

MAGISTRAL CONFERENCE

Remarks by

IRU President, Janusz Lacny

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(Slide 1) Ladies and Gentleman, it is a great honour for the IRU, but also for me, to be a keynote speaker at this Magistral Conference along with Dr Martin Torrijos, Former President of Panama, and Dr Mercedes Marcó del Pont, President of the National Bank of Argentina.

(Slide 2) As IRU President, allow me to start my presentation by expressing the IRU's views on where we are heading. More precisely what we will need to do to ensure economic growth, employment and prosperity in this ever changing world!

(Slide 3) I would argue that in priority we need political leadership. However, in today's world it is precisely inspired, committed leadership which is too often lacking. It is almost always events, rather than clear vision and leadership, which today dictate change.

(Slide 4) As we can see from the world unfolding around us, exceptional situations demand exceptional decisions. Again, this requires effective leadership.

(Slide 5) But instead of demonstrating leadership, we are increasingly confronted with a blatant inability of decision-makers to agree on the best way forward, with clear objectives, which leaves us impotent in the face of the major global challenges of this century, such as poverty alleviation, food security and water supply as well as energy diversification.

(Slide 6) Even worse, decision-makers fail to communicate with small and medium size enterprises (SMEs), which globally represent more than 85% of jobs in the private sector, and their professional organisations, such as the IRU.

Even the most constructive proposals made by SMEs to decision-makers, even if heard, are rarely listened to. They choose instead to heed the advice of multinationals. Politicians forget far too often that they should in priority and above all aim at improving the economy and everyone's living conditions. This cannot be done if SMEs are not at the core of a government's economic development strategy.

(Slide 7) Indeed, I must highlight that, in today's global economy, the road transport industry, of which 95% of the companies are SMEs, has become more than just a simple mode of transport. It has become a vital production and distribution tool, as it is uniquely placed to interconnect, door-to-door, all companies to every market the world over.

(Slide 8) In short, road transport, which is the only mode which complements all others and is available to everyone, everywhere at all times, is also the only mode which is able to better distribute wealth and unite people.

(Slide 9) It is because of the essential role played by this mode that any penalty on road transport is an even greater penalty on the economy and society as a whole.

(Slide 10) To demonstrate this, if one compares the importance attributed to road transport in recent years by the decision-makers of the OECD countries and those of the so-called "emerging" economies, in particular the BRIC countries (Brazil, Russia, India, and China), one will observe huge discrepancies both in terms of economic growth rates and in new truck registrations – with the latter dropping by 50% in OECD countries against a respective increase of 50%, 15%, 40% and 80% in the BRIC countries.

This points to the fact that there is a strong correlation between a dynamic road transport sector and economic growth.

For example, why is there a growth rate of more than 10% in the BRIC countries, while the economies of most OECD countries are stagnating? Economic analysts have demonstrated that this double-digit success is due, on the one hand, to systemic and organisational innovation and, on the other hand, to major investment in production tools, such as road transport when the other major OECD countries were developing their virtual financial economy.

Indeed, emerging countries' past, present and future investments in true and effective production tools, and thus in road transport, confirm their determination to drive economic growth, employment and prosperity.

I would argue that this is the right formula for every country including all Latin American countries. But this will take leadership to realise. Leadership that recognises that only by promoting and further facilitating a key production tool, namely road transport, will trade develop between the economies of Latin America and with the major world markets!

Fierce competition in a globalised economy forces everyone to provide the best services and the best products under the best conditions. However, it is precisely the political and economic leaders of the emerging countries who are best placed to succeed and to benefit from globalisation.

BRIC leaders have had the audacity to take courageous and sometimes controversial decisions. They have dared to go against the tide and have recognised that this non-subsidised production tool – road transport – plays a vital role in economic growth and by giving it and its representatives their just place in economic and transport policy.

(Slide 11) In order to rise to the numerous challenges and to seize every opportunity, I would encourage the political leaders of Latin America to have the courage and audacity to put road transport in its just place – i.e. first place – and to implement the IRU motto, “Working together for a better future”, for the benefit of every citizen in every country!

I personally count on the leadership of the OAS, so capably headed by His Excellency Dr José Miguel Insulza, as well as His Excellency Ambassador Mauricio Cortes Costa, Executive Secretary for Integral Development of the OAS, who is with us today, to drive this change in the whole region, in partnership with the IRU.

Indeed, the task for all of us here is to challenge our leaders to lead, and act in way that supports the fact that road transport drives economic, social and environmental progress everywhere!

(Slide 12) In compliance with the spirit and principles of the UN’s Millennium Goals, as well as the IRU’s own Charter and 3i strategy for achieving Sustainable Development, based on innovation, incentives and infrastructure, we as an industry must also demonstrate leadership and seek to increase even further our professionalism.

(Slide 13) We should better work together to promote the quality of the service provided by the road transport industry. We should better work together to promote vocational training, as provided by the IRU Academy and its international network of Accredited Training Institutes such as the FPT here in Argentina. We should also make additional efforts to increase our productivity and diminish our environmental footprint through the effective implementation of the UN trade and facilitation instruments which have already proven their effectiveness in many other regions in order to have *better* transport instead of *more* transport.

In a globalised competitive market like the road transport industry, the creation of added value in supply chains or people's mobility is becoming so complex that no single company, no single association and no single fleet or logistics operator will be able to achieve this efficiently alone.

(Slide 14) We need to work together, day after day, in a true public-private partnership with governmental authorities and also with the other transport modes and our commercial partners to share our experience in order to optimise the too many inappropriate regulations applied to our industry.

(Slide 15) Road transport will only be able to continue driving prosperity, progress and peace, by working in true partnership with the decision-makers. But it must be stressed, once again, that our public partners need to demonstrate leadership and make a concerted effort, with our support, to remove artificial and procedural barriers which today account for 40% of time lost at borders, as demonstrated by IRU's NELTI project, because such impediments are putting the brakes not only on road transport but above all on trade and economic development.

(Slide 16) In short, leadership is needed to promote and further facilitate road transport to allow road transport to drive economic development, employment and prosperity!

(Slide 17) Alone the road transport industry can do nothing. But “Working together for a better future”, amongst ourselves and with our respective governments, our common economic, social and environmental objectives can be achieved!

You can count on the IRU. We count on you. Thank you for your kind attention.

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