

## 3rd IRU/EU Road Transport Conference



“ The Road Transport Market Competitiveness & Partnership. Transforming Challenges into Effective Solutions for Growth ”

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### High Level Panel Discussion: Road Transport Solutions to Ensure Efficient European Union Markets

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Excellencies, ladies and gentlemen,

Before our assuredly interesting wider panel discussion begins allow me to take a few minutes of your time to lay out some key observations on the current situation of the European road transport sector and the challenges that we currently face.

The Internal Market of the European Union has fundamentally changed since its opening in January 1993. The number of consumers has quadrupled, intra-EU imports and exports have increased sevenfold and trade with the rest of the world has increased almost nine fold.

Road freight transport has remained the most important land transport mode, carrying close to 75% of all intra-EU goods and 90% of the value of goods, but this has not come without challenges. The enlarged EU, the opening of the EU road freight market, the introduction of qualitative criteria to enter the business and the increasing globalisation of logistics chains, have strongly increased competition. Unfair competition has been exacerbated since the economic crisis starting in 2009 from which we have not yet recovered. Competition is essential to keep a market healthy but must be based on fair and open principles.

Unfortunately, until now, the EU has concentrated too much on a rapid market opening, but has completely failed to modernise technical, social, safety and fiscal rules to allow road transport operators to cope with new market conditions and rising consumer demands in a more efficient way. We have entered an unsustainable situation where price completely dominates the market and outweighs efficiency and quality. This situation has led to the

principles of fair competition being seriously jeopardised and risks a 'race to the bottom' in terms of quality.

The IRU welcomes that the European Union has started to realise that change is needed, but regrets that with the 2012 Bayliss Report on the road haulage market, only the very tip of the iceberg has been examined and market opening is seen as the right solution. However a level playing field within the transport market does not exist and the report fails to recognise this.

Therefore, the IRU together with the trade unions, decided to call for a halt to further market opening for road freight transport at the present time. Instead, there is a need for a thorough examination by the European Institutions and private road transport sector stakeholders, of the EU framework legislation, including elements such as working conditions, vehicles, fiscal burden, liability, safety, greening and administration in order determine what needs to be updated, changed or entirely removed and how this should be done, in order to create the right conditions for road transport operators to compete in a fair manner in a modern EU and indeed global economy. Such conditions need to be accompanied and guaranteed by a Single European Area which enables fair, efficient, transparent and non-discriminatory national and cross-border enforcement that encourages operators to comply with the rules.

Unfortunately, modernising the EU road transport sector's legal framework can only be fully successful if European transport policy sets the right priorities.

For the last 20 years, EU Transport Policy has tried to artificially correct the market share of the different transport modes, favouring and protecting rail to such an extent that railway companies are abandoning their core activity and are increasingly diversifying into road transport. The railway industry is constantly demanding more and more resources without making the slightest commitment to improve the functioning of their core activity.

In addition, EU legislation is systematically used to limit the efficiency development of road transport. For example, is it normal that the use of aerodynamic devices to reduce the fuel consumption of trucks should be dictated by combined road-rail transport which only represents a little under 0.2% of total goods transport? Why are the railways and authorities ignorant towards the advantages of using Modular System combinations to bring goods to and from combined transport terminals which allows more to be done with less? Likewise, is it normal that road freight transport pays taxes and charges to use infrastructure and improve environmental performance and that the revenues of these taxes and charges are not used to green road transport at source?

The IRU and the road freight transport operators fully agree that road cannot carry everything and that all transport modes are needed and should be supported in a non-discriminatory way to perform in the most efficient way to finally establish the resource efficient, sustainable EU transport network that we all want.

We however cannot accept that progress in road transport is blocked or severely delayed because rail is either unwilling or unable to change.

The European society and economy needs a mode neutral transport policy which allows all individual modes to increase their efficiency and improve working conditions at-source without other modes blocking such developments as we unfortunately see today.

Additionally, by doing so interoperability and cooperation between modes will flourish as transport stakeholders seek the most efficient solutions to cater for the needs of European companies and citizens.

I look forward to hearing the views of my fellow panellists and thank you for your attention.