restrictions” imply that any excessive delays or unnecessary restrictions imposed on transport operators, drivers, mechanics or goods in transit are contrary to the freedom of transit.
- vi. The provision “shall be exempt from customs duties or other charges” imposed in respect of transit, except charges for transportation itself or those commensurate with administrative expenses entailed by transit or with the cost of services rendered imply that the transit of both goods and vehicles must in no way represent a source of fiscal revenue or another income for the State traversed or their nationals, physical or legal persons. The only fees and charges which can be levied must correspond to the costs and expenses generated.

Governments, requested to introduce further trade and road transport facilitation measures in GATT, should duly consider the inter-relations between facilitation tools of GATT (free trade in goods) and GATS (free trade in services).

The IRU and its membership support the idea of giving special assistance to developing countries to help implementing and absorbing the impact of facilitation measures through intensive institution building, training courses, know-how transfer and so on. The IRU will provide such a support within its means (e.g. through the IRU Academy, international conferences, consulting and so on).

The road transport industry understands that the trade facilitation file represents a part of questions at stake on the Doha Development Agenda but it calls for a successful conclusion of the facilitation file notwithstanding the outcome of other negotiations.
