



Going global

Annual Report 2016

A large, light blue globe is the central focus, composed of numerous interlocking puzzle pieces. The globe is slightly out of focus, with a soft, ethereal glow. In the lower right foreground, several puzzle pieces are scattered on a light blue surface, some partially assembled and others lying flat. The overall aesthetic is clean, modern, and symbolic of global unity and interconnectedness.

Helping the world get where it needs to be

IRU is the world road transport organisation.

We drive the sustainable mobility of people and goods across the planet, supporting trade, economic growth, jobs, safety, the environment and communities.

We develop knowledge, build networks, advocate for change and deliver services across more than 100 countries worldwide.

Our core constituents are national transport associations, but we also work with business, the United Nations, governments, international organisations and non-governmental organisations.

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Christian Labrot
IRU President

Opportunity knocks

Change and challenge were key chapters in IRU's 2016 tale, yet the overriding story was one of increasing global opportunities and how we are seizing them.

The external forces that buffeted our industry and our organisation in 2015 showed no signs of abating. Digitalisation and new market entrants continued to turn traditional passenger and goods transport business models inside out. Driverless vehicle technology and testing moved steadily forward.

Security, climate change, road safety, employment, congestion and market competitiveness issues continued to occupy our minds and those of the world's politicians and policy makers.

And the geopolitics of trade, already affecting the TIR system for several years, took a dramatic turn with major votes against globalisation in favour of protectionism and economic nationalism.

Yet there is opportunity everywhere in this changing and challenging landscape, as demonstrated most clearly in 2016 by the acceleration

of our global expansion. Nine new members joined from Africa, Europe and South America, along with six new training institutes in Africa, Asia, Europe and the Middle East.

However IRU's star in 2016 was in the East, with China becoming the 70th country to ratify the TIR Convention.

China's accession marks a major turning point, introducing TIR to millions of new operators and drivers, and taking IRU deep into Asia with the anticipation of new members, advocacy, tools and services for the region.

Interest in TIR also gathered pace in many other parts of the world, with IRU advocacy activity from Africa to South America and across Southern Asia and the Middle East stoking interest in the only global transit system. The coming years will see the fruit of this work, with major new countries expected to join the family.

IRU's global expansion accelerated in 2016.

IRU also continued to lead efforts on innovation in 2016, with a successful eTIR pilot between Iran and Turkey, new route planning and digital consignment standards and services, and TRANSPark's coverage extended to Southern Africa.

I was greatly honoured to lead IRU in 2016, through some challenging waters, but ultimately to a better positioned global organisation with dedicated members and staff. I look forward to the years ahead as we continue to lead our industry into the future. ■

Highlights of 2016

Expanding our global reach

IRU's expansion across the planet gathered pace in 2016.

CHINA

China became the 70th country to ratify the TIR Convention, marking an important step in improving land and multimodal transport between Asia and Europe. The TIR system underpins China's One Belt, One Road initiative to boost trade and development with neighbouring countries, in particular Kazakhstan, Kyrgyzstan, Mongolia, Russia and Tajikistan.

IRU worked closely with Chinese authorities after ratification to establish a joint action plan to support their implementation efforts, including the organisation of the first TIR operational seminar in Beijing in late 2016.

**VIET NAM**

IRU met with government and business leaders in Viet Nam, highlighting the benefits of TIR to South East Asia, particularly following China's ratification of the Convention. Viet Nam Customs visited IRU in Geneva for a briefing on TIR and trade facilitation. IRU also presented TIR and the IRU Academy's training programmes to the ASEAN (Association of South East Asian Nations) Trucking Federation's annual meeting in Jakarta.



PAKISTAN

Pakistan reached important new milestones in 2016, heading to the start of TIR operations in the country.

The Federal Board of Revenue, IRU member the Pakistan International Chamber of Commerce, and IRU signed an agreement paving the way for the creation of national rules and training for TIR implementation, transport innovation, and IRU Academy professional training programmes to improve road safety and efficiency.

IRU worked with local authorities to integrate TIR digital tools into Pakistan Customs' systems and, in partnership with other regional and international organisations, we conducted TIR training workshops and border visits in Pakistan, as well as in Switzerland, Turkey and the United Arab Emirates.



BANGLADESH AND INDIA

IRU, together with the Asian Development Bank and the United Nations Economic Commission for Europe (UNECE), worked closely with the governments of India and Bangladesh as well as other countries in South Asia, to encourage them to accede to the TIR Convention.

An expert group on passenger transport was also launched in Delhi to help India tackle congestion through better bus and coach services.

SAUDI ARABIA

We spearheaded high level talks on trade facilitation, professional training and the accession and implementation of the TIR system in Saudi Arabia, where TIR's

advantages for the secure transit of goods and seamless intermodal connectivity have appealed to efforts to boost regional trade.

IRU also signed a cooperation agreement with the Saudi Ministry of Transport and its Public Transport Authority to develop vocational training for commercial drivers and managers, in order to improve road safety and professionalism across the sector.



New IRU members

Belgium	European Secure Parking Organisation
Chile	National Business Federation of Bus Transportation
Egypt	Federation of Egyptian Chambers of Commerce
France	Association pour le développement de la formation professionnelle dans les transports
Germany	Daimler Buses
Ireland	Taxi Dispatch Operators Representative Association
Italy	Sindacato Artigiani Taxisti di Milano e Provincia
Tunisia	Société des Transports de Tunis

OMAN

Along with a new IRU Academy training institute joining the IRU Academy, Oman saw several IRU events and high level meetings on the country joining TIR, along with a training workshop for Oman Customs.

We also expanded cooperation programmes around professional qualifications and passenger transport with key institutions including the Oman Global Logistics Group, Mowasalat and the Oman Chamber of Commerce and Industry.



BAHRAIN, QATAR AND UAE

In the neighbouring United Arab Emirates, IRU made progress on the introduction of TIR digital tools with the Emirati Federal Customs Authority.

IRU also launched discussions with the Bahrain Ministry of Transport and Communications on TIR and held

talks with the Qatar government. Customs officials were briefed on best practices for vehicle inspections and containers for secure transit under the TIR system.

EGYPT AND SUDAN

Government talks, meetings with customs authorities and with potential IRU member associations were held in Egypt, supported by the Federation of the Egyptian Chambers of Commerce, and in Sudan with a trade facilitation committee meeting.

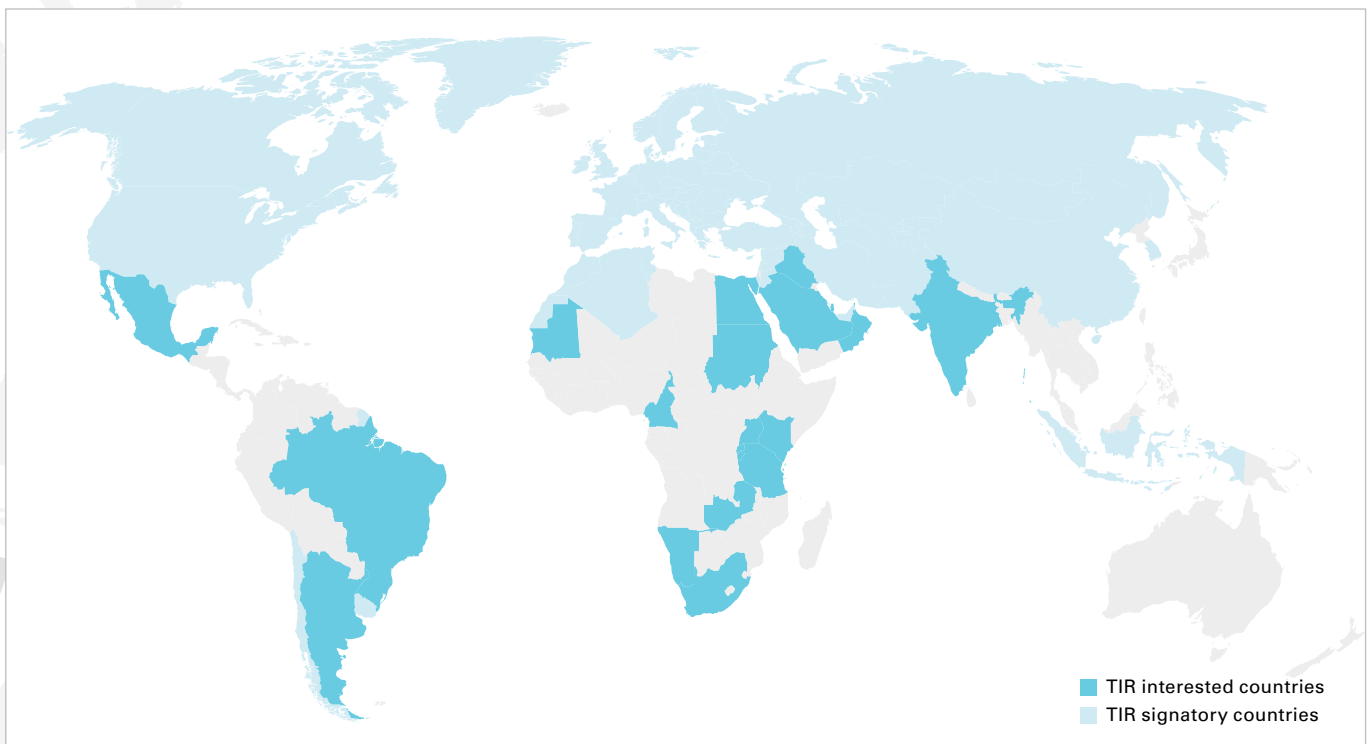
KENYA, NAMIBIA, TANZANIA, UGANDA AND ZAMBIA

The TIR system gained momentum with government authorities and businesses in Africa with the release of a new report on regional trade corridors. IRU worked closely with government officials and potential IRU members in Kenya, Namibia, Tanzania, Uganda and Zambia to analyse the potential benefits of TIR and to work towards accession and implementation.

An expert group was launched in Nairobi to help Eastern African cities address passenger transport issues.

New IRU Academy Associate Training Institutes

France	AFT
France	AFTRAL
Georgia	LTA
Lebanon	Kunhadi
Oman	BIIT
Tunisia	CSFTL



Interest in TIR took off in 2016.

ARGENTINA, COLOMBIA, ECUADOR, MEXICO AND URUGUAY

In Central and South America, talks continued with government ministries, customs authorities and industry groups on TIR ratification, most notably in Argentina and Mexico.

IRU addressed TIR and intermodal partnerships with the Inter-American Commission

on Ports, meeting in Uruguay, highlighting the potential of TIR to facilitate customs processing in the region.

A report from the Organization of American States showed that a TIR-type transit system could boost trade by up to USD 9 billion in Argentina, Brazil and Mexico.

IRU organised seminars on passenger transport issues

in Colombia and at the major UN-Habitat III conference in Ecuador. ■



Highlights of 2016

Leading on innovation

IRU launched innovative new digital transit and transport services in 2016.

DIGITAL TRANSIT

After years of development, the first trials of TIR's fully paperless digital transit service, or eTIR, were successfully conducted between Iran and Turkey.

The tests were run by IRU, the UN Economic Commission for Europe, the Turkish and Iranian customs authorities, pioneering volunteer transport operators, as well as IRU members and TIR guaranteeing associations from the two countries, ICCIMA and TOBB respectively.

The pilot tests demonstrated not only that the system worked in a live transit situation, but also how risk of fraud and the customs' administrative burden can be reduced. The transits were highly rated by the transport operators, customs officials and TIR associations.

Following the success of the pilots, other countries expressed interest in organising eTIR pilots, including Kazakhstan, Moldova and Ukraine, the latter for an intermodal pilot across the Black Sea.

The Economic Cooperation Organization (ECO), comprising Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan and Turkey, praised the eTIR solution, calling on the UN and IRU to continue implementing trials in order to expand the system to all ECO countries to boost trade and regional integration.

Use of TIR online tools and apps rose significantly in 2016. The use of our digital tool to manage TIR carnets, AskTIRweb, more than doubled compared to 2015, and use of TIR Electronic Pre-Declarations was up by 34%.



DIGITAL CONSIGNMENT NOTES

New standards and services for digital consignment notes for freight transport took off in 2016 with the launch of a partnership between IRU and TransFollow, a Dutch company created initially by IRU members EVO and TLN.

The joint initiative, in cooperation with other industry leaders, will develop new communities, services and standards to drive paperless freight in Europe and eventually globally.

It aims to accelerate acceptance of the electronic consignment note (e-CMR) protocol of the UN's convention on transporting cargo by road. e-CMR lowers costs, simplifies operations, improves security, and helps reduce carbon emissions for road transport, logistics and supply chain operators.

IRU continued to advocate with governments on ratifying the e-CMR protocol and to prepare for trials in and between European countries. In 2016, Estonia and France brought the total number of countries to sign the protocol to 11.

ROUTE PLANNING SERVICES

IRU and German software developer PTV Group launched

new route planning services in 2016 in the Czech Republic, Poland, Romania and Spain. The partnership aims to put in place a common route-planning standard across Europe and beyond.

Based on PTV's market-leading route planning software Map&Guide, the new services are tailored to local conditions and challenges, offering significant benefits to the freight sector, for both operators and their clients, boosting cost transparency and helping make price quotations comparable.



MOBILITY-AS-A-SERVICE

IRU's Mobility-as-a-Service initiatives promote integrated, personalised, and on-demand transport. Teaming up with MOBiNET, a European Commission co-funded platform, IRU launched a pilot in Italy to integrate taxi services into urban public transport.

The pilot focuses on IRU's UpTop member, appTaxi, which geo-locates customers and matches them to the nearest taxi. It has been integrated into the myCicero transport platform, with other parking, bus, metro and train services in over 40 Italian cities. MOBiNET brings together 67 local authorities, companies and associations in Europe and provides the tools to enable interactions between users and suppliers of mobility services.

IRU's TRANSPark app, which provides geographically-based information for commercial drivers, expanded the regions it covers to include Southern Africa, and added new key data such as border posts and health centres. ■

e-CMR lowers costs, simplifies operations, improves security and reduces carbon emissions.



Advocacy

Shaping mobility

IRU shaped the policies and practices of global road transport in 2016.

IRU's role in promoting best practice and improving road safety was acknowledged in a UN resolution.

Committed to road safety

The UN General Assembly adopted a resolution on improving global road safety in September, acknowledging IRU's role in promoting and sharing best practice and identifying solutions to improve road safety. It also specifically recognised IRU's role in developing harmonised and internationally recognised standards for the vocational training of road transport professionals.

Held in parallel to the General Assembly in New York, IRU organised a high level event with the Russian government on road safety, with a focus on the role of business and public-private partnerships to achieve road safety targets established by the UN's 2030 Agenda.

Road safety was also high on the agenda of IRU's Transport Business Summit in November in Ashgabat, Turkmenistan, part of the UN Secretary General's Global Sustainable Transport Conference.

The Economic Cooperation Organization, the regional grouping of Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan,

Tajikistan and Turkey, officially recognised the IRU Academy's role in combatting road deaths and injuries, and the benefits of improved safety to transport efficiency.

Awareness-raising on safety issues also continued. IRU and the International Union of Railways produced a guide on level crossing safety for commercial truck, bus, coach and taxi drivers. With French rail operator SNCF, IRU produced a guide in multiple languages on safe level crossing for international operators carrying abnormal loads in France.

Global transport standards

Along with helping propose, draft and develop standards, IRU plays a key role in increasing the number of countries ratifying and adhering to international road transport standards.

IRU organised several delegation visits to Geneva in 2016, most notably for officials from the Chinese and Vietnamese Ministries of Transport. IRU organised seminars on different standards and trade facilitation instruments, as well as exchanges with UNECE,

the UN Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO), and other multilateral transport and trade related organisations.

China has subsequently expressed its intention to ratify the CMR and ADR Conventions, two key international road transport standards.

IRU contributed to Habitat-III in Ecuador in October, and will partner with UN-Habitat on implementation of the UN's New Urban Agenda concerning sustainable passenger transport standards and best practice, contributing to the 2030 Agenda and UN Sustainable Development Goals.

Protecting migrants and drivers

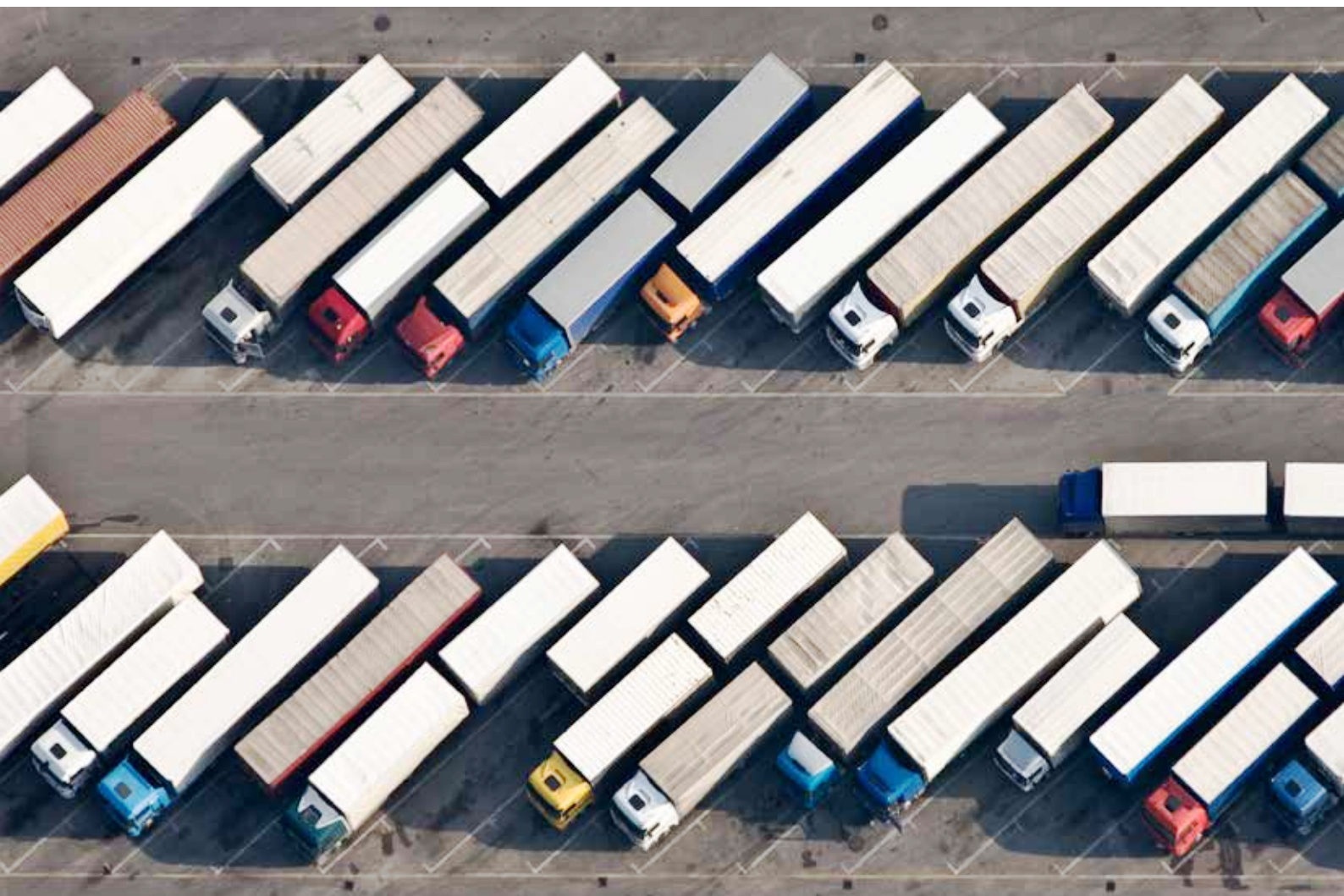
IRU called on governments to work together in a more coordinated, rapid manner to tackle migration issues, a worldwide humanitarian, social and political challenge for governments, international organisations and society.

Noting the road transport industry's crucial role in helping deal with the crisis, particularly in and around the Mediterranean in 2016, IRU also consulted with governments on ways to better protect drivers as well as the safety of stowaway migrants.

IRU, together with the European Secure Parking Organisation, pressed EU governments to fulfil their obligations to ensure secure

parking areas every 100 km along the core road network, including around multimodal transport hubs and terminals. Despite available EU co-funding, implementation of this requirement had remained sluggish.

Another consequence of the migration crisis in Europe was the reintroduction of controls at internal EU borders, estimated to cost the road transport industry up to EUR 5 billion annually. We proposed solutions to the EU and governments to reduce costs, including increased security, improved traffic flow at ports and borders, and priority lanes for trucks at border crossings.



IRU called on governments to work together in a more coordinated, rapid manner to tackle migration issues.

Same service, same rules

The call for “same service, same rules” for the taxi industry united participants from around the world at IRU’s 7th International Taxi Forum in 2016. The Forum took place during the biggest trade fair worldwide for the taxi industry, the European Taxi Fair, in Cologne, Germany.

More than 300 high level industry professionals and regulators from around the globe debated the challenges and opportunities that new technology is bringing to taxi service providers and their customers, and how regulation and innovative policies are crucial to creating a fair, competitive environment.

The forum also examined demands for cleaner fuel and vehicles, new ways of ordering and delivering mobility services, training standards, the move towards autonomous vehicles, and new business opportunities.

Getting the balance right in Europe

Access to the road haulage market and social and safety conditions, such as drivers’ hours, are regulated at the EU level. Establishing a fair but competitive road freight market across Europe is essential for an efficient and modern transport industry and the EU economy as a whole.

IRU called for solutions that guarantee the principles of the EU single market and fair competition, such as the creation of a better balanced distinction between the freedom of establishment and the freedom to provide services, and ensure a larger degree of social cohesion in the EU. IRU also called for a clarification and simplification of existing EU rules, and for

enforcement to become smarter to improve the overall efficiency of European road freight transport.

Regional trade integration

IRU strengthened its partnership with the Economic Cooperation Organization in 2016 by signing a five year action plan to promote TIR implementation and regional trade with Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan and Turkey.

IRU and the UN’s regional Economic and Social Commission for West Asia in Lebanon also joined forces to develop cooperation programmes for trade facilitation and regional economic integration, as well as road safety and professional training.

IRU worked with many other intergovernmental organisations including the World Customs Organization, the International Transport Forum (ITF), the League of Arab States, the Association of South East Asian Nations, the World Bank and regional development banks, and many UN organisations including their regional economic and social commissions.

We also worked on trade facilitation issues with individual countries such as Iran, where we signed an agreement in 2016 to work with local authorities on transport and transit facilitation.

In Russia, IRU highlighted TIR as a key to Eurasian integration during the International Exhibition for Transport and Logistics Services and Technologies in Moscow. IRU stressed that TIR would improve regional trade flows, reduce border waiting times, unify and facilitate controls, combat corruption and, ultimately, break “paper walls” across major transport corridors.





IRU supported a trade corridor test caravan of trucks along the so-called ancient tea route from Tianjin, one of China's biggest ports, through Ulaanbaatar in Mongolia, to Ulan Ude, a major Russian city on the Trans-Siberian highway and railway.

Bringing government, business leaders and media together at key places along the route, the caravan confirmed the potential of this corridor for international road transport, particularly once TIR is operational in China.

The caravan's success was also showcased at the 9th International Forum on Transport and Transit Potential in Saint Petersburg. More than 500 delegates from all over Russia and ten neighbouring countries looked to this trade route as one solution to enhance the competitiveness of Russia's transport system.

In Africa, a transcontinental economic forum hosted by the Algerian government recognised TIR as key to revitalising the Trans-Sahara trade corridor, the 9,500km road network from Algiers to Nigeria via Tunisia, Mali, Niger and Chad.

Setting the standard for training

Since its creation, the IRU Academy has continuously raised the bar in establishing superior training standards to effectively drive professionalism, performance, safety and sustainability in commercial road transport. Its certificates and diplomas for drivers and managers systematically receive widespread recognition for promoting quality universal standards.

In 2016, the IRU Academy, in cooperation with IRU member UND and the International Transport Forum, organised a seminar on the implementation of the European Conference of Ministers of Transport Quality Charter.

The Charter recognises IRU Academy training as a key quality benchmark. It establishes qualification standards for companies, managers and drivers in pan-European road haulage operations, aiming to reduce CO₂ emissions and increase road safety.

Albania, Azerbaijan, Czech Republic, Georgia and Moldova all endorsed IRU Academy standards on training and professional certification. Moldovan and Ukrainian authorities

signed joint declarations with IRU, the International Transport Forum and our local members the International Association of Road Hauliers of Moldova and the Association of International Road Carriers of Ukraine.

Endorsing sustainable tourism

IRU welcomed the Beijing Declaration adopted during the UN's first World Conference on Tourism for Development held in China in 2016. The Conference, under the theme of tourism for peace and development, examined how tourism can contribute to achieving the UN's sustainable development goals by 2030.

IRU supports ambitious, cooperative and business-friendly tourism policies, allowing tourism, and in particular group tourism by coach, to prosper and to serve citizens and visitors with safe, affordable and high quality services.

UpTop reaching new heights

IRU's UpTop global taxi network grew significantly in 2016, now reaching 10% of the global taxi market, with 19 partner apps covering over 600,000 vehicles. Five more apps were added to the service in 2016: three major North American apps, zTrip, Curb and The Ride, as well as MIVAI and Splyt.

zTrip is backed by one of the world's leading transport groups Transdev. Curb is America's oldest and largest taxi app and present in over 60 US cities and is backed by Verifone. The Ride is a highly innovative app that provides direct links to public transport across Canada. Splyt is a global e-hailing alliance, uniting local players from all over the world, allowing travellers to share their taxi ride and save up to 40%. MIVAI is a leading taxi app in Norway.

Tackling driver shortages

IRU members discussed actions to address the shortage of professional drivers in September. This is increasingly a problem for road transport operators all over the world. Solutions focused on improving the image of the profession as well as seeking innovative ways to raise awareness, especially among young people, of the benefits and opportunities offered by employment in the road transport sector.

A new portal was launched on IRU's website to group resources for connecting job seekers with

work or training opportunities in various countries. The portal also provides up to date information on training courses and certification from the IRU Academy.

IRU supported the first International Day for Professional Drivers in May. This day promotes awareness of the work of professional drivers all over the world, the challenges and opportunities they face in their working life, and their role in making our roads and communities safer. ■

IRU's UpTop global taxi network grew significantly in 2016.





Knowledge

Industry intelligence

IRU launched new training, research, standards and best practice initiatives in 2016.

A growing Academy family

IRU Academy certifications, the number of trainees passing certificates and diplomas, were up by more than 30% in 2016 compared to the previous year.

Six new training institutes, in Africa, Asia, Europe and the Middle East, joined the IRU Academy network in 2016. Three new training modules were developed on taxis, road safety and transporting dangerous goods, and more than 15 new course accreditations were finalised by training institutes.

The IRU Academy organised several train-the-trainer and pilot course seminars for accredited training institutes, in addition to its annual international seminar and training institutes meeting. These activities helped maintain IRU's high quality training standards, as well as sharing knowledge and best practice, and keeping abreast of ever changing legislation, technical evolution and learning trends.

Work continued on IRU's eXaminer initiative on national certification examination systems, with Jordan's Ministry of Transport drafting instructions to establish a national road transport professional qualification and a first National Authority Examination Bureau meeting. The eXaminer concept was also discussed with authorities in Saudi Arabia and Oman.

On-line learning launched

The IRU Academy, Cranfield University and the Eastern Alliance for Safe and Sustainable Transport launched the first universal digital training course for managing fleet safety. The programme teaches managers and businesses the skills needed to deliver and sustain a robust road safety management strategy.

The affordable course is accessible online at any time and from anywhere. The training uses real-life examples

and case studies to give those who manage road safety at work the competencies and skills they need to safely manage a fleet of vehicles.

Training pays

The IRU Academy and the Arab Union of Land Transport studied the impact of professional training on commercial freight drivers in Arab speaking areas. Released in October, the report shows how road safety clearly benefits economies. GDP losses due to road accidents, for example, ranged from 4.8% in Lebanon up to 6.8% in Sudan.

The report showed however that training professional drivers reduces accident risk by up to 46%, making roads safer for everyone. The League of Arab State's Council of Transport Ministers endorsed the report's findings in October.


Better, greener city transport

As input into the UN's major Habitat III conference on urban issues held every 20 years, IRU and UN-Habitat launched a new report in Quito, Ecuador, in October on smart urban mobility for safe, inclusive, resilient and sustainable cities.

With rapid growth leading to urban sprawl and higher mobility demand, and a range of resulting social, economic and environmental consequences, the report looked at the paradigm shift needed to solve mobility issues, notably in collective door to door public transport, infrastructure and services.

The taxi sector is increasingly seen as an ambassador of electro-mobility to reduce air pollution in urban areas. To help the sector move forward on this trend, IRU launched the e-Taxi Initiative in November in Germany.

The IRU initiative brings together taxi operators, city authorities, and green technology suppliers and academia to catalyse the large-scale deployment of electric taxis by lowering obstacles such as boundary conditions and costs for the taxi sector.



IRU Academy
certifications were
up by more than
30% in 2016.

The future of commercial vehicles

Innovation is revolutionising the way people and goods move. Digitalisation, e-commerce, electro-mobility, automated driving, connected vehicles and infrastructure, and new logistical concepts and practices are among the initiatives already influencing the way both businesses and citizens approach mobility and transport. IRU is contributing to this innovation by undertaking research that will help shape future policies, systems and practices.

In 2016, IRU published the Commercial Vehicle of the Future Report. This landmark report examines how the vehicles of tomorrow will ensure an efficient, reliable, socially responsible, safe and sustainable future road transport sector.

The report brought together industry experts and public authorities to take stock of how evolving technologies and trends will shape the use of commercial vehicles in the future, how they might help the sector meet ambitious carbon emissions reduction goals for 2030 and 2050, and how these measures might have wider positive benefits for safer roads and improved transport operator efficiency.

IRU also helped organise a symposium on global truck innovation at the major industry IAA trade show for commercial vehicles in Hannover, Germany, to present and discuss the research.

Trade facilitation and transit systems

IRU and UNECE helped compile a special issue of the Asian Institute on Transport Development journal, devoted entirely to road transport and trade facilitation. Noting the high cost of transport in South Asia, which tends to range from 13-14% of the commodity value, the study outlined how TIR and other UN conventions would facilitate road transport and transit, making trade in South Asia faster and less expensive.

Additionally, IRU, UNECE and the UN's Economic and Social Commission for Asia and the Pacific (UNESCAP) published a new report on the characteristics, features and potential benefits of eTIR, the next generation of TIR, showing the multiple benefits of completely paperless cross-border trade.

An IRU research report on transit costs in Africa was published, clearly demonstrating the benefits of the TIR system to trade on the continent. The report highlights how TIR implementation can reduce the costs of trade in Southern and Eastern Africa by hundreds of US dollars per container. It also shows how TIR could cut costs of a transit guarantee by up to 16 times, boosting access to global markets and economic growth. ■



Network

Coming together

IRU brought the industry – and its users, suppliers and stakeholders – together in 2016 to discuss, debate and drive sustainable mobility.



Global Partnership for Sustainable Transport

Two partner meetings of the IRU-led Global Partnership for Sustainable Transport were organised in 2016. Focusing on implementation of the UN's 2030 Agenda for Sustainable Development in the transport

sector, the partnership brings all modes of transport together, as well as the private and public sectors, the UN and international organisations, and civil society.

Co-founded with the UN Global Compact in 2015, with the International Chamber of Commerce and UN-Habitat as key partners, the partnership attracted a wide range of new organisations through the year and played a key role in organising the Ashgabat Transport Business Summit in November.

Ashgabat Transport Business Summit

IRU organised the Ashgabat Transport Business Summit, in parallel to the first UN Global Sustainable Transport Conference in Turkmenistan in November. Bringing together business, government, development agencies and banks, the summit offered fresh thinking on transport infrastructure, financing, sustainable transit corridors and the digitalisation of logistics.

The summit released an output document setting out concrete actions and calling on the transport industry to develop new technology and new initiatives to help achieve the UN Sustainable Development Goals.

Passenger transport task forces

IRU launched a task force on innovation in mobility, with IRU members from the bus, coach and taxi sectors. Discussions focused on new mobility concepts, particularly enabling technologies and the ever more present new business models.

IRU started work on a report looking at a 2030 vision for buses and coaches in the increasingly digitalised, accessible and connected mobility chain.

A new programme to define the taxi of the future was also launched in 2016, aiming to define a joint vision on the role and place of taxis in the future mobility chain. Global trends such as electrification, urbanisation and digitalisation are already significantly impacting the taxi industry.

IRU, together with leading representatives from national authorities, transport associations and industry from Belarus, Belgium, Germany, Latvia, Moldova, Russia and Ukraine shared best practice on simplifying international bus and coach travel in 2016, and outlined actions required to strengthen market access, professional competencies and fleet renewal.





Making a Smart Move

IRU's global Smart Move campaign promotes sustainable mobility by bus and coach, aiming to double bus and coach passenger numbers by 2030. In 2016, a new public-private high-level expert group in East Africa was established, with a kick off meeting in Nairobi, Kenya. Jointly initiated by UN-Habitat and IRU, the group will identify how bus, coach and taxi transport can better contribute to sustainable mobility, identifying local solutions to address unique challenges in the region.

The expert group for the Commonwealth of Independent States (CIS), based in Moscow, and with more than 30 industry experts from nine countries, reviewed the CIS Convention on International Road Transport of Passengers and Baggage, presenting recommendations to the CIS Commission on Economic Affairs of the Economic Council. The review was positively received and used to update the convention.

The expert group for India published a report on public transport and is working on several additional

reports, including one on achieving sustainable electro-mobility as a way to reduce carbon emissions from bus and taxi transport in the country.

IRU also co-organised a two-day industry seminar on technology and future trends in bus and coach transport at the Busworld India exhibition in Bangalore in November.

Silk Road steps

Following China's accession to the TIR Convention, IRU held a series of meetings and workshops with leading Chinese customs, trade and economic planning agencies throughout 2016. These highlighted TIR as a major contributor to boosting trade and economic prosperity within the One Belt One Road initiative by making border crossings faster, more secure and efficient, and reducing transport costs.

IRU demonstrated the efficiency and security of using TIR for intermodal transport to Chinese logistics operators from the railway and shipping sectors and manufacturers conducting cross-border trade, at the Intermodal Asia trade fair in

Shanghai. We also took part in the Silk Road Forum in Warsaw, Poland, with Chinese President Xi Jinping and Polish President Andrzej Duda.

On-line and off


IRU organised, co-organised, or participated in more than 150 external events in all corners of the world in 2016, from seminars and briefings to trade fairs and high level debates.

IRU's own statutory bodies, the commissions, committees and councils that meet regularly to deal with a wide range of transport issues, also met more than 50 times in 2016.

However the IRU network was most significantly boosted in 2016 by new on-line tools. A new external website was launched in April, simplifying IRU's face to the outside world and available in six languages. New web-based tools for members and partners were also launched in 2016, including an on-line forum for IRU's commission on customs affairs. ■



IRU helped
organise more
than 150 events
in 2016.



IRU launched a new streamlined and simplified TIR system in July.

Services

Delivery on the ground

IRU managed and developed new innovative services in 2016 to help move people and goods.

TIR streamlined and ready for the future

After conducting a year-long strategic review with IRU members, customs authorities and other stakeholders, IRU launched a new streamlined and simplified TIR system in July. This increased the system's competitiveness in the market, boosted its readiness for full digitalisation, and continued long term efforts to reduce fraud and the risk that customs duties are not correctly received by relevant authorities.

The number of TIR carnet types was reduced from five to two to simplify and optimise processes and to improve the efficiency of stock handling with a major reduction of risks. The TIR guarantee level was increased, allowing coverage up to EUR 100,000 per carnet.

Seven countries – Armenia, Azerbaijan, Bosnia and Herzegovina, Iran, Kyrgyzstan, Serbia and Ukraine – have amended their national TIR guarantee agreements accordingly. Respective changes to EU legislation are expected soon, which will allow 28 more countries to benefit from the improved guarantee coverage.

Carnet and insurance costs have also been reduced, offering further cost-savings for the IRU members who issue carnets and operate the system in their countries.

TIR tools and services

Other TIR tools and services are being upgraded to improve the competitiveness of the TIR system and the service provided to associations and transport operators, as well as to get ready for the day when fully paperless TIR arrives globally.

AskTIRweb is the online tool for transport associations to manage the lifecycle of their TIR carnets, from the point when they are initially ordered, up to the final stage when the used carnets are returned to IRU.

In 2016, the number of TIR issuing associations fully using AskTIRweb rose by a quarter, with an 86% increase in those using the service partially for claims or reports, and the total number of carnets issued with the service more than doubling.

IRU's TIR Electronic Pre-Declaration (TIR-EPD) application, available in 18 languages in 32 countries,

has helped pave the way towards a fully digital paperless TIR. Allowing operators to send advance information on goods being transported under the TIR system to all customs authorities along the journey, usage of the service grew by 34% in 2016.

A trade facilitation solution based on the TIR-EPD service was implemented in Kazakhstan in 2016, and two TIR-EPD filling and support centres, in Tajikistan and Kyrgyzstan, started supporting international TIR operators.

Green lanes

TIR-EPD can be successfully coupled with existing infrastructure at borders to optimise traffic and speed up border crossings with IRU's Green Lane initiative. This also allows customs authorities to more efficiently allocate their resources.

Following the success of the first green lane in Turkey, two new additional green lanes were set up at border crossing points in 2016. In Aktau, Kazakhstan, average transit time fell from over four hours to 45 minutes.



Next generation TIR

For over a decade, IRU has been developing a fully digital process, eTIR, which will soon make true global paperless freight transit a reality. New technologies and wireless communication mean that even remote border posts can easily manage fully digital TIR carnets. This increases transit speed and efficiency, brings greater security through better targeting of risk, and ultimately helps increase trade, economic growth and development.

A series of eTIR trials were successfully conducted between Iran and Turkey in 2016. The pilot tests were organised by IRU, the UNECE, the customs authorities of Iran and Turkey, and IRU members ICCIMA and TOBB. Transport operators in both countries also helped make the pilots happen with real shipments.

Additional countries discussed further eTIR trials on various road and intermodal trade corridors with IRU, including Kazakhstan, Moldova and Ukraine.

Electronic consignment notes take flight

In July, IRU launched a partnership with TransFollow, a Dutch company initially created by IRU members EVO and TLN. The joint initiative, in cooperation with other industry leaders, will develop new communities, services and standards to drive paperless freight in Europe and beyond.

The partnership is centred on the electronic consignment note (e-CMR) protocol of the UN's CMR Convention on transporting cargo by road, a protocol that IRU advocated for in the 2000s. TransFollow is now one of several providers of e-CMR based services in Europe.

In practical terms, the service fully digitises consignment notes, the legal documents required to effect a shipment, including proof of delivery at the goods' destination. This lowers costs, simplifies operations, improves security, and helps reduce carbon emissions for road transport, logistics and supply chain operators.

Eleven countries had signed the protocol by the end of 2016 and IRU continues to hold talks with additional governments in order to expand the standard and the number of operators using e-CMR-based services.

Route planning standards

A new partnership between IRU and PTV Group, a German maker of transport and traffic software and services, was launched in May. Services were launched throughout the year, in the Czech Republic, Poland, Romania and Spain.

The partnership aims to provide localised state-of-the-art route planning software for freight operators, and to develop, over time, a common global standard for route planning for transport and supply chain operators and their clients in all countries.



Drivers on the move

IRU's TRANSPark app helps commercial drivers and road transport fleet managers easily find and add secure and comfortable parking areas in over 60 countries worldwide.

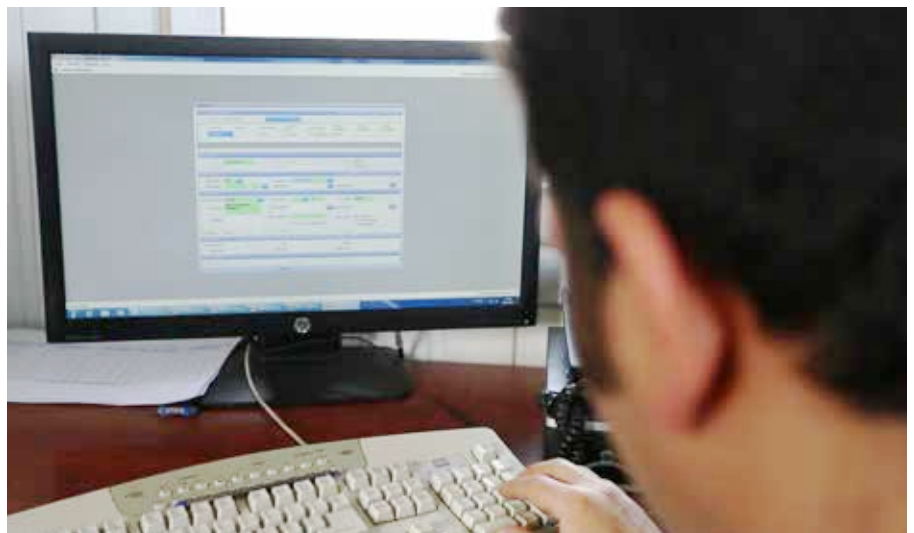
In 2016, TRANSPark was launched along the North–South corridor in Southern Africa. As a result, drivers have been able to plan their routes and rest stops in floodlit, guarded areas from South Africa to Tanzania, via Botswana, Democratic Republic of Congo, Mozambique, Zambia and Zimbabwe.

With truck stops of varying quality, separated by vast distances, and with security a challenge in many areas, knowing where to find a secure parking area is as important in Africa as it is anywhere in the world.

The app was also upgraded in 2016 to provide even more services to drivers and managers in Africa. IRU added new key data, such as border posts, police checkpoints, weighbridges, and roadside wellness clinics. This information will help drivers better plan their routes and will enable them to access key health services.

In most of sub-Saharan Africa, at least 95% of the surface movement of goods is undertaken by road. IRU is working with key regional players to develop standards for truck stops, to accredit truck stops that meet certain security and comfort standards, and to add them to TRANSPark. ■

The first trials of TIR's fully paperless digital transit service were successfully run between Iran and Turkey.



Recognising excellence

IRU recognised the outstanding achievements of drivers, managers, innovators and companies in road transport.



IRU Diploma of Honour

Over 1,150 bus, coach and truck drivers from 25 countries were awarded IRU's Diploma of Honour in 2016 for their excellent driving and safety records. Each award winner represents the high level of professionalism and training that IRU promotes through the IRU Academy and provide an example to younger drivers beginning their careers.

This year's winners come from Argentina, Austria, Belarus, Belgium, Czech Republic, Denmark,

Estonia, Finland, France, Germany, Hungary, Kazakhstan, Latvia, Lithuania, Luxembourg, Macedonia, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Spain, Turkey and Ukraine.

IRU Top Road Transport Managers

IRU awarded 69 individuals from 15 countries for their managerial achievements and professional experience in promoting safe, secure, environmentally-friendly and efficient road transport. The Top Road Transport Manager award celebrates the success stories of exemplary managers who deserve international recognition for their high level of know-how and work to raise the profile and strengthen the efficiency of the road transport industry.

Transport Worker of the Commonwealth of Independent States medal

Dmitry Cheltsov, who leads IRU's work in Eurasia, has been awarded this distinguished international medal by seven Commonwealth of Independent States (CIS) countries. They presented it to him in recognition of his work at IRU, to strengthen and expand cooperation in transport across

the CIS member states and for championing the role of transport in the economy and society.

President of Kazakhstan awards IRU member

Medals for "25 Years of Independence of the Republic of Kazakhstan" have been awarded to IRU member, the Union of International Road Carriers of the Republic of Kazakhstan, for their contributions to the creation and development of road transport in Kazakhstan and beyond, and its pivotal role in economic development.

Best Eurasian Transport Awards

Companies from four countries received this award in 2016, which celebrates excellence in environmental protection, corporate social responsibility and economic development. IRU awarded Region-Trans from Russia, LGS GLOBAL SERVIS from Kazakhstan, Rapid Kyiv Production Company from Ukraine and Belsotra from Belarus. The jury also awarded a special certificate for high ecological standards to Belarusian operator Big-Trail that operates a fleet of 25 Euro-6 standard vehicles. ■



Financial overview

Income and expenditure account for the financial year ended 31 December in CHF	2016	2015
Total net operating revenue	56,040,745	59,256,102
Direct operating expenses	-15,972,342	-23,312,467
Salaries, social charges and other staff expenses	-24,812,148	-24,823,749
Other operating expenses	-18,401,914	-15,806,393
SURPLUS / (DEFICIT) FROM OPERATING ACTIVITIES	-3,145,658	-4,686,507
Surplus / (deficit) from financial activities	1,559,578	2,592,075
Surplus / (deficit) from non-operating activities	278,311	27,702,663
NET SURPLUS BEFORE ALLOCATION	-1,307,768	25,608,231
Allocation to Expansion fund	-	-22,600,000
NET DEFICIT AFTER ALLOCATION	-1,307,768	3,008,231
Balance sheet as at 31 December	2016	2015
Cash, short-term investments and term deposits	358,076,120	349,693,218
Short-term financial assets	8,247,918	16,166,449
Receivables and inventories	32,957,317	44,898,952
TOTAL CURRENT ASSETS	399,281,355	410,758,619
Long-term financial assets	78,405,021	72,381,270
Property, plant and equipment	2,596,206	2,810,027
TOTAL NON-CURRENT ASSETS	81,001,227	75,191,297
TOTAL ASSETS	480,282,582	485,949,916
Short-term liabilities	64,752,424	37,607,478
Provisions for unrealised losses on investments	31,395,305	32,867,623
Provision for risk and charges	366,228,018	392,828,018
TOTAL LIABILITIES	462,375,746	463,303,119
Unrestricted funds	46,797	-2,961,434
Restricted funds – Expansion fund	19,167,807	22,600,000
Net surplus (deficit) of the year	-1,307,768	3,008,231
TOTAL FUNDS	17,906,836	22,646,797
TOTAL FUNDS & LIABILITIES	480,282,582	485,949,916

Despite business and organisational challenges, IRU's investments in global expansion and innovation in 2016 set the strategic foundation for long-term success.

Geopolitical instability and trade issues affecting TIR carnet issuance, along with strong competition from new market entrants, heavily affected road transport operators and led to a challenging year for IRU in terms of operational and financial results.

To continue successfully managing TIR, improving operational efficiency and risk management, a range of new measures, under the banner of the TIR Strategic Review, were successfully launched in July. This has produced a simpler service to end users and a significant reduction in costs for the industry over the second half of the year.

Despite continuing efforts to reduce operating costs and a positive return from careful management of IRU's financial portfolio in 2016, we nonetheless saw a decline in TIR carnets and other extraordinary items which resulted in a deficit of CHF 1.3 million.

These efforts, as well as a voluntary contribution from the IRU Foundation for Road Transport, allowed key investments in expansion and innovation to be preserved, setting the basis for IRU's long-term stability and efforts to better serve IRU members as well as the global road transport industry and its stakeholders.

Usage of the Expansion Fund created in 2015 totalled CHF 3.4 million, taking the fund's value from CHF 22.6 million in 2015 to CHF 19.2 million in 2016. This was slightly less than expected due to reduced TIR issuance, but still enabled an important contribution to TIR issuing associations and holders.

IRU's asset base is essential to manage the TIR system, in particular the financial guarantees for unpaid customs taxes and duties on TIR shipments and the insurance scheme that underwrites these guarantees. ■

Launched in July, the revised TIR system significantly reduced costs for the industry.



Umberto de Pretto
IRU Secretary General

Fast forward

IRU is ready for the future.

Global mobility is a complex web of operators and regulators; brokers, agents and forwarders; users and suppliers; very old and very new technologies; and differing modes, standards, agendas and interests.

Agreed by all however is the huge benefit that safe, sustainable, efficient, accessible and fair transport brings to economies and communities, from the smallest village to the biggest city.

Roads have been vital to mobility for thousands of years. Road transport is the connecting mode, the link between other modes, the first mile, and the last mile. Even with the complex global web of mobility evolving rapidly before our eyes, this pivotal role is not going to change any time soon.

IRU's mission to represent and lead commercial transport services on our roads, helping people and goods to move better across a town or across the planet, has never been more important. And after much hard work over the last few years, we are in good shape to face the future.

Our drive to be more global, in particular expanding membership, our Academy's training network, advocacy and services such as the TIR system to more countries, has already started to take off.

Our drive to broker new standards and develop innovative services for transport operators and users is well underway.

And our efforts over the last few years to modernise IRU's organisation, making it more efficient, responsive, transparent, sustainable and effective, is now beginning to bear fruit.

Mobility is more important than ever before and IRU's voice and leadership for road transport in a rapidly changing world is especially vital.

On behalf of the entire IRU family – our members, staff and partners – I look forward to working with you on the exciting journey ahead. ■

IRU's voice and leadership for road transport in a rapidly changing world is vital.



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